

BEACHES TO BRAINS

The value of international association meetings has long been measured in the 'tourism' dollars they generate. But now you're (almost) as likely to hear destinations talking about knowledge transfer as delegate spend. **James Lancaster** charts the evolution of destination marketing...

Destinations have long regarded international association meetings as a way to fill hotel rooms and restaurants – to generate valuable income for city coffers. That's not surprising. Attracting conference business has been the responsibility of government tourism departments – or subsidiaries thereof – and the success of a conference has been measured on those terms.

If you think that's a short-sighted way to measure the value of meetings, you're not alone.

Conversations about the positioning of the meetings industry have been rumbling on for many years, with prominent voices insisting it should escape the clutches of tourism and instead make a permanent home under the umbrella of 'business development' or 'inward investment'.

The idea is that by showing policy-makers the wider benefits of meetings, how they can help to advance targeted growth sectors, foster lucrative collaborations or attract talent to a city, for example, the industry is better positioned to advance its own case for government support.

Over the last decade this thinking has made headway. Two things have started to change: one, how destinations measure the impact of international association meetings, and, two, how destinations sell themselves to those associations. To a certain extent, the former is contingent on the latter.

Rod Cameron, chairman of the Joint Meetings Industry Council (JMIC), which

comprises associations such as ICCA, MPI, AIPC, and PCMA, said two factors had provided the impetus for change.

"Where the real urgency started was from the backlash against meetings-related spending that kicked in with the onset of the global financial crisis and the rise of the pharma-codes that very specifically penalised leisure or luxury-based marketing for meetings in the medical area," he says.

The most high-profile backlash came from the mouth of incoming US President Barack Obama, who took a sideswipe at 'corporate junkies to Las Vegas' on the 'taxpayers' dime'. It may have been a throw-away remark, but it caused ructions in the meetings industry, and

not just in Las Vegas. A new era of austerity would mean the meetings industry having to prove its worth.

Industry bodies released economic impact studies to prove to governments that meetings were a major revenue earner. An attention-grabbing PricewaterhouseCoopers report for the Convention Industry Council found that the US meetings industry in 2009 was worth \$263 billion in direct spending, supported 1.7 million jobs, and contributed \$106 billion to GDP. That was hard to ignore.

The messaging in these studies was still very much focused on direct expenditure, however, taking in things like retail, food and drink, accommodation and car rental. In other words it was still reinforcing the idea that international meetings were primarily about boosting tourism spending.

The first study to break away from this was Business Events Sydney's groundbreaking **Beyond Tourism** study, in 2010, which employed researchers at University of Technology, Sydney, to prove that business events had longer-term economic and societal benefits based on knowledge transfer.

The study, which may have been the first in the meetings industry to use the word 'legacy', explored what delegates learnt at conference, the dissemination of knowledge, the development of business relations and research collaborations, and how the destination's reputation was enhanced.

Meetings industry associations took up the mantle, stressing the role of destinations

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as knowledge hubs rather than tourist traps, and the role of meetings in providing deeper social benefits beyond tourism. The messaging worked, with more destinations focusing on their areas of expertise in their promotional and PR material, rather than Michelin-starred restaurants per square mile.

The publishing wing of the meetings industry was quick to catch on. In 2014 CAT Media – publisher of *AMI Magazine* – launched **Intellectual Capitals**, an online, print and video product that allows destinations to profile their centres of expertise to potential clients and decision-makers.

More recently, JMIC, in collaboration with the University of Technology Sydney, launched **The Iceberg project**, a website that promotes stories from the international meetings press pertaining to the lasting-benefits of meetings – or ‘legacy’. No mention of bed-nights or tourism receipts allowed.

Introducing the project, JMIC President, Joachim Koenig (*above right*), said: “The focus of our value proposition as an

industry has been shifting from one based on delegate and organiser spending to the value of what these events actually achieve for organisers, participants and host communities. As simple as it sounds, this in fact has huge implications, because it places us at the very centre of both the global economy and the underlying scientific, professional, academic, business and social advancements that drive it.

“The new collective view of the industry – and certainly those who actually develop and carry out these events – is that such outcomes are their real purpose and value, however attractive the related spending impacts may be. However, they are also the most challenging to quantify or monetise because they are often long term and based on things like the benefits of knowledge transfer and relationship-building that are hard to attribute to a single factor.”



The destination

Glamorous Monaco, with its casinos and luxury yachts, has been telling a different story to attract international conference business – with the help of Intellectual Capitals. It has produced a brochure and video package – called *Unexpected Monaco* – highlighting the principality’s lesser-known strengths in IT, medicine, science and sustainability.



Sandrine Camia, Director Convention Bureau, Monaco Government Tourist and Convention Authority, says: “Intellectual Capitals converged exactly with the strategy of Monaco Convention Bureau and above all allowed us to present new arguments of legitimacy. Monaco needs more than any destination to capitalise on its knowledge, experts and industries to be relevant for congresses because those assets are unknown and unexpected from the Principality. We have had many initiatives to promote Intellectual Capitals including an official launch, press conferences and presentations to a large audience of clients. Feedback from customers and the press has been unanimous. IC has helped to overcome negative stereotypes of Monaco, and boosted its image for the MICE market.”

The association

Giuseppe Marletta, executive director of the International Association of Young Lawyers, says finding a link between the host destination and the aims of the association is crucial.



“When we decided to go to Tokyo to support our Asian expansion, we chose to hold an event on the impact of Artificial Intelligence and technology on the legal profession: it was a no brainer considering that the city of Tokyo is always at the top when talking about innovation and technology. It was then relatively easy to put together the programme, have outstanding speakers and market the event appropriately. We let the identity of the city influence the choice of our topic.

“The same is happening this year with Brussels. After the choice of the city we thought of using the opportunity of being in the capital of Europe and symbol of international integration to discuss globalisation and whether we are moving towards greater integration, international co-operation and cross-border trade, or heading in the opposite direction, with Brexit and various populist political approaches in the Western world.”

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Q&A with BE Sydney CEO Lyn Lewis-Smith



JL: Let's remind ourselves: what was the impetus for BESydney's 2010 Beyond Tourism study?

LLS: We already knew that business events were delivering longer-term economic and social benefits, in addition to the short-term boost to direct expenditure. However, to gain the level of support and engagement that the industry needed from government, industry and academia, we had to clearly demonstrate those legacies by providing the data and proof points to back up the anecdotal evidence.

So BESydney commissioned researchers at University of Technology, Sydney (UTS) to investigate and document these legacies using the same rigour that would be applied to any piece of academic research.

JL: Did the financial crash of 2008 act as a spur? And if so how?

LLS: In the wake of the global financial crisis, organisations and associations came under greater pressure to demonstrate the value of hosting or attending business events.

Corporate 'jollies' were no longer acceptable excuses for a business trip, particularly when many companies had been bailed out by taxpayers' money.

Many events were simply cancelled, while others were scaled down in line with new guidelines and legislation published after the crash – such as the US's Troubled Asset Relief Program (TARP).

Luxury five-star hotels and resorts took a hit, as grand and costly trips had to be replaced with smaller events that had a stronger business focus and delivered a clearer return on investment.

Amid this shift, it was vital to reinforce the value of business events and show that they can deliver benefits for organisers

and attendees – when planned and executed in the right way.

JL: How was your study received in the industry and how important do you think it was in terms of the evolution of destination marketing that we have seen over the last eight years?

LLS: There is no doubt that the study – and the subsequent ones in our Beyond Tourism Benefits series – have had an impact, and there is a much better and broader understanding of the long-term benefits of business events than there was when we commissioned that first piece of research.

Before we published the first report, the conversation was very much about the impact of business events on tourism numbers. Today, the conversation is about the impact of these events on business and innovation, the knowledge economy and the potential to shape best practice and solve global challenges.

That first report provided a catalyst for the shift we've seen over the last decade.

More specifically to Sydney, the research was one of the key drivers for the Government's decision in 2012 to invest in a new convention centre for the city. It made ministers see how the sector could directly help them achieve their own goals, and recognise the importance of having a world-class venue in which to host the world's biggest international events.

JL: If you could name two or three other important milestones for the industry in that period, in terms of the re-positioning of business events, what would they be?

LLS: Perhaps the most significant piece of research came in 2014, when the

Association of Australian Convention Bureaux (AACB) collaborated with Deloitte Access Economics to release a report entitled: Australia's International Business Events Sector: The Economic and Strategic Value Proposition.

That was one of the first pieces of work we did during my presidency of the AACB, and the partnership with such a recognised name in the business world moved our industry into a different space. It also opened doors to federal government and started them thinking more about their role in attracting these events to Australia.

On an international level, the Joint Meetings Industry Council (JMIC) case studies and 'The Iceberg' advocacy channel. We have also seen an increasing number of cities aligning business events with their economic development strategies, which changes how they think about these events.

JL: What was Sydney's relationship with the Future Convention Cities Initiative?

LLS: Sydney was one of the founding members of the Future Convention Cities Initiative in 2010 – along with Abu Dhabi, Durban, London, San Francisco, Seoul and Toronto.

This was a collaboration aimed at sharing information, ideas and research to position our industry as a key driver of the knowledge economy. It was about progressing the sector as a key economic driver – not just for our own cities, but for any city or country.

We commissioned UTS to produce a comparative report, looking at how conferences in Sydney and other cities within the FCCI had impacted each of the cities. We continue to share data and insights on an informal

basis with these and other cities.

JL: Do you think most DMOs support the move away from leisure or tourism messaging – or are those who focus on intellectual legacy still industry outliers?

LLS: I think we are still in a minority, but it's a growing minority.

This is the conversation that organisations hosting events want to have with destinations now. They are thinking differently about their own events – questioning the purpose and the legacy they can leave – and they want destinations to be thinking in the same way.

So I think we will reach a tipping point in the next five years, and any destinations that still focus on the leisure and tourism message will then be the ones in the minority.

JL: Where do you think the industry should be headed in the next 10 years?

LLS: I think the industry should be aiming to play an even more central role in shaping economic agendas and helping to grow a city's business and innovation brand. We need to get better at telling the stories about how business events are doing that – and what is being achieved.

Hosting business events is an opportunity to put the spotlight on global issues and bring businesses, policy makers, experts and influencers together to fast-track change. These events also play a key part in bridging the gap between research and the commercial development of new ideas. This has the potential to maintain a culture of innovation, while providing the impetus to influence industry agendas and the funding for thought leaders to continue their work. ■