

Seven Trends

In an Evolving Industry

The International Association of Congress Centres (AIPC) takes a global perspective on how industry trends are evolving

Monitoring and responding to new trends is an important element of any business plan – but in a rapidly changing area like the Meetings Industry, it's absolutely essential.

The industry has been rocked by a series of global impacts over the past few years, ranging from international economic and security concerns to continuing increases in the number of convention facilities in many parts of the world, says AIPC president, Barbara Maple. "Together, these factors have shaped many of the ways in which centres operate and interact with their clients".

A recent review of key issues amongst a select group of members has provided a list of how industry conditions are changing, particularly in terms of the demands and requirements of association planners. Some of the major effects include:

1. A restructuring of the meeting planning function within many organisations:

The pressures of the past few years have been reflected in how many corporations and associations handle the meetings function, with a wide variety of different strategies being adopted. Many organisations and corporations downsized, outsourced or restructured the meeting planner function in response to a weaker economy and the need to streamline how this function was handled. In some cases, this has led to the use of third-party meeting planners or association management companies; in others, it resulted in major changes in the internal staff that dealt with this area.

Still other organisations responded by performing

more contracted functions themselves. "We see a trend that more and more associations are willing to invest or allocate permanent in-house resources to plan and organise their major conferences", says Cliff Wallace, Managing Director, Hong Kong Convention & Exhibition Centre. "A PCO may be deployed but often it is at a later stage. More often, organisers will appoint a PCO for specific parts of the pre-event planning or on-site cooperation, instead of engaging the PCO to provide the full range of services".

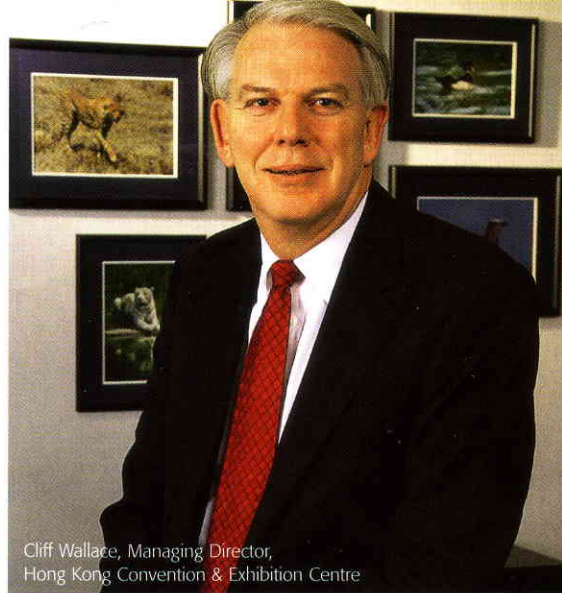
All these shifts are having significant effects on traditional relationships as well as on marketing, client liaison and even the ways in which bidding for a particular event is carried out.

2. Planners are becoming more professional: Wherever the planning function is being performed, it is becoming increasingly professional, say many centres.

"International headquarters seem now not always content to leave all aspects of their meetings to the respective host national committees, and sharing in financial outcomes, providing more direction in the bidding process and having greater involvement in event operation quality control are all becoming more and more evident", said Geoff Donaghy, Managing Director, Cairns Convention Centre.

Isabel Bardinet, Executive Director of Sales and Development at the Palais des Congrès de Paris agrees. "Demands and requirements of association planners are continuing to evolve. In the past, many were volunteers; this has completely changed, and now most are full time professionals who know what they want, how they want it and how much they are prepared to pay for it."





Cliff Wallace, Managing Director,
Hong Kong Convention & Exhibition Centre

3. The creation of a “buyer’s market”: With an increasing number of facilities competing for a limited business base, competition amongst centres has become more intense and clients have more flexibility in terms of how they book. “The competition between many regional and national convention centres in Europe over the last four years led into the wrong direction, with centres being sold under the real price and many receiving subsidies from the local or regional government”, says Edgar Hirt, Head of ICM – Internationales Congress Centre München. “This is now happening within the new EU-countries as well”.

This increased competition has resulted in a greater use of incentives in some areas and higher expectations for facility operational standards. At the same time, there has been a shortening of decision periods, with many clients wanting to maintain their flexibility by avoiding contracting as long as possible.

“With increasing availability of conference venues in the world, organisers are spoilt with choices; shorter lead times and late bookings are a result of this and will continue to be the trend”, says Cliff Wallace.

4. Increasing security concerns: Many clients have elevated security issues to one of their top priorities and now expect that security measures will be one of the key areas a centre must demonstrate.

“Security and political stability have big issues for many organisations who must not only address the security implications of their events on their own but work with centres and other suppliers in seeing that these are implemented”, says Barbara Maple.

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There are also legal and regulatory issues that arise from this new concern about global security. “In light of the significant world events that happened in the past few years, association conference organisers scrutinize force majeure and cancellation clauses in their contracts even more than before”, says Cliff Wallace. “At the same time, some destinations have imposed stricter visa requirements in recent years which created even more challenges for organisers”.

5. Changing facility requirements: A move to greater cost-effectiveness, originally stimulated by a soft economy, has become an ongoing client concern. At the same time, an increasing emphasis on the business aspect of an event has changed space requirements in many respects. Together, these have altered client demands in areas ranging from the need for larger numbers of break-out rooms to increased expectations for value-added benefits such as new communications and presentation technology.

Technology expectations are an issue in themselves. “Audio visual requirements are getting more sophisticated all the time, as multi-media equipment becomes more advanced and more affordable”, says Wallace. “Venues are expected to deal with and fulfill complex telecommunication and presentation requirements, and since it is uneconomical for a venue to upkeep an inventory of the latest equipment at all time, it is essential for venues to have a close working relationship with reliable and professional AV suppliers”.

6. New quality standards expectations: With an ever-increasing array of facilities to choose from, congress centre clients are able to be very demanding about the level of facilities and services they are prepared to accept. This, in turn, has led to a new emphasis on quality standards by the centres themselves and a focus on this aspect of their operations in how they market their products. Quality standards are rapidly becoming a way for centres to distinguish themselves in the market and make a more appealing case to a client.

“Quality standards are simply a way of documenting the kind of facilities and services a centre offers in a way that is more easily understandable by clients”, says Barbara Maple. “At the same time, it gives centres a target to aim for as they adjust their product to changing market demands”.

7. New focus on the delegate experience: With the travel experience not as attractive as it was in the pre-9/11 era, delegates are increasingly demanding of getting value from the events they attend, not just in terms of educational content but the added benefits of a positive social and destination experience. At the same time, many associations are more dependent than ever on a good delegate turnout to generate revenue for the organisation. These have combined to make both clients and centres more concerned than ever about the need to create a positive and satisfying delegate experience.

One of the effects of this trend is to open up opportunities for lesser-known facilities that can offer a unique kind of experience. Many planners seem increasingly interested in looking at smaller and newer centres than previously, particularly if this can help them address their other objectives such as value and cost-effectiveness.

“While many of these factors had their beginnings in the conditions brought on by several years of global turmoil and a weak economy, they have taken on a life of their own and may be expected to continue in the years ahead”, says AIPC’s Maple.

In any event, change is the new reality, according to many AIPC member centres, and must be addressed as an ongoing part of business. Says Geoff Donaghy, “We live in an environment of rapid change and global evolution and neither convention centres nor the meetings industry itself is immune from this”. ■