



AACB

2010 VIN BARRON IMEX PRIZE

**THE CHALLENGES FACING A DESTINATION PROMOTING
ITSELF FOR BUSINESS EVENTS IN THE NEXT DECADE**

Deborah Lonne

Coordinator

Brisbane Marketing Convention Bureau



Brisbane Marketing
BRISBANE'S ECONOMIC DEVELOPMENT AGENCY



THE CHALLENGES FACING A DESTINATION PROMOTING ITSELF FOR BUSINESS EVENTS IN THE NEXT DECADE

Background

“We are at a crucial turning point for the meetings industry. The sector faces major challenges arising from changing political attitudes to the meetings sector, technological advances, economic power shifts, environmental pressures, a deepening understanding of how we learn and evolving social attitudes.”¹

The primary function of a convention bureau is to promote their region as an attractive business events destination to domestic and international markets.² However, bureaux are also required to be an industry leader, functioning as a collective body of expertise and authority. To perform these roles successfully, ensuring continued growth and development in the industry, it is critical for bureaux to anticipate and respond to the challenges presented by the next decade.

This report will examine four of these key challenges:

- 1) Advancing Technology
- 2) Corporate Social Responsibility (CSR)
- 3) Increasing Global Competition
- 4) Subvention

Advancing Technology

“The number of social media users is growing fast. The more that marketers understand the importance and dynamics of social media, the better they can then become at leveraging this channel.”³

Constant innovation in meeting technologies has created a variety of new channels to communicate and market to clients, decision makers, industry and business. This has led to a fundamental shift in communication, enabling bureaux to promote their destination for business events in ways that were previously unavailable.⁴

In particular, social media and digital marketing are some of the fastest growing areas of communication and media today. Networking sites including Twitter, LinkedIn, Facebook and YouTube function as two-way communication tools. They facilitate the promotion of a destination's products and services through disseminating information, targeting new demographics, increasing brand visibility and tracking trends; whilst also providing live feedback as consumers freely voice their needs and wants. When used effectively, social networking is an extremely valuable asset, providing bureaux with the power to connect and communicate in a world of rapid change. To remain an industry leader, it is critical for bureaux to embrace these innovations as a means to connect with others and enhance the positioning of a region as a premier business events destination.

Corporate Social Responsibility (CSR)

“There is now a greater demand to deliver business events which have a strong social and environmental focus.”⁵

The business events industry has already acknowledged the environmental impact of meetings, however further steps must be taken to ensure the industry's long term sustainability. To remain competitive, destinations must demonstrate a comprehensive CSR framework, that's adopted and practiced city-wide by industry, business and government. CSR initiatives must ensure that all

business practices are not just environmentally sustainable, but also ethically, socially and financially sustainable. In essence, CSR is about business giving back to society.

Currently in Australia, the EarthCheck Benchmarking and Certification Program is the most widely recognised CSR benchmark geared towards business events.⁶ However, the industry is yet to formally endorse a benchmark standard of CSR practices and performance. Herein lies another challenge; once CSR benchmarks are established and adhered to industry-wide, how can a destination differentiate themselves from competitors? A prime example of a destination doing just this, is Masdar in Abu Dhabi, which promotes itself as the “*world’s first carbon-neutral, zero waste city*”.⁷ Masdar is also home to the International Renewable Energy Agency headquarters and the annual World Future Energy Summit.⁸

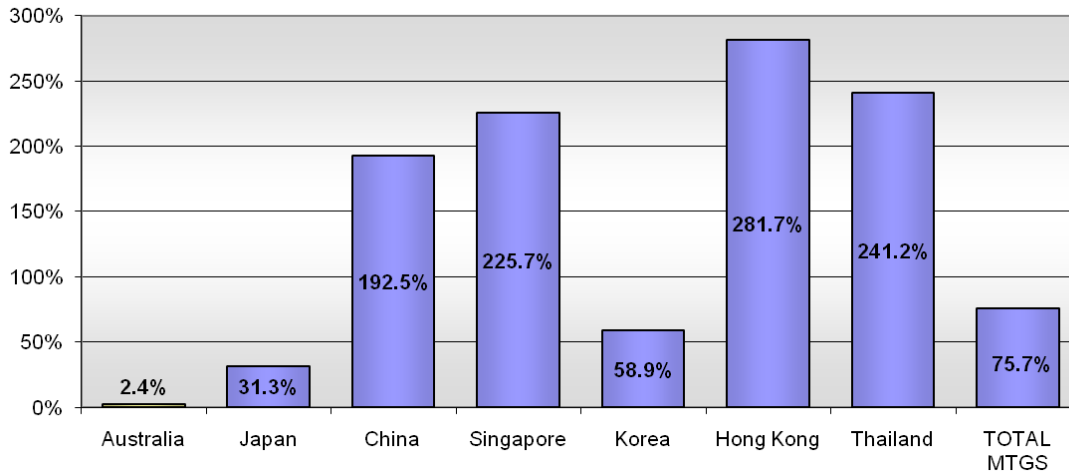
As a bureau we must proactively respond to CSR on two levels. Firstly, policies, procedures and infrastructure must be continually reviewed to ensure that optimum sustainability is achieved at all times. Secondly, these activities must be reinforced through the education of members and clients and targeted marketing campaigns that promote the destination’s commitment to achieving the highest CSR credentials.

Increasing Global Competition

“Internationally, the business events industry has demonstrated enormous growth over the last decade in terms of the number of events that are staged each year, the total number of attendees and the investment in business events infrastructure.”⁹

It is well recognised that business events delegates provide the visitation industry with the highest daily yield, spending on average five times more than a leisure visitor.¹⁰ Due to the significant opportunities that this high yielding sectors presents, countries across the world are actively seeking to grow their share of the business events market.¹¹ In particular emerging destinations in the Asian and Middle Eastern region such as India, China, Korea, Singapore and Abu Dhabi are seeking to capitalise on international MICE business with substantial investments in technology and infrastructure. See below graph.¹²

ICCA: Growth in Participant Numbers 1996 - 2008



Source: International Congress and Convention Association: Growth in participant numbers 1996 – 2008

For example, Advantage Abu Dhabi (AAD), launched in 2009, is an initiative designed to “ensure that the business tourism sector serves as an important growth pillar for Abu Dhabi’s long-term economic, social, human resource and infrastructure development goals.”¹³ Seoul Convention Bureau is also taking steps to lure MICE business by increasing their incentive package and planning three new convention centres.¹⁴

As stated in the recent BECA Pre-Budget submission “the most successful business events destinations in the world have the benefit of solid national government investment.”¹⁵ Throughout the next decade is inevitable that competition between destinations will continue to intensify, and as is appropriate to combat this, many destinations are calling on their respective governments for increased support of the business events industry. This is primarily through increased funding to assist with international bid wins, delegate boosting and destination marketing. Whilst increased government support is critical, the industry cannot rely on this alone. Steps must also be taken to develop strategic partnerships amongst key industry bodies and stakeholders. Through operating as a united industry, destinations can build a stronger platform to promote themselves and increase their share of the business events market.

Subvention

“As competition for convention business continues to increase world wide, many destinations and facilities are looking for new ways to compete more effectively. At the same time, clients are well aware of the broader economic benefits their events deliver. In this environment, subvention and expectations by clients for incentives are becoming increasingly a fact of life.”¹⁶

As sponsorship procurement becomes more difficult, subvention (subsidies and incentives offered to help secure bid wins) is becoming more important for many event organisers¹⁷. This presents a particularly challenging issue for smaller destinations, who do not have the financial means to offer large cash incentives.¹⁸ To overcome the need for subvention, bureaux must work to increase attendance which will ultimately increase the bottom line for event organisers.¹⁹ This involves looking outside the square, focusing on the unique features of a destination and capitalising on industry strengths to make the event more attractive for event organisers and their attendees. By seeking out new ways to differentiating themselves, destinations can offset the financial incentives offered by competitors and elevate themselves to a more level playing field.

The Way Forward

“There's no doubt that events will shape the destiny of destinations in the 21st century.”²⁰

Bureaux who successfully promote their region as a premier destination for business events in the next decade will no doubt be those who work to position themselves as a vital partner in determining the strategic direction that the city will take, serving as a figurehead for clients, industry and government to look to for insights and strategic frameworks on critical issues. Whilst advancing technology, CSR, increasing global competition and subvention present challenges to be addressed, more importantly, if recognised and addressed successfully, they provide the opportunity for bureaux to differentiate a destination from competitors and strengthen its share of the business events market.

References

-
- ¹ Sirk, Martin. "New futures study launched." MICE BTN, http://www.impactpub.com.au/micebtn/index.php?option=com_content&task=view&id=5662&Itemid=49 (accessed February 15, 2010)
- ² Australian Association of Convention Bureaux Inc. The role of the AACB. 2007. <http://www.aacb.org.au/> (accessed February 6, 2010)
- ³ "Pata China & DMIC to co-host Social Media". Travel Blackboard, 28 Jan 2010. <http://www.etravelblackboard.com.au/showarticle.asp?id=101374> (accessed 5 March, 2010)
- ⁴ Whiteling, Ian. "EIBTM technology showcase attracts record number of entries". Meetings Review. 29 October 2010. <http://meetingsreview.com/news/view/27799> (accessed February 10, 2010)
- ⁵ National Corporate Social Responsibility (CSR) Audit, For Australia's Business Events sector, Business Events Australia, Tourism Australia, February 2009, p3
- ⁶ Earth Check Pty Ltd. Welcome to EC3 Global. 2009. <http://www.ec3global.com/> (accessed 12 February 2010)
- ⁷ Masdar City. Welcome to Masdar City. 2009. <http://www.masdarcity.ae/en/index.aspx> (accessed February 12, 2010)
- ⁸ Todorova, Vesela. "Energy forum 'testament' to capital. The National. 22 January 2010. <http://www.thenational.ae/apps/pbcs.dll/article?AID=/20100122/NATIONAL/701219836/1133/OLYMPICS> (accessed 12 February 2010)
- ⁹ Jago, L., Deery. M. (2010) Delivering Innovation, knowledge and performance: the role of business events, p 4
- ¹⁰ Business Events Council of Australia (BECA) Pre-Budget Submission to the Federal Government, February 2010, p 5
- ¹¹ *A National Business Events Strategy for Australia 2020, The business of events – Australia's untapped potential*, Business Events Industry Strategy Group, October 2008, p vi
- ¹² Business Events Council of Australia. (2010) Performance monitors for the Australian business events industry. February 2010 p 3
- ¹³ 'Advantage Abu Dhabi to spur MICE segment'. Abu Dhabi Tourism Authority. 31 March 2009. <http://www.abudhabitourism.ae/en/news/advantage.abudhabi.to.super.mice.segment.aspx> (accessed 12 February 2010)
- ¹⁴ Yue, Karen. "Seoul raises incentive subsidy, packs on new MICE offerings." TTGMice. 3 March 2010. <http://ttgtravelhub.net/index.php?option=content&task=view&id=13837> (accessed 10 March 2010)
- ¹⁵ Business Events Council of Australia (BECA) Pre-Budget Submission to the Federal Government, February 2010, p 15
- ¹⁶ Cameron, Rod., (criteria@axion.net), 1 May 2010. RE: Quote for report – as discussed at BECA Summit. Email to A. Sullivan (asullivan@brisbanemarketing.com.au)
- ¹⁷ ICC Commission Report – October 2005. London Development Agency. October 2005, p50
- ¹⁸ http://businesseventsCouncil.org.au/files/be_summit_09_final_report.pdf pg 7
- ¹⁹ Yue, Karen. "Australia creates fund to woo international association events." TTGMice. 1 March 2010. <http://ttgtravelhub.net/index.php?option=content&task=view&id=13822> (accessed 5 March 2010)
- ²⁰ Hirst, Michael. 'Briefing Interview October 2008'. IMEX New Vision Politicians Forum. October 2008. (<http://www.imex-frankfurt.com/documents/BriefingInterviewsOct08.pdf> (accessed February 28, 2010)