

Keeping America Meeting

President and CEO of San Diego Convention Center Corporation, **Carol Wallace**, explains that challenges bring opportunities in America's meetings industry



**EXCELLENCE IN
CONVENTION CENTRE
MANAGEMENT**

It is common wisdom that with challenges come opportunities. Too often we cannot look beyond the short-term crisis to implement a long-term strategic plan, losing an opportunity to emerge stronger and poised for greater success. However, at both the national level and in San Diego, the current economic challenges have been met with a strategic response to strengthen our long-term strength.

There is no doubt that the convention and meeting industry in the United States, and across the globe, is experiencing a painful downturn as the impact of the global financial crisis has taken hold.

Industry experts in the US predict attendance to drop by at least 10 per cent in 2009 as companies cut budgets for travel and exhibits. The drop is particularly noticeable in corporate events where the impact of the economic slump has been compounded by a presidential rebuke that sent a wave of meeting cancellations from Las Vegas to destinations across the country.

In February, President Obama used the iconic destination of Las Vegas to tell companies receiving federal assistance "You can't take a trip to Las Vegas or go down to the Super Bowl on the taxpayers' dime." For the convention destination commonly known for its marketing line: 'What happens in Vegas, stays in Vegas', the message was clear and immediate. Within weeks, four corporate conventions cancelled and the impact began to be felt across the industry.

In a matter of days, the US meetings

industry, in partnership with the US Travel Association, seized on the opportunity to launch a grassroots effort known as Keep America Meeting (keepamericameeting.org) to both counter the negative perceptions of the meetings and travel industry and push a larger legislative initiative. In the US, business meetings and events generate over a USD \$100 billion in annual spending and support more than a million jobs.

In a quick victory, President Obama met with industry leaders in March where the

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group talked about the value of the meetings industry and urged the President to support the Travel Promotions Act that would establish a promotional marketing campaign to draw international visitors into the US.

12 per cent of all visitors attending events in the San Diego Convention Center in 2007 were residents of other countries and our strong focus on medical meetings consistently draws visitors from Europe, Asia, Canada and Mexico. California, home to a strong convention and meeting industry, has also felt the impact.

A recent survey of top California convention cities (Anaheim, Los Angeles, San Francisco and San Diego) reported dozens of cancellations representing nearly \$100 million in direct spending.

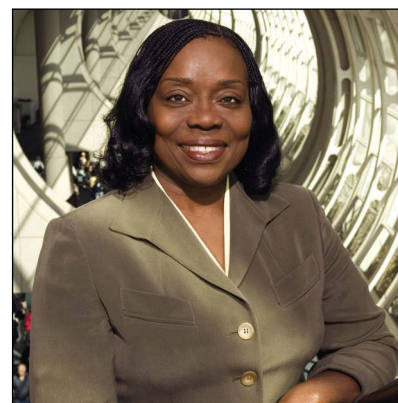
Our facility has fared well with only two corporate cancellations this year, no doubt a

direct result of our strong focus on association business which is more resilient. However, revenues from ancillary services have come in under target as a result of lower attendance and a desire by exhibitors to reduce costs.

For the San Diego Convention Centre Corporation, our focus is on a future expansion of the bayside facility. In 2001, just days after the attacks of 9/11, we opened an expansion of the San Diego Convention Centre which doubled the size of the original building. Within two years, the expanded facility was operating above practical maximum occupancy levels where it has remained ever since.

In January, San Diego Mayor Jerry Sanders, citing the strong performance of the current facility over the past 20 years, appointed a task force of community leaders to explore the market demand and feasibility for another expansion.

The global economic slowdown has reduced labour and construction costs and the jobs created by a large expansion project can help lead San Diego out of the current challenging times while positioning it to capture a larger piece of the meetings market when the rebound comes



Carol Wallace