

2011 AIPC member survey



Summary conclusions

The results of the second comprehensive AIPC member outlook survey document changes and progress during a period of uncertain economic recovery.

Essentially, the survey results show some modest gains in business activity and confidence levels but no overall robust recovery as had been hoped for. At the same time, the findings demonstrate significant regional variations that correspond to different levels of economic performance in various parts of the world.

The survey, carried out in conjunction with Red7 Communications, was designed to assist the International Association of Congress Centres (AIPC) members with getting the kind of information they need to benchmark their performance and

plan future strategies. With a 70% response rate from 170 of the association's member centres representing 53 countries around the world, the survey provides a highly reliable and geographically comprehensive picture of global convention centre conditions.

Some of the key findings include:

The majority of centres in Europe and North America reported only modest revenue growth (2% to 3%) in 2010, although Australia and Asia indicated stronger growth during this same period (9.3% and 21.6% respectively). As a result, Asian centres have much more optimistic

expectations of future business revenues and price increases than other regions.

Associations remained the strongest business sector in most areas, with some increases in corporate business corresponding to the strength of the recovery in various areas.

Centres noted a number of changing business practices that had resulted from the recession. These included more negotiations, shorter booking times and slower overall business growth than in previous recoveries. Respondents also noted an increasing expectation for discounts and incentives, although this was much stronger in North America and Australia than among European centres.

New construction and planning has slowed somewhat, with a shift towards renovation/refurbishment of existing facilities. However, the growth in supply has still been greater than any increase in convention and exhibition business, which suggests that the intensity of competition will continue. The most new building and expansion activity was reported by Australia, which corresponds to another finding that centres in Europe and North America see their respective governments as less inclined to invest in new facilities than previously.

The areas of greatest increase in client demand/expectation reported by centres include:

- more and higher quality meeting rooms
- higher levels of technology, including AV and connectivity
- more variety and quality in food and beverage offerings.

Members felt that 'the jury is still out' on the effect that virtual meetings are having and will have in the future, with many centres seeing them as largely complementary to existing activities and others seeing them as competitive and likely to reduce facility business over the long term.

In general terms, centres identified three major challenges to future business growth: increasing competition from new facilities, an uncertain economic recovery and potential increases in transportation costs. However, there were again significant regional differences, with, for example, North American centres most concerned about transportation costs and Australian centres identifying growing competition as their top concerns.

Government policy changes were also identified as a potential threat in most areas, including decisions to reduce investment and/

or discourage meetings among their own staff. North American centres expressed a high level of concern with respect to the impact of government policies re: visas/access on event attendance.

Centres are spending more time interacting with local government and communities, particularly in terms of their key role in economic development, with over 70%

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reporting that they are putting more emphasis on community, government and business relations. The survey will be repeated next year in order to continue tracking the progress of business conditions and the effects they are having on centre performance and practices. 35



About the AIPC



The association represents a global network of 170 leading centres in 54 countries, with the active involvement of more than 750 management-level professionals. It is committed to encouraging and recognising excellence in convention centre management, based on the diverse experience and expertise of its international representation, and maintains a variety of educational, research, networking and standards programmes to achieve this.

The AIPC also celebrates and promotes the essential role of the international meetings industry in supporting economic, academic and professional development and enhancing global relations among highly diverse business and cultural interests.

AIPC members are purpose-built facilities, of which the primary purpose is to accommodate and service meetings, conventions, congresses and exhibitions. For further information please contact marianne.de.raay@aipc.org or visit www.aipc.org.



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