

Trends in the International Business Events Sector and Action Being Taken in Australia to 'Plug the Knowledge Gap'

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Interest in Business Events

- Adds value to the status of a destination
- High yield visitors
- Less impacted by seasonality
- Seen to have other flow on impacts
 - Little done to assess
- International growth potential
 - UNWTO forecast tourism to grow at 4% till 2020 & business events a key element
 - Short term forecasts down due to GFC



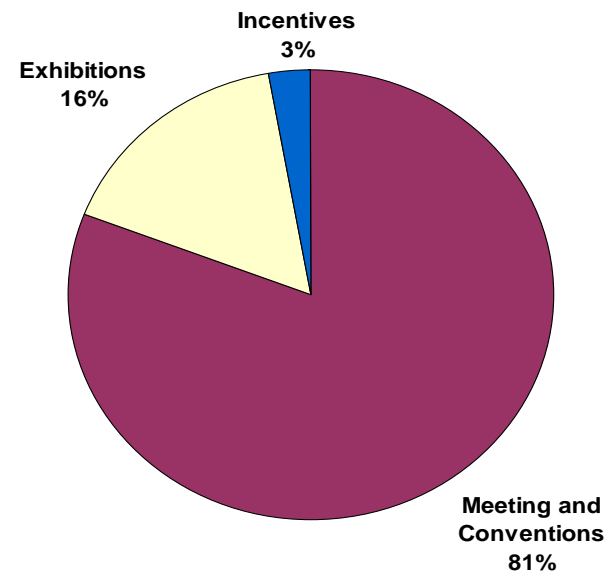
Key problems

- Definitions used
 - Name of the sector
 - MICE
 - Meetings Industry
 - Business Events
 - Classifications within the sector
 - What duration needed to be classed as a meeting?
 - Number of attendees required
 - Number of countries from which delegates drawn for an international meeting
 - ICCA and UIA classify differently
 - Need for rotation?
- Data not collected in many countries
- Where data collected, comparisons problematic due to definitions used



Size of the Sector

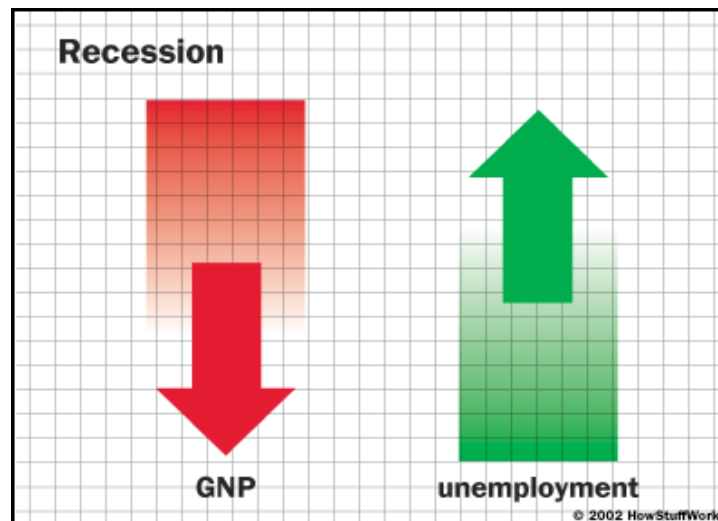
- Global Market Forces (2007) estimated size of global business event market was US \$280 billion
 - Not clear how this figure was derived
- In Australia, NBES (based on 2003/04 data) estimated the business event market to generate:
 - \$17.3 billion per year in expenditure.
 - 116,000 jobs directly



International Trends

- Increased cost of oil and gas;
- Shorter lead times in booking;
- A greater focus on return on investment, which implies cost retainment;
- More extensive use of advanced technology in all facets of the sector;

[Global Market Forces (2007) and FutureWatch (2008)]



International Trends (cont)

- Corporate Social Responsibility is becoming a driving force in the sector;
- Green meetings are becoming more prevalent, particularly in Europe;
- Labour shortages;
- Low cost airlines will continue to drive the aviation industry



Association Market Trends

- Very important sector for large facilities like convention centres
- More stable than other sectors of business events
- International association meetings nearly doubled between 1997 and 2007 going from 3713 to 6681 (ICCA)
- Increasing need for 'green conferencing';
- Growing incidence of last minute bookings;



Association Market Trends (Cont)

- Increasing incidence and power of Association Management Companies;
- Increasing incidence of national 'play-offs' to win the right to bid internationally for association events;
- Increasing importance of the quality of the program as a driving force for attendance;



Association Market Trends (Cont)

- Quality of the facilities has tended to become a hygiene factor
- Increasing expectation that destinations will offer associations financial inducements to win the business.
- Europe dominates in Association headquarters & meetings (60%)
- Australia has only 2% of headquarters & about 3% of the market
- Reduction in percentage of association meetings that rotate worldwide

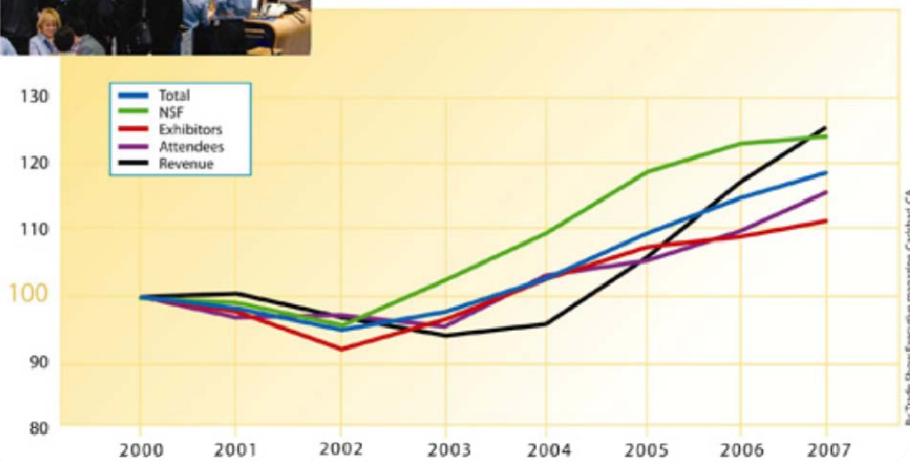
Association Market Trends (Cont)

- Planners tending to book destinations closer to home
 - Concerns regarding security
 - Delegates are more time-poor
- Average size of meetings has fallen
 - Largest growth in the 50 – 150 category
- Duration of meetings has fallen
 - Down from 4.4 to 3.9 days over 10 years
- Australia's number of meetings has increased since 1997 but its market share has fallen
- Both Sydney and Melbourne's ranking in this market have fallen

Exhibition Market Trends



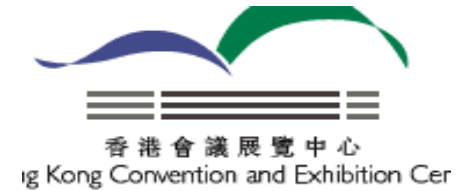
Exhibitions Overall



- Conferences and seminars are increasingly being run alongside exhibitions
- Technology involving teleconferencing and web-casting is being used to enhance the experience for attendees
- There is a move away from large 'catch-all' events towards smaller more tailored events
- Sustainability is becoming an important driver
- Effort is being made to 'clone' successful exhibition formats and to roll them out in regional and international markets.

Exhibition Market Trends (Cont)

- Sector is demonstrating solid growth
- Enormous growth in capacity, especially in China
- Average duration of exhibitions has fallen from 4 to 3 days



Shenzhen Convention &
Exhibition Centre (SZCEC)

Incentive Market Trends

- Issues confronting the incentives sector include:
 - Consolidation of DMCs.
 - The trend of continued fragmentation which is creating an environment for smaller, more specialised companies to succeed.
 - Concern over whether, in light of legislation and government controls, travel can still be viewed as a reward.
- ROI



Source: EIBTM (2007).

Key Impediments for Australia's Incentive Market

- Complex distribution channel
- Lack of true 5 star incentive product
- Variable service standards
- Staff's lack of understanding of the needs of the incentive market
- Labour and skill shortages



Key Impediments for Australia's Incentive Market (cont)

- Difficulty in accessing clients directly
- Finance and Banking sectors seriously affected by global downturn.
- The rising Australian dollar is a problem for US business.
- Australians can be seen as being brash and direct.



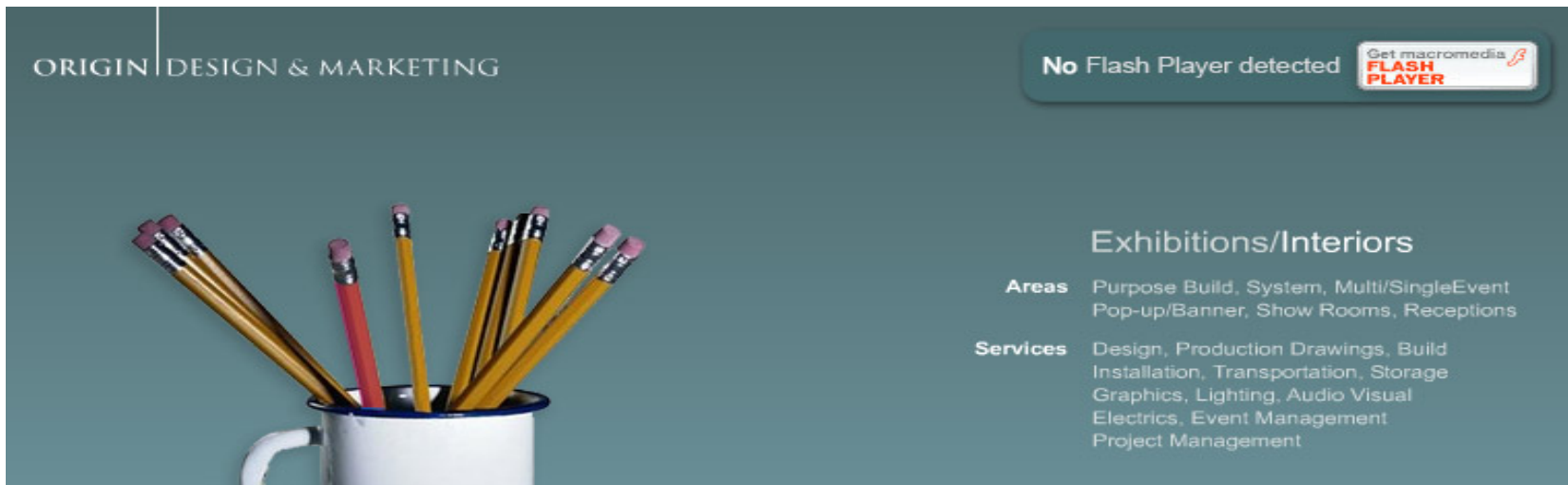
Trends in the Corporate Meetings Market



- Largest part of the sector (55% according to NBES)
- Over 1 million corporate meetings in the US in 2006 (CIC)
- Tend to be slightly longer than association meetings
- Technology could depress future demand
- Difficult to estimate size and economic contribution

Knowledge and Data Gaps

- Require consistency in definitions so that data from one country to another can be compared.
- Lack of data for exhibitions sector due to a dearth of studies
- Major data gaps for incentives and corporate meetings as operators in these markets are reluctant to provide data



ORIGIN | DESIGN & MARKETING

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Exhibitions/Interiors

Areas Purpose Build, System, Multi/Single Event
Pop-up/Banner, Show Rooms, Receptions

Services Design, Production Drawings, Build
Installation, Transportation, Storage
Graphics, Lighting, Audio Visual
Electrics, Event Management
Project Management

Knowledge and Data Gaps (cont)

The screenshot shows the homepage of the ROI Toolkit website. The page is titled "ROI Toolkit" and is part of the "Center for Exhibition Industry Research". The main content area is titled "Welcome" and contains a table of tools and their descriptions. The table is divided into two sections: "Pre-Event Planning" and "Post-Event Measurement".

Pre-Event Planning	Answers
Potential Audience Estimator	Should we exhibit?
Exhibit Staff Estimator	How many staff are needed to engage our Potential Audience?
Exhibit Space Estimator	How much space is required to attract and accommodate our Potential Audience?

Post-Event Measurement	Answers
Reach	How many of our Potential Audience did we reach?
Staff Performance	How active were our staff in reaching our Potential Audience?
Potential ROI Estimator	What is the ROI potential from inquiries/leads obtained?

- Need a consistent survey instrument to collect delegate expenditure data
- TRA needs to provide advice on sampling procedures that should be used to collect data from delegates to ensure that the results are representative.
- A framework needs to be developed for the collection and presentation of data to demonstrate the non-tourism benefits for Australia of hosting business events.

State of the Conference /Convention Market in Australia (May 2009)

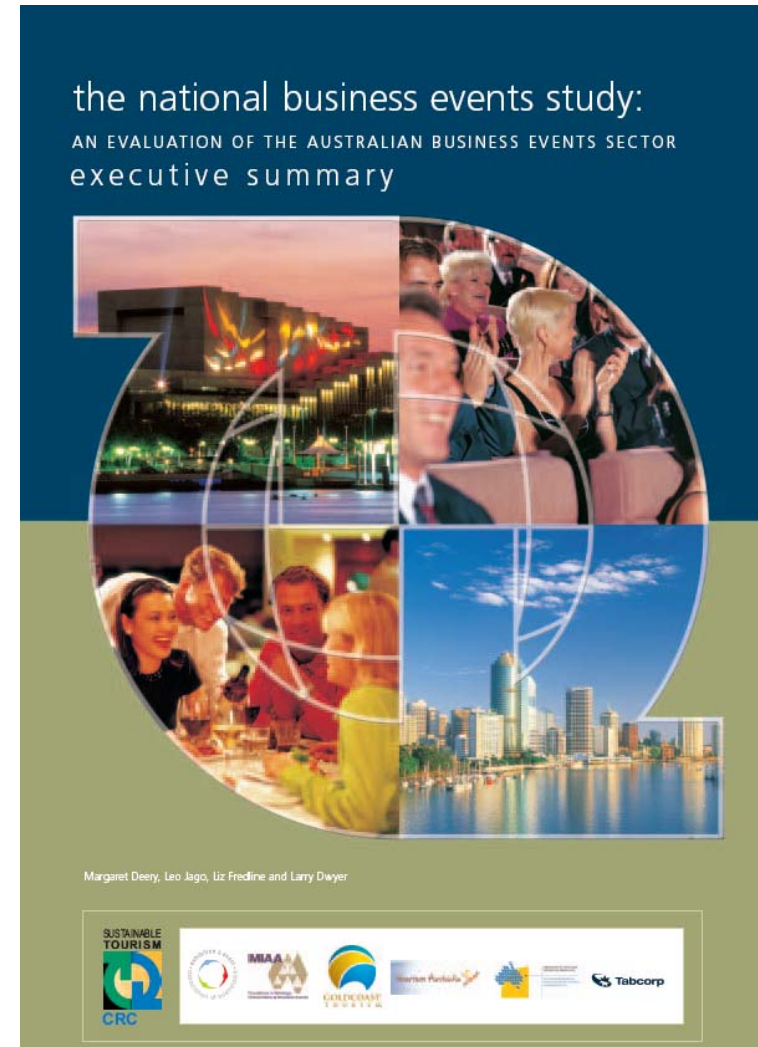
- 169,300 convention or conference arrivals during the year ended 31 May 2009
 - A decrease of 9 per cent year-on year.
- Overall business arrivals decreased 9 per cent year-on-year to 775,100
 - Total arrivals to Australia decreased 2 per cent to 5.6 million
- There were 11,500 convention or conference arrivals during May 2009,
 - A decrease of 23 per cent year-on-year.
- Overall business arrivals decreased 17 per cent year-on-year
 - Total arrivals to Australia decreased 2 per cent
- Australia now sends out more delegates than it attracts



Research Advances in Australia

National Business Events Study (2005)

- Comprehensive evaluation of the economic contribution of business events in 2003
- Collected data from all sub-sectors
 - Conference Organisers
 - Exhibition Organisers
 - Exhibitors
 - Business Event Venues
 - Incentive Organisers
 - Delegates
- Key findings
 - \$17.3 billion in expenditure
 - 116,000 employed directly
 - 316,000 business events
 - 22.8 million delegates
- Extremely difficult to obtain data



Research Advances in Australia (Cont)

Measuring the Economic Importance of the Meetings Industry: A study on the further development of the Tourism Satellite Accounts (TSA)

- Identified the criteria and recommendations for the statistics that need to be collected and the assumptions underlying these statistics.
- Developed draft questionnaires for data collection
- A sampling frame was suggested for data collection
- Underpinned a pilot study involving Australia

Research Advances in Australia (Cont)

Business Event Venue Performance (BEVP) Software

- National Business Events Study (NBES)
 - Consistency of definitions
 - Problem collecting data after the “event”
 - Data not kept
 - Data not easily accessed
- Key Variables Underpinning the Performance of the Sector
 - Number and type of events
 - Number of delegates
 - Delegate expenditure
- Key recommendation in NBES was to develop a system to collect data from venues on an on-going basis

BEVP Objectives

- Utilise data already collected by venues – no new data needed
- Simple upload into a central system
- Ability for venues to compare their performance with others
- Track the overall performance of the sector
- Ensure confidentiality / security of the data

BEVP Development

- Pilot study commenced in late 2005
- Funds provided by TA and VU
- In-kind support by VU, BECA and Convention Centres
- Seven venues in the original pilot (SCEC, MCEC, BCEC, GCCC, ACC, PCEC, Sydney Showgrounds)
- TA jointly own the software IP & venues own the data
- Monthly data in system since January 2005

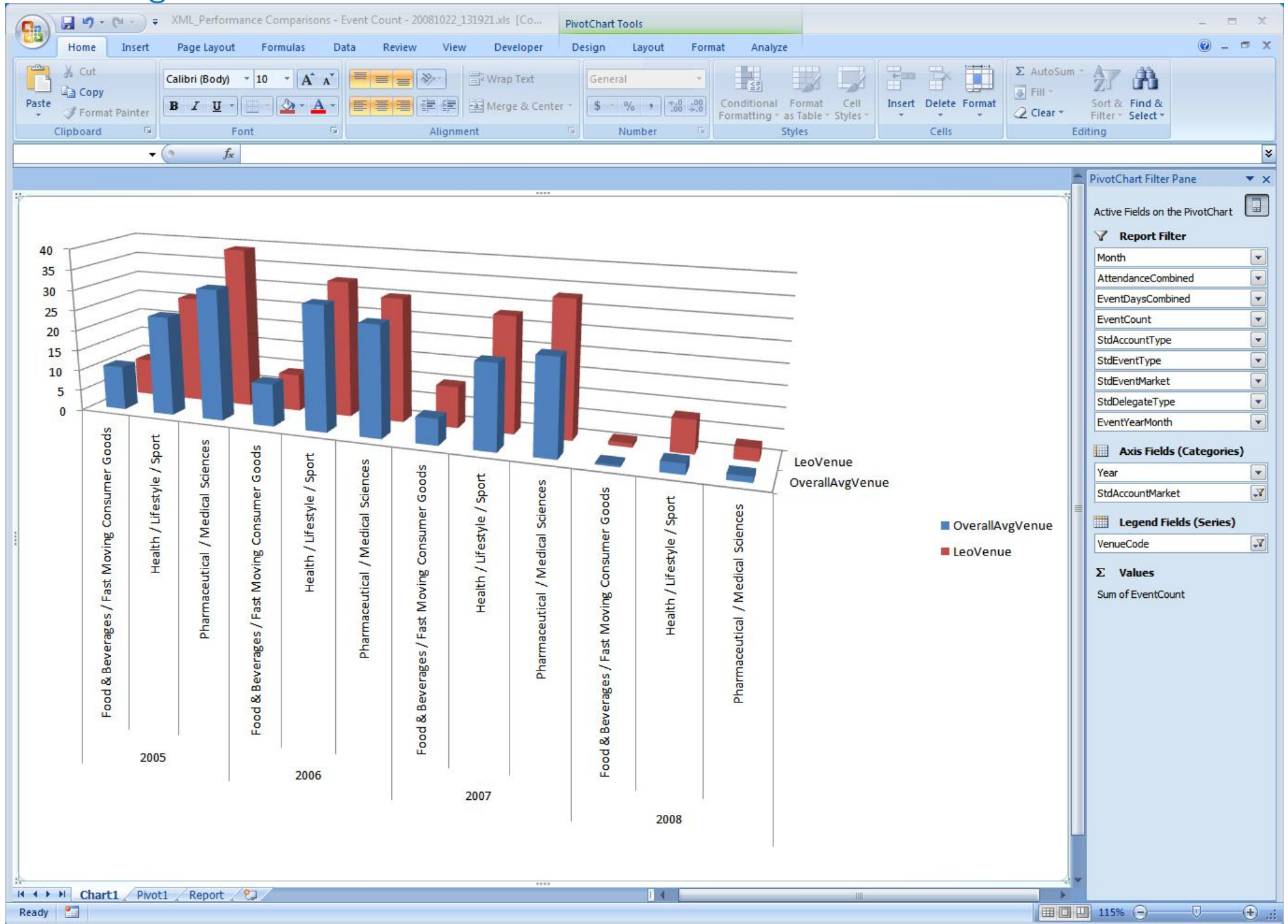
BEVP Operation

- Definition map
- Monthly upload of data by each venue (flat file export)
 - Data on all events (type, duration, delegate numbers)
 - No financials
- Unique password for each venue to access their own data
- Flexible reports that allow venues to compare performance on a range of variables with the average of all venues
- Only two people have access to all venue data

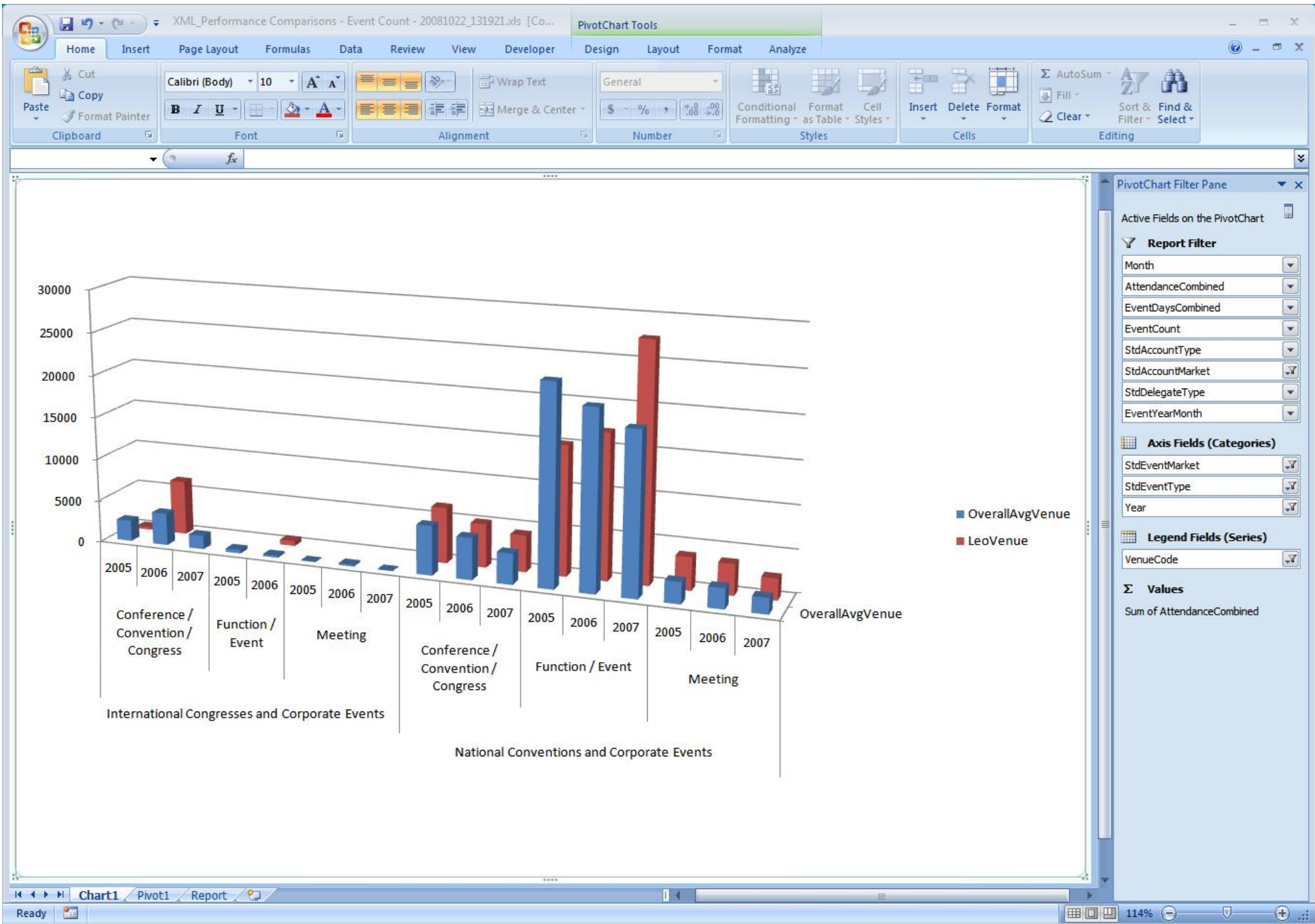
Hotel Pilot Study

- Need larger sample of key business event venues
 - All convention centres
 - Key business event hotels in all main cities
 - This will capture virtually all international business and most interstate business
- Hotel pilot commenced in April
 - 5 hotels plus Canberra Convention Centre
- Funded by BECA, AHA and TTF
- Can insert average delegate spend figures to provide estimated expenditure figures for the sector on a monthly basis
 - Updates of delegate spend figures need to be provided by different states

"Events per Account Market per Period against Industry Average"



"Attendees per Event Type per Event Market per Period against Industry Average"



Research Advances in Australia (Cont)

AACB Benchmarking

- Sharing operating information to facilitate benchmarking
- Compare within segments
- Moved to a common instrument to measure delegate spend
- Need to establish an appropriate sampling frame

MCVB holistic evaluation (so-called 'intangibles')

- Two year study of 4 events
- Monitoring the broad-based benefits
- Move beyond the tourism benefits
 - Appeal to other portfolios

Research Advances in Australia (Cont)

Role of Sustainability

- Push for sustainability
- Consumers not prepared to pay at this stage
- Industry not driving this issue
- Media seems to be the driving force
- Internal 'green' champions are crucial

Need to assess different carbon credit schemes

- Much confusion amongst operators
- Work done to assess the relative benefits

ROI

- An approach to set outcomes from events
- Attempt to quantify benefits
- Justify sending delegates to the event