



## The Congress Industry: What have We Learned?

Many destinations these days are re-evaluating their plans and projections in the wake of a very turbulent period of economic and political turmoil. In particular, they are questioning the kinds of changes that have taken place in the market and how their particular product is affected by the new conditions and attitudes which have developed during this very demanding period.

The first step toward answering these questions is, of course, to identify the changes that have taken place in the industry. In that regard, a number of studies and reviews carried out over the past 18 months have tracked the meetings market and drawn some interesting conclusions with important implications for convention centres. Some of their conclusions are;

- Meetings and conventions have shown themselves to be very resilient – much more so than other forms of travel. The fundamental importance of meetings has been demonstrated, and in many areas this sector is leading the resurgence in travel activity.
- Destinations that are perceived as safe and stable have benefited, particularly for international events. At the same time, there is increasing attention being paid to security measures in most locations.
- Short-haul events have been less affected than those requiring long haul air travel. Areas such as Europe, with a large internal market and multiple transportation options, have experienced the least impact. Looking to the future, airline issues remain one of the areas of greatest concern with corporate failures, increased fares and reduced service still potential problems in many areas.
- Economic factors and corporate cutbacks have created changes in how meetings are handled, with many more meetings now organized by contracted meeting planners instead of in-house staff. Many feel this has resulted in an impersonal approach to decision making, based more on factors such as pricing.
- Growth in convention centre capacity combined with a lack of growth in overall event business has created a “buyer’s market” in many areas. Cost-effectiveness is a more important factor than ever, and planners are more prepared to explore alternative meeting locations when there are financial incentives to do so.
- There has been a significant increase in the use of communications technology, particularly in the areas of presentation technology and remote meetings technology like web casting and video conferencing.

What do these trends suggest for a meetings destination such as Spain? Here are a few things that suggest themselves.

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First, it is clear that convention business can add a valuable element of stability to the overall travel industry of a country like Spain. The need and desire to meet can even out many of the variations in travel patterns, helping maintain visits even when economic or political factors dissuade other forms of travel. This is an important factor to consider when deciding where to invest tourism marketing and infrastructure funding.

Secondly a position close to all major European countries is a great advantage, particularly when combined with a variety of forms of transportation and access. There is such a strong “internal market” in Europe that it can withstand significant business impacts better than destinations that depend on long haul travel for its delegates. With continuing problems in the airline industry, this situation is likely to continue for some time.

A reputation for safety and security is also a real benefit these days. All things being equal, international events are much more likely to select a “safe” destination if only because they are more likely to get a better turnout in such a location. Even if we in the industry are more comfortable traveling now, that isn’t necessarily the case with the general public who in most cases are the source of delegates for meetings and congresses.

And finally, price-pressures and a more cost-driven market open up new opportunities for facilities which offer a unique and less costly event experience. If congress centres can demonstrate cost-effectiveness, they are more likely to get new business than in a “seller’s market” where there is less regard for cost.

**These are all factors worth considering when planning future tactics for the congress industry. But, as always, the market is most interested in service quality, seamless service and an attractive, accommodating destination. The facilities that benefit the most from new developments will be those that understand the need to combine a response to new trends with the traditional values of service, dependability and quality facilities.**

AIPC’s Vice President Juan Garaiurrebaso sees the recent growth in the number of congress centres in Spain as the most important single factor in the industry. On the one hand, he observes, these have the very latest in fittings and technology, which makes them highly attractive to clients. At the same time, however, it means that there is heavy competition for the available business. He suggests this offers two opportunities;

The first is for Spain to become more of a focal point for the international congress market in Europe. This approach would broaden the overall business base by attracting more events from outside the country and diversifying the business opportunity. The second opportunity is for congress centres to focus more on service quality as a distinguishing feature. “When competition is intense, it is those facilities that offer the best service that are most likely to succeed,” he says.

One way of pursuing both of these opportunities is for congress facilities to become more involved with international organizations like AIPC, the International Association of Congress Centres. With its goal of

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promoting and recognizing excellence in congress centre management, AIPC offers both an international business perspective and an emphasis on the tools and techniques of service quality. Many Spanish congress centres are already members – but as competition increases and the ability to demonstrate a commitment to high management standards increases, we hope to see many more join with their colleagues from around the world.

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