



NINTH IMEX POLITICIANS FORUM

**Frankfurt, Germany
Tuesday 24 May, 2011**

**IMEX Politicians Forum highlights The Benefits of
Business Events Beyond the Visitor Spend**

This year's Politicians Forum delivered a stronger message than ever about the positive impact of hosting meetings, especially when they are international, which extends way beyond the economic benefits they bring to a destination. The topics presented marked a turning point in the way the meetings industry should be perceived by outside agencies and particularly by politicians, especially following the adverse publicity it has suffered in places in recent years. Research initiatives were revealed designed to prove conclusively that business tourism events (meetings, conventions and exhibitions) generate much more than immediate visitor income revenues for a local community, city or country. It is their long-term legacy which is most significant.

The emphasis was on the value of case histories that illustrate the broader benefits to be derived from hosting conventions relevant to local industry, business and academic communities and which also complement the political agenda. Destinations trying to gain the support of local and national politicians for their meetings promotion and activities were advised that inspirational stories about the ongoing benefits they triggered will often speak louder than numbers and statistics. For their part, the politicians attending went away with a better understanding of the contribution meetings make to their local economies, the well-being of their communities and enhancement of their own image and popularity.

GLOBAL MEETINGS INDUSTRY SUPPORT

An IMEX New Vision Project, the Politicians Forum is held under the auspices of the Joint Meetings Industry Council (JMIC) whose membership comprises the leading international meetings industry associations. The Forum is organised by IMEX in collaboration with European Cities Marketing (ECM), a pan-European network of tourist offices and convention bureaux, and the International Association of Congress Centres (AIPC).

The ninth Forum was attended by 26 politicians and civic leaders from 16 countries and 63 meetings industry association leaders and destination and venue representatives from around the world. For the first time there were two separate open sessions at Messe Frankfurt. These were followed by a tour of the IMEX show floor, enabling the politicians to meet exhibitors and witness the scope of the global meetings business. The final session, by invitation only, took place in the afternoon at the InterContinental Hotel, Frankfurt. The following morning they were also offered a 'World Tour' of selected exhibits before the show opened.

FUTURE CONVENTION CITIES INITIATIVE (FCCI)

Rohit Talwar, CEO, Fast Future Research

Talwar opened the day by introducing the FCCI as a research initiative, not a marketing alliance. "It's all about strategic research that drives the member cities forward and provides benefits to other meetings industry players. People are beginning to understand how much of a contribution the convention industry can make to drive economic development and knowledge exchange. But it is a very competitive industry and being a major convention city doesn't guarantee you a natural right to success. We're having to think very hard now how we differentiate and, critically, how we make sure government understands that.

"We've got to get beyond tourism. We can't just talk about bed nights, direct delegate spend in the city, convention centre revenues and revenues to the meetings industry. We have to think much more about what we can do to drive economic development and the long-term growth of the cities we're in.

"What's clear if you look at the ICCA rankings (*International Congress & Convention Association annual report and statistics on international association meetings*) is that certain industries dominate the global meetings sector. They're almost all in the knowledge-based sector and sectors in which pretty much all major cities in the world want to build their industries, seen as key for their growth as well. So the challenge is how to bring in the events in those sectors and use them as a catalyst for economic development in our cities."

FCCI, formed last year, now has seven member cities: Abu Dhabi, Durban, London, San Francisco, Seoul, Sydney and Toronto. Their representatives plan to meet four times a year to exchange knowledge and share ideas on matters such as ambassador programmes and setting up programmes to attract events that support the various industry sectors. They are launching two pieces of research, one 'competitive advantage' research exclusively for members, the other, announced at IMEX, is a qualitative study of the impact of business events, the methodology and results of which will be shared for the benefit of the entire meetings industry. FCCI is also conducting the Convention 2020 study on the future of major meetings and events.

Talwar said this was an opportunity for them to provide strategic leadership in terms of how the meetings industry can think as innovatively as the customers it is trying to serve. "We think that by bringing these cities together and driving a research agenda we could actually make a real difference to economic growth and help our cities and their industries prepare for the future by being at the cutting edge of thinking."

FCCI's first Action Forum took place in March in Seoul, a founder FCCI member, where local politicians took a great interest in its aims and activities. HyeonKi Kim, chairman of the Culture, Sports & Tourism Committee, Seoul Metropolitan Council, had come to Frankfurt for IMEX and was invited to address the meeting. Talwar then asked representatives of five of the member cities to describe some aspect of what they are doing strategically to prepare for the long-term future.

Maureen O'Crowley, Seoul Convention Bureau, Korea

O'Crowley explained that it was the legacy of hosting the 1988 summer Olympics which played a powerful role in opening the eyes of the world to what Seoul had to offer. It was also an eye-opening experience for South Koreans to realise it was a destination the world was interested in. But it took until 2006 for the city to recognise the meetings industry formally when it named tourism, convention services and design as one of the key industries identified to play a key role in its development.

Seoul Tourism Organization, founded in 2008, set up the Seoul MICE Alliance which now comprises 72 members from seven sectors involved in business travel who realised the power of working together in a partnership. "Naturally we wanted to move on and improve, which is how we came to be a founding FCCI member," she said. "The G20 we hosted last year proved we were capable of putting on an incredible, large-scale event and this gave us increased motivation. But the third driver of economic development – and this is where design has played a key part in our branding – are the three major infrastructure design projects (two new convention centres and the venues on the artificial 'floating islands' on the Han River) which will give us added capacity for meetings. We are going to expand and improve ourselves to bring in events but we need the continuing support of the politicians to have the infrastructure to do this."

Tracy Halliwell, director, business tourism & major events, London & Partners, UK

As a more mature market than Seoul, London has different problems, said Halliwell, which is why this year on April 1 a new company, London & Partners, was formed, combining the remits of three existing

organisations to become the international promotional body for London: Visit London, which was looking after tourism and business events; Think London, foreign investment and exporting; Study London, attracting foreign and overseas students to the city.

It is early days yet but, she said, the exchange of knowledge between the three bodies makes a much more powerful case in terms of not just bringing meetings and events to the city but also bringing foreign investment off the back of meetings. "We can call on our colleagues in the university and research world to back this as well. So simply putting those three sets of people under one umbrella and using the synergies of the teams is already starting to make a difference."

She said another initiative introduced a few years ago brought together all the stakeholders in London involved in the meetings market. "It was fairly dysfunctional as it was so large and trying to get them all to work together was something of a challenge. But we did a lot of research and comparative studies as to our competitiveness and ran some industry forums and came up with a bunch of recommendations to put forward to our mayor, hopefully to further the interests of business tourism in London.

Finally, the Olympics 2012 legacy. Having looked at what went well and what didn't in previous host cities, London has put together its own programme, with an eye also on bidding for major events in the future. "The current 16 billion pound capital investment will leave us with some great spaces to shout about," said Halliwell. "The City Operations Group embraces stakeholders working on how the city is going to work logistically and the knowledge we can use. The Chairman's Club is connected with the Olympic sponsors and we are looking at how we can get together with these companies beyond the Games. We have set up a fair prices and practices charter – we didn't want to be known as 'rip-off London' - and we have education programmes within our departments to teach everybody how they can get the most out of this experience. We are going to have a lot of sporting venues we didn't have before so we are looking at events we have never hosted with this strategy to go forward."

Jon Hutchison, CEO, Business Events Sydney (BESydney)

"We are interested in the strategic aspect of creating event cities and our strategic role in this as a bi-product," said Hutchinson. "After 16 years we have a new government in Sydney and a lot of things are about to happen now after a decade of no infrastructure development. The dilemma is that they know very little about business events and their true value, even less than we do, and our challenge is to become a central figure in this infrastructure explosion."

Outlining the many spectacular new projects, he explained that to be part of the whole exercise BESydney has to prove the value of what it does. "Business tourism represents a volume of people from all over the world, the yield they give and what they spend, but the flow-on factor is not measured or recognised. So we charged the University of Technology, Sydney (UTS) to look at a number of events four to six years after they occurred and attempt to measure their flow-on effect. They followed every avenue, every piece of

evidence. The results, as we expected, were largely qualitative and this has turned out to be a magnificent tool to influence the opinions of politicians much more effectively than just the numbers.”

As mentioned by Talwar earlier, Hutchison announced that the other FCCI members are now joining in this project and conducting similar research in their own cities, in the same format and applying the same criteria as the Sydney survey did, concluding, “I expect the information will be a valuable tool for all destinations and their governments, proving the complete value of the contribution of events to the community in their cities.”

Gillian Taylor, business tourism manager, Abu Dhabi Tourism Authority, United Arab Emirates

Describing the UAE capital as “a 21st century city with the mystique and spice of an Arabian adventure”, Taylor said it also sits on top of 10 per cent of the world’s oil reserves and four per cent of the world’s gas. In order to assist in diversifying from oil and gas and protect the future, the government unveiled a 2030 World Vision, a comprehensive plan to guide planning decisions for the next quarter of a century. “It details how Abu Dhabi will succeed in managing its growth in ways good for business, residents and the environment and achieve its vision to become a global capital city, world renowned for its cultural tourism and business offerings.” She said that a common framework has been established which aligns all policies and plans for significant investment opportunities as well as new employment avenues, with the greatest emphasis on knowledge-based industries such as health and education.

Abu Dhabi Tourism Authority was formed in 2004 with the same economic vision. The tourism mission is to attract many more visitors and sustain 80,000 hotel rooms by 2030. The specialised business tourism department has a mission to secure innovative and viable business events. Through a three-year initiative aimed at capitalising and seeding these events, organisers can apply for start-up financial grants, government endorsement, leadership patronage, marketing support and much more.

Everything in Abu Dhabi is linked to the plan, including its multi-award-winning Etihad Airways, the expanded facilities of the ADNEC convention and exhibition centre, the 4,000 additional hotel rooms coming on stream this year to supplement the present 18,000 and, especially, the five iconic new museums, designed by ‘starchitects’ to be the finest of everything.

“Business travel dominates 80 per cent of what we do but we are trying to build leisure travel and, of course, business events to provide a solid base for the future” said Taylor. “We have a clear direction for medium- and long-term growth but we do have the flexibility and ability to respond to emerging challenges and opportunities and be an industry recognised by locals and visitors alike as culturally sensitive and locally robust. We have a 10-year plan to be ranked in the world’s top 50 meetings destinations, increase our convention potential tenfold and our meetings and business tourism fivefold and are planning lots of developments to achieve these.”

James Seymour, CEO, Durban KwaZulu-Natal Convention Bureau, South Africa

Seymour presented the efforts Durban and the province of KwaZulu-Natal is mobilising to secure greater support for business tourism initiatives. "The region is certainly a significant African hub," he said, "regarded by many as South Africa's second most important economic hub with a range of substantial industries. Durban has received numerous awards for a whole range of achievements but it also recognises the significance of constant evolution and the need to latch on to important opportunities, such as the 2010 FIFA World Cup, to upgrade its tourism-related infrastructure in order to remain competitive."

Durban's focus and competitive orientation has enabled it to host many of the world's major conventions, generating millions of SA rands for the city and province. This year it hosts the Olympic Committee (July) and, at the end of the year, the UN climate change conference, COP 17, is expected to attract 30,000 delegates to the city. However, Seymour explained that last year they had recognised the need for an independent, focused and dedicated convention bureau and forming a partnership initiative between the KZN Department of Economic Development & Tourism, Durban Chamber of Commerce & Industry, the International Convention Centre Durban and a new entity called Durban Invest, plus the private sector, to build awareness and support for the significant impact of business tourism.

"Our intention is to provide the necessary support required in order to win significant bids and ensure we pursue business events using a structured procedure and making sure these bids will produce a reasonable return on investment," he said. The decision to form the new bureau was already delivering dividends and Durban's concerted efforts in gathering data on all qualifying meetings had ensured that the city had dramatically improved its latest ICCA ranking by 50 places.

The best methodology

Questions followed regarding the FCCI's projects, its expectations, the value of the information gathered and how much of it would be shared. Talwar explained the group had been formed less than a year ago and at their first two meetings the members were still getting to know each other. However, he knew they were all desperate to get the outcomes of the joint economic impact study just being launched. They would then decide on the best way to share the information and the methodology used to obtain it. "We will try some different things and see what comes out and what might work," he said. "There are many different players around the world and I know of no other industry where one single methodology works."

THE FORUM PART 1 (open to all IMEX delegates, exhibitors and visiting politicians)

The moderator for this and the later session was Michael Hirst, OBE, chairman, UK Business Visits & Events Partnership, director of The Tourism Alliance, member of VisitBritain's British Tourism Industry Group, representing event and business tourism's interests at Government consultation meetings, and advisor to both UK and overseas hospitality companies.

Welcoming the delegates, Hirst said that, like previous events, the Ninth Politicians Forum brought together an impressive array of national and local politicians and leading representatives of the meetings and events industry. "The aim is to develop an informative and enlightening dialogue to enable both politicians and industry practitioners to have a better understanding of each other's challenges and how they might help meet shared objectives," he said.

"As we have found in the past, it's a unique opportunity for us to learn, from national government representatives and local municipal leaders, how the industry can help deliver on their political priorities and an opportunity for the industry to spread its message that meetings and events bring far-reaching economic and social benefits to destinations and communities, especially at this testing time of global economic recovery. This year's theme takes a much closer look at the benefits of business events far beyond just the visitor spend. We shall hear about a lot of new initiatives to measure and enhance their longer-term impact and also consider how the benefits of business events have helped to shape the destination."

BEYOND VISITOR SPEND

Speaker: Rod Cameron, Criterion Communication Inc, Vancouver, Canada, and director of international development for AIPC

Cameron began with the observation that only three years ago the thinking about what the convention industry does for a community or a country revolved almost entirely around tourism-related areas. It was only a distant notion that there were values beyond that which needed to be quantified and measured. "Today, that is the most dominant part of the entire industry, which is very gratifying to those of us who have been trying to encourage looking behind the spending benefits to what meetings actually do."

He said that one of the most fundamental relationships between the meetings industry and governments is where the government is the owner of the convention facility and, if they have invested or are contemplating investment in facilities, they need to be clear about why they're doing it and what they expect to get out of it.

"Over 75 per cent of convention centres worldwide are owned by some kind of local government. Governments are also major users of meetings and conferences in order to achieve their own objectives, so they're often on both sides of the equation. Other things governments do that is an important interface with our industry is that they set policy in a whole range of different areas, such as immigration, taxation and security, and don't always understand the implications of some of the decisions they make on our industry. That's an area where we hope to improve on the relationship in the future."

After "an interesting two years" and the recession still lingering in places, centres face revenue challenges and it's difficult to raise funding even when it is necessary to rationalise the initial investment. "There's tremendous competition among facilities," he told the politicians in the audience. "If you're an owner you are part of that competition whether you like it or not and centres are having to respond to a real evolution

in terms of what meetings are and what that means in terms of technology, spaces, services and all the things you need to do to remain competitive.

“However, we understand you have issues as well and, worldwide, it would be fair to say recovery in terms of the hopes we have in advancing the economy is still on the elusive side. Most levels of government say their priorities above anything else are jobs and stable economic growth, which ultimately will be sustained by the private sector. But we’re going through a transition in the economy and when it recovers it will not be the same economy we went in with. This has a lot of implications for government policies and for centres.”

He said that governments who are owners of centres are quite rightly asking questions, such as why are we in this business, what should we know about how it works, how does it relate to our most urgent priorities and what are we getting for our investment? But, Cameron stressed, they should start looking at centres in a different way as direct revenues are only part of the story. The real value of meetings is now universally acknowledged as not how much delegates spend when they come to a city – that is a secondary benefit. The real benefit is in what meetings accomplish. “People don’t have meetings to stay in hotels. They stay in hotels in order to have meetings and the reasons they have meetings are where the real value lies. Those destinations that use that concept to advantage are able to increase their return. Therefore, the two important questions for a government owner or investor to ask are what is this costing me and what am I going to get out of it - am I going to get something in terms of my policy priorities?”

By way of an answer, he said that, unlike libraries or hospitals, for example, one of the beauties of convention centres is that the majority of revenues that are generated offset the cost of operating and managing the facility that the government had funded in the first place. Studies show that delegates spend three or four times as much as regular visitors. Their presence actually supports private investment, such as hotels, tourism is promoted as well, foreign delegates put extra export dollars into the local economy and governments benefit via increased tax revenues.

As for the second question, he said convention centres should be seen as economic engines. They are strategic tools which can help politicians advance the economic policies they are pursuing, support innovation, knowledge transfer, jobs and investment, attract global business and professional leaders and raise the destination’s profile in relation to specific economic sectors.

“A centre in essence is a doorway to the global wealth of expertise that drives the knowledge economy and facilitates the ability of the community to interact with the knowledge economy that’s now evolving as the economy of the future,” said Cameron. Events create new networks among local academics, professionals, the business community and the broader global community which stimulate research and collaboration and may bring global investments. He added that job retraining is another essential element of moving the economy forward, particularly into a knowledge economy, and events are all about that, too – professional development, academic development and new science.

Finally, he listed the four things he believes the convention industry needs from politicians: (1) recognition that it is a factor in economic development strategy and not just in tourism or hospitality (2) an opportunity to participate in the economic development process (3) consideration in policy decisions that impact the collective success of business events (4) better understanding of policy priorities and how the industry can help government to achieve them. "We have a lot of tools available to us to help you advance those but we can't do that unless we have a really clear understanding about what you want to accomplish in this regard."

MAXIMISING THE LONG-TERM ECONOMIC IMPACT OF BUSINESS EVENTS

Speaker: Rohit Talwar, CEO Fast Future Research, executive director of the Future Convention Cities Initiative (FCCI) and project director of the Convention 2020 study

Futurist Talwar became involved research projects for the meetings industry when Fast Future Research was approached by IMEX and ICCA and, with them, became a founding sponsor of Convention 2020.

"The meetings industry's waking up to the fact that we have to be as strategic as the clients we serve," he emphasised. "Every industry, whether it's oil or healthcare, is thinking about the next 10 years and we want to be doing the same kind of thing. We also need to wake up to the fact that the economic environment is changing. The rich economies of the world today have a debt more than 100 per cent of their GDP. We need to have a real sense of the different possible scenarios for the future and make sure the industry has two or three alternatives. We need to understand how the world is changing, what that means for our customers and how we make sure we can help them deliver maximum impact."

He said that convention clients, whether corporate or association, have to prove there's an economic value to attending their event to delegates, sponsors and exhibitors, and that if they attend this one rather than any other they will get the best possible return on their investment. "We also have to make sure the cities we are operating in get return," said Talwar. "The challenge of Convention 2020 is to understand all that and see what it means. More companies around the world are now involved in sponsoring this project."

Its top priority is about capturing the knowledge created at an event, reusing it and driving its economic value forward, and the second is designing the event so that attendees get maximum benefit. Host cities have to get smart, too, at how they spend their investment, on targeting events, subventions or marketing, and how they make sure that, just like the industries they serve, they are picking and choosing what they go after.

He gave the example of Vancouver which only bids for events which contribute to the five economic sectors it has identified as key, because it wants to accelerate learning in that sector and make sure its researchers are at the cutting edge because then they attract more research funding. Eighty per cent of the big events in Vancouver have come through its economic ambassadors, the leaders in the research sectors in which it wants to be a leader. "This is about being smart," he added.

By December, the full summary of what is going on in the meetings industry to maximise its impact will be available, key issues such as how to attract events in those sectors and what can be done differently.

Talwar described the research he and the seven FCCI members are conducting which will eventually be shared with the rest of the industry. "They wanted to collaborate on key areas of strategic research that could advance them quickly," he said, once again stressing it is not a marketing collaboration or about best practice – it is purely focused on strategic research and putting time and effort into the things that will accelerate their development.

As an illustration, he referred to the new London & Partners company and how, when London now bids for a technology conference, for example, it will work with the former Think London inward investment people to bring in local business in the technology sector and academics from the group formerly known as Study London. "They will have a really strong partnership to go and win those events, show they are really behind those communities and give the best possible composition to the associations bringing the event and the best possible return to the investors."

Question time

Olivier Lépine, director of Biarritz Tourisme, France, and vice president of the ECM Convention Forum, wondered why London was the only European FCCI member. Talwar explained that any city can apply for membership. "What counts is your passion for doing the research strategically. You need to write and tell us what you're doing, why you want to be a member, what benefits you think you can get from it and what you can contribute. The only criterion is that the other seven members have to agree."

The deputy mayor of Bruges, Belgium, Jean-Marie Bogaert, asked Cameron to clarify what he meant by convention centres needing to respond to new expectations. Cameron explained that the format of meetings is changing very quickly and radically, as is the technology and the kind of spaces required. When you hope that a centre will last for 15-20 years, the challenge is to design for a future we can barely even imagine. "Look back five years and see how technology has evolved. Looking forward 10 years is almost impossible. So the issue now is how to strategically incorporate flexibility that will allow you to adapt to any of the possibilities that come along and that involves architects, designs and the meetings industry itself."

Talwar gave the example of Adelaide Convention Centre which is planning to build a new extension to be designed in just the way Cameron had outlined. The centre also recently gave a boost to the local wine industry by holding a 'cellar door' festival during the Adelaide wine festival, when it couldn't host any conventions itself because the hotel rooms were all taken. Visitors and locals who wouldn't have otherwise taken the two-hour drive out to the wineries were able to come for a wine tasting at the centre which, thus, became a community resource and engine of economic growth for the city.

A German delegate reminded the gathering of the 'Peace Through Tourism' movement inaugurated some years ago and suggested the meetings industry should promote something similar with a 'World Tourism

Day'. Cameron said many destinations hold an annual meetings week to communicate with the community what the industry is all about and they are great vehicles. But one of the challenges for the industry was to distinguish itself as a separate meetings sector within tourism and use events to emphasise the business investment and academic consequences of meetings, not just the benefits of tourism.

Michael Hirst wondered if the industry was trying to position itself away from tourism at just the very time when tourism is being taken more seriously by governments. Cameron argued that delegates are always going to be an important component of the overall equation but it's only the baseline. "What we're trying to say is don't let your thinking stop there but see the industry and the convention centre as a building block for many more aspects of the economic equation. Now let's expand the perception of business development."

Talwar fielded further questions about sharing the findings of Convention 2020 with all convention cities and discussed further how facilities now have to generate additional revenues to ensure economic viability, especially these days when clients may want to use their rooms free of charge. As for his ability to 'stay ahead of the curve' with his research, he said he doesn't have the monopoly in wisdom but he can see that the industry has a huge growing possibility on the table once it wakes up to its true value.

THE FORUM PART 2 (by invitation only)

IMEX chairman Ray Bloom opened the session by welcoming the guests, the speakers and his meetings industry colleagues, many of whom he said had contributed widely to the Forum for many years, and reiterated the message that meetings mean far more than their economic impact. He thanked Michael Hirst for his wonderful support over the years as moderator of the Forum, JMIC, AIPC and ECM for their involvement and especially the delegates who make the whole thing possible. In turn, Hirst passed on the thanks of the industry to Ray Bloom and IMEX. "This Forum is just one example of the support and encouragement we have had from IMEX over the past nine years," he said. "IMEX promotes itself as 'the essential worldwide solution for meetings and events' and this is also an opportune moment to recognise your essential and indispensable contribution to the global meetings and events industry."

Hirst continued, "At previous Forums, national politicians and municipal leaders have been extremely candid as to what their real priorities are and how the industry should match these in making its case for more support. The mutual interest in ensuring that the benefits are fully realised has led to a much stronger partnership between the industry and political leaders. Spearheading these relationships are the principle industry organisations which are your co-hosts for this Forum." He then invited representatives of these three organisations on stage to say a few words.

Geoff Donaghy, vice president, AIPC, director convention centres, AEG Ogden, and immediate past chair of the Business Events Council of Australia

AIPC, headquartered in Brussels, Belgium, has been established for more than 50 years. Its membership now comprises 170 of the major convention centres in 53 countries. Donaghy said that when looking at the central components in the meetings business and the functional and infrastructure components in the supply chain, the provision of stand-alone purpose-built venues is a key and critical element, first of all for entering the business and for ongoing success in what is an increasingly very competitive global business.

“Governments and the public sector in many shapes and forms are involved in some way - whether it’s by direct investment or, as we’re seeing increasingly around the world in equity private/public investment models or simply using legislation and regulations to stimulate support for the development of centres – with the development and ongoing management in the vast majority of exhibition and convention facilities, the venues that make up AIPC. So we’re interested and very involved in the outcomes of this afternoon and the ongoing work that IMEX is doing.”

Leigh Harry, JMIC President, CEO of Melbourne Convention Centre, Australia, and current chair of the Business Events Council of Australia

For Harry, this year’s Forum marked a “pivotal day”. The JMIC meeting a few days before in London had brought together not only meetings industry association representatives but also some of the critical researchers in the industry around the world. He said, “It really started the extend the discussion of not only the economic impact that many of us have been talking about for several years, but all those beyond tourism, such as knowledge development and the industry’s contribution to the knowledge economy, that we’re all very conscious of. That’s now the start of a significant amount of work and, as we’ve already heard today, the opportunity to share work that is being done by others.” He also thanked Ray Bloom and Michael Hirst for taking time to attend the London conference.

Dieter Hardt-Stremayr, president, ECM, and managing director, Graz Tourist Office, Austria

ECM in its current form was born out of a merger between the European Federation of Conference Towns and European Cities Tourism in 2007. “So it is a young association,” said Hardt-Stremayr, “but we are rather big as we represent 100 city tourist offices, convention bureaux and city marketing offices from over 30 European countries. What we try to do is provide a European platform for cities to perform better in tourism and the convention business by sharing expertise and best practice. That’s what we do, what we focus on, and therefore it’s logical for us to be a co-host of this wonderful Forum.”

Refreshing thought!

Having thanked the three organisations for their support, Hirst underlined the message of the Forum again by describing meetings and events as “having benefits that refresh parts of the economy that other economic activities can’t reach!”, a parody of the old Heineken beer advertisement.

He continued, “Yes, business events do play a refreshing role in the visitor economy, attracting high-spending delegates to conventions, exhibitions and trade fairs. But strategically managed, a programme of business events can easily complement a nation’s, region’s or local destination’s economic and social agenda. What other economic activity has such a reach to facilitate trade development while displaying the

very best of creative enterprise and, at the same time, providing a platform for education and academic discovery, a showcase for medical and scientific innovation and a perfect stage for information exchange and research dissemination. Much of this activity leads to increased employment, inward investment, improved infrastructure development and regeneration, sustains local businesses and community services and drives expert earnings.”

HOW INDUSTRY RESEARCH CAN INFLUENCE POLITICAL OPINION

Speakers: Karen Kotowski, CEO, Convention Industry Council (CIC); Greg Talley, chief strategy officer, CIC; Bruce MacMillan, president and CEO, Meeting Professionals International (MPI)

Katowski presented the background to and findings of the first ever definitive quantitative piece of research on the economic significance of meetings to the United States economy. Published on February 17, it had taken over a year to complete but it had been commissioned in order to counter what became known in 2009 as the 'AIG effect'. This was at the height of the global financial crisis when a subsidiary of the American International Group, which had just received a Federal Reserve bail-out, was denounced for spending a huge sum on entertaining independent insurance agents at a luxury hotel. To avoid any similar backlash, other large companies cancelled conferences, and this had a ripple effect. The notion that all meetings were 'boondoggles' (activities that waste time and money) grew widespread, almost bringing the industry to its knees and adversely affecting the jobs of people involved in it and related sectors right across the country.

She said the purpose of the study, carried out by PricewaterhouseCoopers (PwC), was to show the industry is an economic engine and justify investment by destinations in the meetings industry and the research also provided a common language that could be used when discussing the meetings and events sector. "PwC provided us with clear and indisputable data regarding the significance of the meetings industry which we will use to influence policy makers and others who have control over whether you are successful as an industry."

Fourteen CIC member associations funded the study and 17 organisations provided 33,000 unique contacts in order to complete the study, including meeting organisers, venue managers, destination marketing organisations and exhibitors. The overall response rate was 11 per cent. In addition, over 2,500 international delegates were surveyed to determine the delegate spend.

The figures produced – measuring the volume of meetings held in 2009 by type (corporate, association, incentive, etc), by venue (purpose-built, lodging facility), room nights generated and the direct expenditure, which totalled \$263 billion - demonstrated that meetings are indispensable to the growth of the US economy. Of that, the travel and tourism portion accounted for \$113 billion but by far the greater portion was the \$151 billion spend on categories unrelated to travel and tourism. The total contribution to GDP was £106 billion and 1.7 million people were directly employed in meetings.

"When you take into account the indirect as well as the induced economic contribution, our total industry output in 2009, one of the worst years for the meetings industry in our country, was \$907 billion and we employed or caused to be employed 6.3 million Americans across every state in the nation," Kowtowsky said. "To put this into a relatable comparison, for every meeting that was proposed to be cancelled that year, three jobs would have been lost." Not only were the results greater than they expected, but they were surprised to discover the meetings industry ranked ahead of many other US industries, more than motor

vehicle manufacture which, deemed too large or important to fail, also received a federal bail-out, more than information and data processing services and more than performing arts, spectator sports and museums – “Compare that to when a sports team considers moving into a city and receives tax incentives to relocate or build a new stadium because of the economic benefits to a city,” she declared.

Gregg Talley took up the story, explaining how the information was disseminated to the meetings industry and to the government: “We involved the government early on in developing this study so we knew that by working with the bureaux of labour statistics and economic statistics that what we were capturing was consistent with what they wanted to see and how they measured other industries. Phase one was the public release of the information through a series of webinars to the media and then externally to the general public and the general business media. Now we have the data, phase two is starting to layer that into the different levels of our government and develop a consistent longer-term messaging campaign across our entire industry. That is as critically important as stage one.

“In terms of reaction, there is, finally, pride and recognition at all levels of our industry that we are more valuable than we even thought ourselves. There were also some clear ‘Ah-has’ from other critical stakeholders we wanted to get involved, because of the size, scale and validity of this study. Phase two will be a long-term messaging effort to extend the life of this study and, more importantly, extend the impact.”

Kowtowski asked MacMillan about the interest in the study from other countries around the world. A Canadian, he said something similar had started in 2006 in Canada and the MPI Foundation there put up some investment to fund it. Knowing there are vastly different ways of calculating economic impact around the world, they wanted to avoid a serious credibility problem so, as in the US, they had consulted with government to ensure they made the same comparisons as were carried out with other Canadian industries. A body called Statistics Canada, well recognised by government, gave their findings the stamp of approval.

“As in the US, until the study was released in 2008 nobody knew what we were going to find. We, too, found it was two or three times larger than previous economic impact estimates in terms of jobs, taxes, etc, and bigger than the forestry industry and ice hockey, even!”

Elsewhere in the world, he said Mexico is undertaking a similar study to that in the US with PwC and Switzerland and the UK are also interested. The value for governments is credibility and consistency, so the meetings industry can be compared with other industries.

Both Talley and MacMillan agreed the US meetings industry has muscle to flex now and the ability to stand up against some of the other industries that traditionally get a lot more credibility and validity from the political sector. “What the organisations that CIC represents now have is a foundation for work to begin locally, at state level and federally, which is where it’s going to translate into dollars, and the ability to speak consistently and have an impact on that level,” said Talley. “The study has given us the ammunition discussion with our legislators and how we translate this into local and state level is the next question.”

For MacMillan the study is the starting point for a story which the industry didn't have during the economic crisis, the main features being that it's a trillion dollar industry and every meeting that happens represents three jobs in the community for the economy. "Right now, governments are charged with making some very difficult decisions regarding investment in infrastructure, tax policy, etc. We can now talk about the effects of those decisions. As the US heads into an election cycle, the attitude in Washington is they need to find more ways to tax and to cut expenditure. Now we have a tool to say, 'OK, you want to do that? Well, here's the impact it will have on jobs.' Unfortunately, I didn't have those talking points a few years ago when I ended up in an elevator with President George Bush and he asked me how business was!"

Asked for his advice to other destinations about to embark on a similar study, he said, "For us, it was all about building the story we created with the tool and now we're trying to create the mechanism to keep the story alive. Other destinations have to look at both at the same time. The US study cost \$700,000 but really the investment is in communication afterwards and it's going to cost at least that. In many ways, the investment in phase two of the campaign is even more crucial than in phase one."

Open discussion 1

Pre-empting a presentation to come later, Michael Hirst asked Eduardo Chaillo of Mexico Tourism Board why Mexico had decided it should do this kind of research when the government has already shown it is keen to support meetings activity. Chaillo explained that they wanted the government to understand the full impact of the meetings industry because, "normally they just build a convention centre and that's it!"

Hirst wondered if the US survey should have looked at the potential of the meetings industry rather than what's in the bank already. MacMillan didn't agree as, particularly in the US, there are many investor and tax policy choices that may or may not get made and they wanted a tool that illustrated the impact of any decision. "When we were being demonised in the US, it was costing communities a lot of jobs. Demonisation was at federal level but the jobs were being lost at local level. Mayors and governors were saying that the comments being made in Washington were killing their constituents and this tool was set up to help at local level. Another study could say what the market potential is."

Jon Hutchison of Sydney said he had watched the presentation with interest as the US had faced a great disaster and turned it around. In Australia, at election time a few years ago, research had been conducted on the jobs and employment generated by tourism – as it was then, not 'business events' per se – in every electorate. They were able, therefore, to highlight the risk that politicians and political parties would take if they didn't take those statistics into consideration.

Former UK MP John Greenaway said that much of what the British public thinks is what they read in newspapers and much of the adverse reaction to people travelling to meetings was stirred up in the press. His question was how was the US disseminating the information not just to the politicians but to the opinion

formers politicians need to take notice of. "I think it's about the message to local and regional media and harnessing really positive support from them in order to transform the attitude of the national media."

Talley replied that the US business media, such as the New York Times, was the primary audience they wanted to influence but, unfortunately, the decision as to what was news wasn't up to the meetings industry. He agreed that if the local media and trade press understood the story, it would help them to get through to the business media. MacMillan added that you are always going to find people looking for the dirt but, having done a lot of research, influential bodies such as the Oxford Research Group and Forbes Insight had started publishing articles about the importance of business travel and face-to-face engagements. "It's a case of trying to balance out the sensational media with the solid business media."

Hirst's next question was whether they had also looked at the other benefits that come out of meetings, such as the well-being of communities and technical and medical advances, or was that something the US might do in future research. MacMillan said that was a tougher challenge. They had been trying to build a really compelling, credible, easy-to-understand story with their survey. But he said MPI was starting to do some research on the business value of meetings. He cited the way Seoul, Korea, is using meetings and events as part of its growth engines. "It's really a signature example for other governments to see because they made a massive investment in meetings infrastructure literally to bring together intellectual capital from the top industries around the world. That will be a case study for years to come."

Rod Cameron spoke again about the new JMIC initiative, the aim of which will be to get that same kind of consistency in both the economic area, as has been done so well in the US, and in the areas that are much more difficult to measure: the outcomes, the benefits, knowledge, innovation and so forth. "We've only just begun to identify the needs and some of the mechanisms going forward but it feels positive because at least we're moving in a direction that will give us better and more consistent measures in the future."

Lars Bernhard Joergensen, managing director of Wonderful Copenhagen, said Denmark had been doing this kind of research for several years, although it was obviously more complicated in a large economy like the US, and it really was the basis for understanding the value of meetings. They used examples to illustrate what it can mean on a very concrete level, such as universities getting access to key industrial players who usually wouldn't go to Copenhagen or assisting a knowledge institution gain access to networks coming to the city and collaborating with them on a research project. "All these concrete examples are meaningful for politicians and also for industry players, universities and the like." Hirst mentioned how Copenhagen had not only hosted a very successful COP 15 in Copenhagen in 2009 but used it to improve its own attitude towards sustainability and protection of the environment.

Barbara Maple, chair of the AIPC Academy, said that while Vancouver had produced impressive large numbers, local examples were also needed of the direct impact those large numbers would have on the local community. Every project has its own research but their credibility is a challenge if it isn't convincing, she

commented. She wondered whether all these meetings industry conversations would help local projects move forward, whether they were convention centres or other infrastructure.

In response, Michael Gehrish, president and CEO of Destination Marketing Association International (DMAI), said they had undertaken a project in the US with the Oxford Economics for a meetings and events impact calculator with an economic model built into it. Destinations build in their direct expenditures, jobs, etc, and he believes that the role and message will be played out at local level.

DOWN MEXICO WAY!

Speaker: Rodolfo López Negrete Coppel, chief operating office, Mexico Tourism Board

Coppel gave a run-down of Mexico's present global standing, the 14th largest economy in the world and one of the top 10 tourism destinations. "We still need to climb if we want to be with the big boys and our objective is to be in the top five destinations in the next decade. The good news is that there is room for growth." He said that tourism represents nine per cent of Mexico's GDP, and is the third largest contributor to the revenues of the country. A survey similar to that in the US had been commissioned to find out what percentage the meetings industry represents of that nine per cent.

"We are in a transition time," he said, "because, although we are strongly positioned in the leisure sector of the market, we would like to move gradually into being a very business-oriented travel destination and we are working very hard on this. We believe in the last decade substantial improvement has been made from an infrastructure point of view. In the past decade Mexico has become a very sophisticated destination, on a par with major destinations around the world in every sense. From 2000 to 2009, direct foreign investment grew to \$18 billion so significant improvements in infrastructure were on the table. Between 2007 and 2010, investment in infrastructure more than doubled compared with the previous 10 years. Roads were built and improved throughout the country, investment in airports increased and hotels are continuing to invest in a substantial manner. The private sector is very bullish about Mexico and at least \$45 million will be invested in 47 hotels in the next five years."

Acknowledging that Mexico is primarily a sun and beach destination, he firmly believes it has much more to offer. Rich and diverse, it has many cultural assets and World Heritage sites and is strong in nature and adventure travel. "Our task now is to build the meetings industry in an important fashion. We have some major lead destinations with the capability to host very large conferences. Now new destinations for hosting events are coming up, facilities are being improved and new conventions centres are under construction."

Hosting conventions helps level out the peaks and troughs leisure travel creates and statistics had shown that conference delegates spend from 1.5 to four times more than the average leisure traveller. Mexico's position in the ICCA rankings 2010 was 22nd. Coppel said that hosting conferences such as the COP 16 climate change meeting last year raised awareness of global issues among the people of Mexico as well.

COP 16 had been a very big challenge, particularly at a time of negative press from the US market. More than 15,000 delegates attended and a further 8,000 visitors participated in other events at the same time. The organisers took advantage of the topic to introduce a CO2 emissions calculator and were able to neutralise almost 17,000 tonnes of the 18,000 tonnes emitted. President Felipe Calderón was so committed to the event that he moved his offices to Cancun for 10 days, along with the whole cabinet.

Environmental responsibility has been put on top of the presidential agenda and he has been adamant about strengthening the rule of law system. Mexico has a stable and open economy and is affordable for conferences, offering tax incentives for meeting planners and zero VAT for meeting coming to Mexico. The number of convention bureaux has risen from 27 to 56 in the last 10 years and meeting space has grown by 148 per cent. All primary destinations and some secondary cities have top-class meeting venues and many hotels have convention facilities. Mexico is now very committed to the meetings industry, Coppel repeated.

MEASURING THE REAL VALUE OF BUSINESS EVENTS

Speaker: Jon Hutchison, CEO, Business Events Sydney (BESydney)

As a background to the research study Sydney has conducted recently, Hutchison explained that for a long time the organisations charged by cities to bring in business events had suffered from inadequate government interest and inadequate government funding. The reason for the industry's hesitation in being compared with tourism is that it cannot compete in terms of volume and, when government cuts the cake, it ends up with about 10 per cent of the funding. "We have failed miserably over the years to prove our true value beyond this tourist value but on my visit here I feel we are on the cusp of resolving that issue and we shall see a huge difference in government reaction throughout the world to this sector."

He said the two principle outputs from tourism, visitor volume and yield and yield spending and direct spending as it passes through the economy in jobs, is not difficult to measure and from that perspective business events are part of the tourism industry. The third output that is unique to this sector, the legacy or flow-on, is its non-tourism value.

He reiterated the legacy impact of business events, which bring world leaders in all vocations to your city and country as a captive audience. But, he said, in Australia 70 per cent of those people would not have come without those events. That impact is never mentioned as it is very difficult to measure. "How do you track and measure ideas, concepts and creativity flowing from a meeting to the satisfaction of treasuries who are fundamentally accountants, especially when the benefits are spread over a number of years?"

Sydney tried to measure the impact of the World Energy Congress it hosted in 2004 but looked at the numbers in the traditional way. Now it has taken a new approach which produces the right kind of results, having identified who the audience is it is trying to influence. "Certainly," said Hutchison, "treasuries influence government decision-making but political leaders direct treasuries and political leaders are influenced by community leaders and they are not directed just by numbers. They are influenced by

qualitative factors, the touch, the feel and the community aspects which often aren't in numbers but flow from what happens in congresses and meetings. We looked at the qualitative output of business events, the legacy value, and found it could be developed and become a powerful and influential group of stories, stories that could apply to every sector, every convention and every piece of business and that would begin to influence the thinking of political leaders. That was the test and we found that it is working."

Two years ago, the University of Technology, Sydney, was commissioned to research five events four to six years after they took place and look backwards at them, tracking every potential outcome. They looked at every important individual and organisation associated with that event and grew the information. The whole exercise was to be as painless and simple as possible and was needed quickly as Sydney was about to undergo a massive infrastructure development programme, which BESydney needed to be connected with. The evidence would be used to create convincing stories – you don't get stories from numbers, said Hutchison – extracting qualitative data that was relative to the specific interests of the target audience. In brief, the key findings were knowledge expansion; networking, relationships and collaborations; educational outcomes; fundraising and future research capacity; raising awareness and profiling; showcasing and destination reputation

He listed some of the legacy projects that came out of the five conferences researched, such as a major virology institute, a new centre for the study of vascular disease, obesity and diabetes which will employ over 300 researchers and a significant funding increase for the Australian Society of Orthodontists. Yet benefits such as these further down the track are never looked at by governments.

Coincidentally, post global financial crisis, there has been a shift in the government's engagement with universities, focusing on different ways of developing economies and communities. Research grants in Australia are now linked to innovation and many of them are linked to bring in business events, professional events, congresses and meetings, bringing the world's best and brightest to the destination.

As confirmation of this new approach, Hutchison said that the traditional view of measuring the sector in Australia had always been to look at the numbers. "But look at the great nations of Asia. They are investing billions of dollars in convention and exhibition infrastructure based on instinct, which is the qualitative assessment of the value flowing from that investment. In other words, the legacy value."

He had yet more to report. About 15 months earlier BESydney started to identify about a dozen events fitting each government portfolio, gone out to find them and so far secured about 40 per cent of them. "Institutions are now taking our case to government as it's in their interests from a financial and a productivity sense. And we have gathered our 'magnificent seven' advocates to take our case forward. The bonus is that everyone we deal with is paying a little more attention to my organisation and this is particularly valuable with the universities as the new advocates."

The second phase of the Sydney study was to measure the social legacies of business events, such as the reasons for sponsoring and exhibiting at conferences, investment opportunities gained, general and individual benefits and outcomes and benefits for the host destination. The results are not yet available. And, as reported earlier, the third phase is for the other member cities of FCCI to duplicate the work done in Sydney and consolidate all the information to produce an even more powerful and influential study.

Open discussion 2

Marc Horsmans, manager of Amsterdam Tourism & Convention Board, was very impressed by the Mexico and Sydney presentations but wondered what they had done to secure the funding for their studies. "Did you lie in front of somebody's door? Did you bribe them?" he joked. "What was the first step?" Rodolfo Coppel said it was necessary because of the situation in Mexico. For instance, Cancun is a very robust destination with an abundance of hotel rooms but no first-class convention facility. Conversely, many of the secondary destinations have convention centres they will never be able to fill. The infrastructure was built without suitable studies being conducted, he said, and they wanted to imitate the mechanism of the US study because of the different local and state authorities. "We at federal level have a lot to do at local and state level. Governors and municipal presidents or mayors tend to lump everything into the tourism bracket and we need to educate them that the meetings industry is an industry in its own right."

Hutchison said that prostrating yourself doesn't work. But what does have an impact is to give the advocates that you work with in your community the ammunition to open the door and put on the table the things that they want. "We have a vested interest in this so no-one listens to us. That's OK. We just give the mechanism to someone else to take the message. As for telling a story, how often have you heard that a medical practitioner, social worker or whatever has drawn a politician aside, had a word in his ear and gone away with new investments for whatever they do simply because they told a story that had many aspects about it that appealed to the interests of the politician. Politicians will be influenced by issues like that, influenced by stories that have substance and have value to them in terms of the outcomes they're seeking."

Michael Hirst put it to ICCA CEO Martin Sirk that ICCA monitors how many events a destination hosts and produces a league table, so how about producing a league table of the business event benefits destinations derive? Sirk replied that it was not a question of numerical results but getting stories across. He had been shocked to hear in the Netherlands, where ICCA is based, of proposals for cut-backs in the region of 65 per cent for the promotion of the country by Netherlands Board of Tourism & Conventions, although it is a country where there are very robust statistics and a lot of understanding of how the industry works. "I guess it says to all of us that we have an urgent need to create more of these compelling stories and get the Dutch societies, medics and business leaders into the ministries to make the case. Because if a country like the Netherlands with such professional promoters gets hit in that way, then we're all going to suffer."

Sirk also quoted a geneticist in Melbourne, Australia, who said the biggest advantage of his bringing the international congress to Melbourne was that 500 post-graduate Australian genetic students attended an

event which in other years and locations only 20 would have been able to get to and the power of that to lift the entire industry across Australia was incalculable.

Hirst asked Biarritz's Olivier Lépine whether he felt he worked in tourism or in the social benefits business. Lépine said first he agreed a lot more should be communicated about the total legacy which comes many years afterwards, creating jobs where the meetings took place and pushing research in that field a little bit further. He also agreed that when a country makes budget cuts without any explanation it is very bad for the global industry. On the question of promoting leisure tourism, he knew of an Asian city which did that by deciding to cut all advertising and invest in congress participants. Instead of buying advertising, they subsidised international congress participants and the further they travelled the more they received. Congresses were being used as advertising media.

Hirst suggested that many of the same governments that cut tourism marketing budgets are investing in scientific and medical research which actually helps the meetings industry, "so maybe we should look at the other side of the coin and see where government is investing its money?" He also wondered if the industry should be sitting at the tables of all the industries wanting meetings and conventions and saying the way to go is into live events, rather than paying for publicity in TV advertisements or printing more brochures.

Goran Petkovic, Serbia's State Secretary for Tourism, thanked all concerned for sharing so much information, congratulating them on their levels of professionalism. As for the argument whether the industry is or is not tourism, he said that during the financial crisis levels of foreign visitors to Serbia remained very high but there was a fall in local demand. He believed the reason for that was the establishment of their first convention bureau in 2007. Through ICCA and IMEX and other industry experts, they had the right knowledge and tools to do it and "the spirit of professionalism entered into Serbia". He also hoped the industry would be able to provide some models of the research it was carrying out as it would be worth investing in something similar in Serbia. Rohit Talwar explained again that the FCCI would share the outcomes of its research projects but the members hadn't yet discussed what to do about the methodology, as there may be more than one kind.

With reference to Serbia's experience during the financial crisis, Bruce MacMillan quoted a famous US politician who said "Never let a good crisis go to waste!" When a crisis or challenge strikes a destination it can create great opportunities. When Toronto was in trouble with the SARS crisis, it quickly asked the government for some significant investment for the city to secure an international AIDS conference and had to justify the potential benefits of the funding for the community. But what was most effective were the stories that were created around it. The ability to show knowledge being imparted when hospice workers from Africa met with hospice workers and caretakers in Toronto couldn't really be measured but the story around it created some long-term benefits for the community.

Matthias Schultz, managing director of the German Convention Bureau, said they had just published the latest figures on the volume of events Germany hosts and the number of visitors per year. He remarked that

that was all very interesting and useful but they were also now considering the Sydney approach because, when the German government defines the specific industries it wants to promote, the bureau is not only marketing bedrooms and the number of square metres available, it is trying to prove Germany has authentic companies and associations dealing with these issues. He felt the Sydney approach was the best approach.

Miha Kovavic, director of Slovenia Convention Bureau, said they were developing the country's meetings industry but, when discussing matters such as research or education, he saw a conflict of interests. He wanted to know what is in the national interest and what is local.

Rodolfo Coppel said that story sounded very familiar. He believed they have some responsibility at federal level to persuade local authorities to follow the right path and if something is of national interest it is certainly of local interest as well. Hutchison agreed it is a mixture of both, explaining that the protocol in Australia is that only one city bids for an event - otherwise the votes will be split and you will lose anyway. But once a city enters into the international competition, assuming there is some support at local level, then support and involvement at a national level must be also recruited. "It is the Australian culture to work together," he said.

Rod Cameron completed the session with a summary of all that had been discussed during the day. He concluded by telling the guest politicians, "This has been a good story but we are only on the first page. You can expect a lot more from the industry representatives in this room as they build this story into a very compelling argument to help you make the case for supporting this sector. Because, in so doing, you are supporting so many of the vital activities in which your nations and your communities are engaged."