



TONY ROGERS

Conferences and Conventions

A GLOBAL INDUSTRY

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Conferences and Conventions

A global industry

Tony Rogers

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OXFORD AMSTERDAM BOSTON LONDON NEW YORK PARIS
SAN DIEGO SAN FRANCISCO SINGAPORE SYDNEY TOKYO

Butterworth-Heinemann
An imprint of Elsevier
Linacre House, Jordan Hill, Oxford OX2 8DP
200 Wheeler Road, Burlington MA 01803

First published 2003

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British Library Cataloguing in Publication Data

A catalogue record for this book is available from the British Library

Library of Congress Cataloguing in Publication Data

A catalogue record for this book is available from the Library of Congress

ISBN 0 7506 5747 2

For information on all Butterworth-Heinemann publications visit our website at www.bh.com
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Composition by Genesis Typesetting, Rochester, Kent
Printed and bound in Great Britain

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Forewords

Mady Keup

Conferences are about communication, whether between executives of blue-chip companies, world experts in medical science, members of a political party or United Nations aid workers.

The list of users is diverse and international, as are their goals: to spread a message, to discuss new developments, to learn from stories of scientific breakthrough or to energize employees and other major stakeholders.

An industry has developed to facilitate the satisfaction of the objectives of face-to-face communication: the conference industry. Suppliers to the industry are as diverse as their clients: conference centres, hotels, specialist intermediaries, convention bureaux, caterers, production companies, and many others – all cooperate to create the right atmosphere and infrastructure, conducive to communication.

The industry is both global and localized: the need to communicate is universal and conference products and services are being developed around the world. At the same time, the strategic importance, and tourist appeal, of destinations play a significant role in the selection of where a conference is to be held. Competition is fierce, with a constant stream of new entrants on all levels, in both product offering and service delivery. Substitutes, such as teleconferencing or virtual conferences, may or may not pose a threat to the established industry over the years to come, as may the Internet, with its 24-hour information flow.

This book, therefore, makes for essential reading for anyone interested to learn more about the processes, business models and key success factors that characterize the conference industry. A must for present, or potential, practitioners!

Mady Keup
Chair of the British Association of Conference Destinations
Head of London Convention Bureau

Peter Mainprice

In its various forms, the conference and events industry must be one of the oldest in existence. Perhaps originating early on in human evolution when our language was rudimentary and skills relatively basic, meetings occurred and have continued throughout history.

Today our human communications are complex and truly global, and the means of communication are ever expanding. These advances mean that conferences can be a forum of a few people or an international event involving tens of thousands in different locations.

And thus conferences have evolved to incorporate the most modern technologies and the use of facilities built to impress, or just ensure people are comfortable. Conferences and events allow people to impart facts, exchange opinions and change behaviours, but perhaps most importantly, motivate people to learn, improve performance and enjoy themselves.

The principles of conferencing are indeed simple, but the implementation is complex and requires vision, efficiency, experience, energy and confidence. Anyone can organize a conference, but there is a direct and transparent link between its quality and the skills of the organizer.

Events large or small do not happen on their own, and professional organizers through to volunteers are involved in creating the environments and opportunities for people to get together at a local level or on a global scale.

This book offers an insight into this evolving industry, which is both complex and exciting. It will be an excellent reference for those starting out in the industry, and for those involved in leading or teaching others to create great events, and to meet the challenges of this most stimulating of professions.

Peter Mainprice

*Chairman of the Association of British Professional Conference Organisers
Managing Director, Index Communications Meeting Services*

Preface

This is my second book about the fascinating conference industry in which I have been privileged to work for the past 13 years. In that period there have been huge changes and developments in the way the industry is marketed, in the organization and presentation of meetings and conferences, in the competition for a share of the lucrative economic 'cake' that conferences and conventions represent, and in a multitude of other ways. Yet the essence remains the same: it is about bringing people together to communicate by sharing information and ideas, to motivate and inspire, to launch new products and disseminate the latest research, and to negotiate in order to reach a consensus on the different challenges facing our world.

I have attempted to describe the many facets of this global industry and to provide both an insight into how it is organized and a broader picture of an industry in its totality. It can be dipped into for discrete pieces of information on specific aspects of the industry, or read in its entirety by those wanting a better understanding of the parameters and characteristics of this true 21st-century industry. I hope very much that it will be of interest and practical use to students and lecturers, to those working in the industry as well as to those who may be looking to make a future career in the industry, to politicians (local and national), to journalists and consultants, and indeed to anyone seeking an overview of this dynamic, endearing, varied but still under-recognized sector of national and global economies.

The book would not have been possible without the unstinting help, advice and provision of data and material that I have received from literally hundreds of colleagues around the world. One of the delights of the conference industry, for me, is this very openness and willingness to share that I have experienced at every turn. To everyone who has helped in any way, I owe an

enormous debt of gratitude. I hope they will understand if I do not mention them individually. To do so would certainly take up several pages, but I am very afraid of missing someone out and unwittingly giving offence. Please be assured that my appreciation is heartfelt – I just hope that they each feel that the book justifies the efforts and contributions they have made.

Each chapter follows a similar pattern with an introduction, main theme, summary, review and discussion questions, and references. There is also a series of case studies after the main text giving more in-depth illustrations and elaboration of points made in particular chapters. The numbering of the case studies relates back to the chapter in which the point occurs, e.g. Case study 4.2 refers to text in Chapter 4. However, there are also several short case studies embedded in particular chapters.

In the text I have, for stylistic simplicity, used 'he' rather than '(s)he' where appropriate, but such uses should be interpreted as applying equally to both genders. Indeed, I should perhaps have used 'she' throughout, as women are represented very strongly at all levels of the industry, probably outnumbering men in many sectors.

Finally, I have used mainly UK spellings and terminology. I give below several common words/phrases for which different words/phrases are used in North America and in certain other countries:

<i>UK terms</i>	<i>North American equivalents</i>
Accommodation	Housing
Exhibition	Exposition
Professional conference/ congress organizer (PCO)	Destination management company (DMC)
Delegates	Attendees

Tony Rogers
October 2002

Case studies

- 1.1 Manchester
- 1.2 Pattaya Exhibition and Convention Hall, Pattaya, Thailand
- 1.3 Dubai
- 1.4 Creta Maris Hotel and Conference Centre, Hersonissos, Crete, Greece
- 2.1 Sydney's bids to host two major international congresses
- 2.2 International Federation of Library Associations and Institutions
- 3.1 Cape Town International Convention Centre (CTICC), South Africa
- 4.1 The Aberdeen and Grampian Convention Bureau
- 4.2 Tourism Vancouver
- 4.3 Vienna Convention Bureau
- 5.1 A PCO philosophy
- 5.2 Conference planning budget
- 6.1 The Majestic Hotel, Harrogate
- 6.2 The Westin Turnberry Resort, Ayrshire
- 6.3 The International Convention Centre, Birmingham
- 6.4 Cranfield Management Development Centre

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A global industry

Introduction

The conference industry is a young, dynamic industry, which is growing and maturing at a rapid rate. From origins in Europe and North America, it is now a truly international industry, witnessing huge investments across all continents. Its youthfulness, however, does mean that it lacks some of the necessary characteristics of more established industries, such as well-defined terminology, adequate market intelligence, appropriate education and training structures, and clear entry routes. Conferences are part of the business tourism (or business events) sector, a major though often undervalued sector of the wider tourism industry.

This chapter looks at:

- the origins of the conference industry
- the foundations of a proper industry
- the industry's recent globalization
- world rankings of leading cities and countries
- certain industry shortcomings
- industry parameters and definitions
- business tourism and leisure tourism
- the benefits of conference and business tourism.

The origins of the conference industry

American Presidents hosting the latest Middle East Summit at Camp David in Maryland, the Royal College of Nursing holding its annual conference in Bournemouth, members of the International Congress and Convention Association gathering for their assembly and congress in Copenhagen, shareholders of Microsoft or HSBC attending the company's annual general meeting, the sales force of GlaxoSmithKline coming together for a regular briefing or training event, or their high achievers jetting off for an incentive-cum-meeting trip to an exotic overseas destination.

The different events described above have one thing in common: they are all to do with bringing people together, face-to-face, to exchange ideas and information, to discuss and in some cases negotiate, to build friendships and closer business relationships, to encourage better performance by individuals and organizations. They are different facets of the same dynamic, international, economically vibrant conference industry. The terms used ('summit', 'meeting', 'conference', 'assembly', 'convention', 'congress', 'AGM', 'briefing', 'training', 'incentive') may vary, and the events themselves may have different formats and emphases, but the essential ingredients and objectives are the same.

Conferences are at the forefront of modern communications, whether this is for internal communications (sales meetings, training seminars, board retreats, major annual conferences, for example) or as a vehicle for communicating with key audiences (such as press briefings, product launches, annual general meetings, some technical conferences). 'Conferences' is a generic term to describe a diverse mix of communications events.

The phrase 'conference industry' is of very recent origins, and is certainly not one that would have been heard until the second half of the 20th century. Yet people's need to congregate and confer is one of the things that defines our humanity and, for a multitude of different reasons, meetings and gatherings of people have taken place since the early days of civilization. Shone (1998) traces the evolution of meetings since Roman times in Britain and Ireland, and the development of meeting rooms and meeting places to accommodate these, driven largely by the needs of trade and commerce.

One of the highest profile events in the past couple of hundred years, perhaps almost a launch event for our contemporary conference industry, was the Congress of Vienna held from September 1814 to June 1815. The Congress was called to re-establish the territorial divisions of Europe at the end of the Napoleonic Wars and representatives included all of the major world powers of the day (with the exception of Turkey). It is tempting to imagine what the 'delegate spend' must have been

like, with delegates such as Alexander I, Emperor of Russia, Prince Karl August von Hardenberg from Prussia, and Viscount Castlereagh and the Duke of Wellington as the principal British representatives. Each representative would have been accompanied by a substantial delegation of support staff and partners, requiring accommodation, social programmes, lavish corporate entertainment, ground handling, not to mention state-of-the-art conference facilities. The Vienna Convention Bureau no doubt celebrated long and hard its success in attracting such a high-profile, high-spend event to the city!

As the 19th century progressed, universities increasingly provided facilities for the dissemination of information within academic circles, while the boom in spa towns and, in the UK, Victorian resorts with assembly rooms, began to make available larger public spaces for entertainment and meetings. At the same time, the development of the railway network was accompanied by the construction of railway hotels alongside major stations. Many of these hotels had substantial function rooms available for hire.

Shone contends that the dawn of the 20th century was accompanied by a change in the demand for meetings:

Though assemblies and congresses continued to be driven by trade and industry, there was a slow and gradual increase in activity which, rather than promoting products, or reporting a company's annual progress, looked to developing staff and sales. The precursors of the sales training meeting, the 'congress of commercials' (or commercial travellers) of the 1920s and 1930s, began to develop into something more modern and recognizable.

The situation was somewhat different in North America during the latter half of the 19th century, particularly across the eastern seaboard of the USA where various trade and professional associations, as well as religious groups, were being formed and, as they became more established, beginning to hold conventions for their membership. Gartrell (1994) records that, in due course, a number of committees were also created to 'lure the growing convention business from these expanding and thriving associations'. As more and more cities became aware of the value of convention business, Gartrell suggests that it was 'inevitable that the solicitation of these conventions would be assigned to a full-time salesperson; and, while this might have happened in any one of many major cities, history records that it first happened in Detroit, Michigan, when a group of businessmen decided to place a full-time salesperson on the road to invite conventions to their city. Thus, in 1896, the first convention bureau was formed, and an industry emerged.' Detroit was shortly followed by other US

cities, which established their own convention bureaux: Cleveland (1904), Atlantic City (1908), Denver and St Louis (1909), Louisville and Los Angeles (1910). Now many cities around the world have their own convention bureau, or convention and visitor bureau.

The foundations of a proper industry

While the origins of today's conference industry lie in the political and religious congresses of earlier centuries, followed by business meetings and, in the USA, trade and professional association conventions, the development and recognition of a proper 'industry' is a much more recent phenomenon, in Europe especially, effectively dating from the middle to latter part of the 20th century.

The foundation of trade associations is often a useful, objective way of marking the real formation of an industry. Some of the principal conference industry associations were founded as follows:

International Association for Exhibition Management (IAEM)	1928
Professional Convention Management Association (PCMA)	1957
Association Internationale des Palais de Congrès (AIPC)	1958
International Congress and Convention Association (ICCA)	1963
European Federation of Conference Towns (EFCT)	1964
International Association of Professional Congress Organizers (IAPCO)	1968
British Association of Conference Destinations (BACD)	1969
Meeting Professionals International (MPI)	1972
Meetings Industry Association of Australia (MIAA)	1975
Association of British Professional Conference Organisers (ABPCO)	1981
Asian Association of Convention and Visitor Bureaus (AACVB)	1983
Meetings Industry Association (MIA) (UK)	1990

The International Association of Convention and Visitor Bureaus, on the other hand, with a predominantly North American membership, was founded as long ago as 1914.

Since the 1960s there has been a steadily increasing investment in the whole infrastructure that supports conferences, meetings and related events, an investment which accelerated into a rapid growth during the 1990s. The 1990s were almost certainly the decade that recorded the highest sustained investment to date in global conference infrastructure. Tables 1.1 and 1.2 give details of

new conference and convention facilities built in just two countries, Australia and the UK, epitomizing the huge scale of investment that has taken place over the past decade or so. This list does not include other substantial investments in buildings which, though not purpose-built for the conventions industry, are capable of staging very large conferences, such as (in the UK) the Sheffield Arena (12 000 seats, £45 million), Birmingham's National Indoor Arena (13 000 seats, £51 million), Manchester's £42 million Bridgewater Hall and the 19 000-seat Nynex Arena, and the Newcastle Arena (10 000 seats, £10.5 million) in Newcastle upon Tyne.

Case study 1.1 traces the developments and investments made by the City of Manchester in its convention 'product' over recent years.

But it is not just in Europe, Australasia and North America that major investments are being made. In the past five to ten years, large-scale infrastructure projects have been undertaken throughout much of Asia and the Pacific rim, in the former East European countries, such as Hungary and the Czech Republic, in the Middle East and in a number of African countries, particularly South Africa. Case Studies 1.2 and 1.3 give detailed examples of two such investments, one at venue level (Pattaya Exhibition and

Name of centre	Year of Opening	Cost (AU\$m)
Adelaide Convention & Exhibition Centre	1987	Not available
Sydney Convention & Exhibition Centre	1988	230
Canberra National Convention Centre	1989	Not available
Melbourne Exhibition & Convention Centre	1990 (1996 for Exhibition Centre)	254 (combined cost)
Brisbane Convention & Exhibition Centre	1994	200
Cairns Convention Centre	1995 (Convention Centre extension opened in 1999)	Not available
Convention Centre South – Sydney	1999	60
Federation Concert Hall and Convention Centre – Hobart	2000	16
Extension to Adelaide Convention & Exhibition Centre	2001	85
Alice Springs Convention Centre	2003	14.2
Perth Convention & Exhibition Centre	2004	310

Source: Pannell Kerr Forster Consultants Australia (PKFCA) Research.

Table 1.1

Investments in major Australian conference centres since the mid-1980s