

Convention Centres Play a Critical Role in Economic Recovery



By Edgar Hirt*

Like most other kinds of business operations, convention centres are heading into what promises to be a very challenging year. Just how challenging will depend on the mix of business that any particular centre has.

Corporate meetings and events are generally the first to react to a business downturn because they are impacted most quickly and typically have shorter booking periods; here, the major question will be whether they are one of the many sectors most directly impacted by the current state of the economy.

Associations seldom cancel their conventions, because they are such a fundamental part of their raison d'être and a big factor in their annual budgets. However, there may still be declines in attendance and associated spending, which obviously has important revenue implications to the host centre.

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But this isn't just about how well a centre is doing, because the level of activity in a centre is also an important factor in gauging how the overall economy is progressing. Convention centres are economic drivers, and the kinds of events they accommodate are key factors in

everything from business growth and investment to training, technology and professional development. **When the centre is busy, it's a sign that things are moving ahead** in these important areas. When they're not, it means that the kinds of activities needed to stimulate growth and development are simply not happening.

Meetings, conventions and exhibitions are how the world shares information and builds business relationships face-to-face. As a result, the level of activity in this sector is both an indicator and a facilitator of economic growth. In times like now, when the world needs all the

economic stimulation it can get, we all need to think more creatively about **how we can encourage even more of these kinds of events.**

In fact, meetings are a big part of how the current crisis is going to get resolved. **People need to get together**, not just

from the big institutions, but also those representing individual business areas as well, in order to develop strategies for reconstructing their business models. They need **to restore confidence and comfort levels in the market**, and history has shown that this is best done face-to-face. As a result, anything we can do to promote and encourage these kinds of activities not only helps the industry but supports overall economic recovery as well.

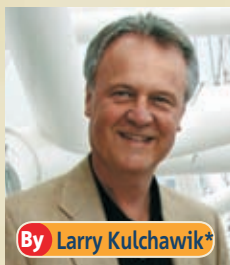
And what can we do? For a start, we can make it easier to develop, manage and promote these meetings. As centres, **we need to be working harder than ever to remove any obstacles to staging events in our facilities**, recognizing the kinds of pressures our clients are now under, and encouraging our suppliers to do the same.

But it's not just about our industry. Every sector should be revisiting the role that meetings can and should be playing in restoring business activity and confidence, and looking for new ways to shape these events so that they generate the greatest possible benefits. Formats that worked under past conditions may not be the best today, and **flexibility in thinking and designing** new approaches are called for.

Finally, there is a role for individual business people and professionals to play in both encouraging more diversified events and in helping attract them to their own city or region. This traditional "ambassador" role not only encourages more productive meeting activity overall, but can help individual destinations build their profile as a meetings location. In the end, everyone benefits because **a successful event is one that will stimulate new economic activity** at a time when this is most needed.

Just as the "canary in a cage" was a symbol for environmental quality, so the level of activity taking place in convention centres is a key measure of business activity and, ultimately, economic recovery. More than ever, facilities, clients and suppliers all need to be working together to ramp up this kind of activity as a way to help grease the wheels of the economy.

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By Larry Kulchawik*

Face - to - Face Communication Must Go On

The negative impact of our weakening economy within the convention, hotel and restaurant business is an undisputed fact. However, I feel we need to expound on the true value and purpose of tradeshow and meetings. We hear enough gloom and doom examples of how the

economy is affecting all industries throughout the world, but not enough about how companies and industries are fighting back to protect their nest eggs.

In the case of the exposition industry, the top three convention cities in the United States are Las Vegas, Orlando and Chicago. They are the top three because they each have worked hard to attract show organizers to choose them over others. They each invested in effective infrastructures to accommodate flights, number of hotel beds, restaurants, and convention facility space to accommodate two to five different conventions at the same time.

Casinos, Mickey Mouse, and a lakefront view are emotional attractions, but the truth is that the average attendee to a convention spends 80 percent of their time doing what they went there for / face to face communication, see new products and services, attend seminars, and network like hell!

The remaining 20 percent of their time is spent eating (and most likely a work-related meal), sleeping, or enjoying the city. We tend to focus on this 20 percent and not on the 80 percent

that serves to feed our economy by selling products and services face to face. Unfortunately, perception is reality when it comes to the 20 percent we enjoy and talk about, so budgets will continue to be cut for fear that meetings are viewed as entertainment junkets. Our economy will not grow by sitting on our hands and calling a time out. Face - to - face communication must go on to push the economy forward.

The average attendee goes to a convention for three reasons - educational seminars (many times required by their industry), networking, and then the actual tradeshow. Of all the marketing tactics that companies choose to use, only direct sales and tradeshow marketing allow for face - to - face communication.

This is not to say that the other marketing tactics (B-B marketing, Radio/TV, Internet, Direct mail, Newspapers/Magazines) are not effective, but the decision to buy is influenced the greatest by face to face communication. At this point, emotion plays a role in the decision to buy. Tradeshow create the opportunity for valuable face time that then pushes business to happen. The average salesperson will see more prospects in three days than they would in six months through other means of face time communication.

Let's keep our eyeballs looking at other eyeballs. The economy will then improve quicker than limiting communication to e-mail, phone calls and texting.

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