

Industry view



This column is contributed by the International Association of Congress Centres (AIPC). AIPC is an international association of more than 160 of the world's leading convention and exhibition centres. It is based in Brussels. www.aipc.org

Undaunted by Mr President

With the national convention industry reeling from US president Obama's equation of Las Vegas with corporate excess, San Diego Convention Center Corporation president and CEO, **Carol Wallace**, shares lessons on how to leverage tough times for future success



The convention and meeting industry in the US, and across the globe, is experiencing a painful downturn. Industry experts in the US predict attendance to drop by at least 10 per cent in 2009 as companies cut budgets for travel and exhibitions. 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 that "you can't take a trip to Las Vegas or go down to the Super Bowl on the taxpayers' dime". 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 (www.keepamericameeting.org) to counter the negative perceptions of the meeting and travel industry and push a larger legislative initiative. In the US, business meetings and events generate more than US\$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 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.

While a recent survey of top California convention cities (Anaheim, Los Angeles, San Francisco and San Diego) reported dozens of cancellations representing nearly US\$100 million in direct spending, San Diego Convention Center (SDCC) has fared well with only two corporate cancellations this year, a direct result of a strong focus on association business which is more resilient. However, revenues from f&b and ancillary services have come in under budget as a result of lower attendance and a desire by exhibitors to reduce costs.

For the San Diego Convention Center Corporation, which operates SDCC, our focus is on a future expansion of the bayside facility. In 2001, just days after the attacks of 9/11, we opened an extension of SDCC which doubled the size of the original building. After just two years, the expanded facility was operating above practical maximum occupancy levels. In January, San Diego mayor, Mr Jerry Sanders, appointed a task force of community leaders to explore market demand for another expansion and its feasibility.

An upside of the global slowdown is reduced labour and construction cost. The jobs created by a large expansion project can help lead San Diego out of the downturn while positioning it to capture a larger piece of the meetings market when the rebound comes. ■