

CONVENTION AND VISITOR BUREAUX – TAPPING THE POTENTIAL OF BUSINESS TOURISM

By Tony Rogers*, British Association of Conference Destinations

Convention and visitor bureaux, usually partnerships of public and private sector organisations, play an increasingly vital role in the management and promotion of conference and business tourism in destinations throughout the world. Their operational remit, funding structures and effectiveness differ from one country to another but their potential contribution to a destination, as American examples demonstrate, can be very significant. In the UK, they are often hampered by inadequate resources, therefore, new funding solutions, such as a bed tax, are of prime concern to CVBs.

This article looks at the role of, and key issues facing, the UK's convention and visitor bureaux (also known as 'conference bureaux' or simply 'convention bureaux'), set against the background of the business tourism industry and, in particular, the conference sector. It also analyses in some depth the structures and activities of CVBs, making comparisons with overseas models. The article concludes with a summary of major issues and challenges facing CVBs.

Economic benefits of business tourism

Conferences are a segment of the wider business tourism sector, which has a combined value to the UK economy of some £15 billion a year. An estimated value of its component parts is as follows:

- conferences and meetings - £6.6 billion
- exhibitions - £1.7 billion
- incentive travel - inbound incentive travel market of £165 million upwards
- corporate hospitality - £700 million
- business (or individual corporate) travel. No reliable estimates of this segment exist, although *Business Tourism Leads the Way* suggested that it was worth over £6 billion per annum in 1998.

According to the *International Passenger Survey 2000* (Office for National Statistics), an estimated 851,000 conference visitors from abroad brought £591 million to the UK. Revenues from international business tourists are, on a spend-per-day basis, almost three times as much (£177) as the average for all visitors (£62). The British Tourist Authority's growth projections to 2010 show that the inbound conference market will have the strongest growth out of all the business tourism segments.

These figures do not take into account the impact of the events of 11th September 2001. At the time of writing, it is too early to predict exactly what effect these events will have on business and conference tourism. Initial forecasts by the BTA predict a reduction of between 10-20% in total tourism earnings (leisure and business tourism) for the UK in 2001. Some cancellations and postponements of conferences and meetings have already been recorded and the hotels and venues dependent on the long-haul overseas visitor have been particularly affected by the downturn in business.

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At the same time, however, some UK venues have picked up business that, in other circumstances, would have gone overseas.

Business tourism in the UK – facts and main issues

The broad picture of the conference market emerges from the findings of the *British Conference Market Trends Survey 2000* (published June 2001):

- An estimated 1.3 million conferences and meetings took place in the UK in 2000.
- A quarter of all conferences were residential.
- The average duration of non-residential conferences was 1.4 days, and residential events 2.6 days.
- Urban/airport hotels staged the highest proportion (63%) of non-residential conferences, followed by rural hotels (12%) and then educational establishments (7%).
- The majority of conferences in 2000 were corporate events (48%), followed by government/public sector conferences (32%) and association conferences (20%).
- The busiest months for conferences were (in order): September, October and November.
- Average delegate rates were publicised as £36 for day rates and £143 for 24-hour rates.

The key issues of major importance to this sector are highlighted by the manifesto, published in November 2001, of the Business Tourism Partnership (an umbrella body representing the leading trade associations and UK government agencies committed to supporting the business tourism sector in the UK):

1. The need for the Department of Trade and Industry and *Trade Partners UK* to give greater prominence to the benefits of trade development and export earnings offered by business tourism, and to develop a strategic approach to key events.
2. The requirement for greater support by government departments and agencies, in the UK and overseas, in the bidding process for major international events. This should include pro-active support by senior ministers, ambassadors, Trade Consuls and Commercial Attachés.
3. Increased funding for the English Tourism Council to enable it to include business tourism in its full strategic and research agenda, and also to have a domestic marketing function, which would include the promotion of business tourism.
4. The need for government and private sector support for London to build a world-class International Convention Centre, capable of holding in excess of 5,000 delegates, to secure its share of prestigious international association congresses.

The role of convention and visitor bureaux

Many cities and destinations in the UK and around the world have now established a dedicated marketing organisation for promotion of the conference/business tourism and leisure tourism sectors. Such organisations typically trade as convention and visitor bureaux (CVBs), and they serve as the 'official' contact point for their destination. The prime role of a CVB is, to quote Richard Gartrell (*Destination Marketing for Convention and Visitor Bureaux*, 1994), to "solicit and service conventions and other related group business and to engage in visitor promotions which generate overnight stays for a destination, thereby enhancing and developing the economic fabric of the community".

The International Association of Convention and Visitor Bureaux (IACVB) has 500 bureaux in membership in 30 countries, although these are predominantly located in North America. The International Congress and Convention Association (ICCA) has a category of membership specifically for CVBs: its 2000 survey of CVB members covered 146 members, 40% operating at a local city level, 12% at a regional level and 48% at a national level. In the UK, the British Association of Conference Destinations currently has 88 convention bureau or 'conference desk' members, covering all of the major destinations.

CVBs are usually formed and financed as partnerships between public and private sector bodies. In Britain, this can include public sector organisations, such as local authorities, regional development agencies and regional/area tourist boards, with the private sector being represented by hotels, venues, retailers, attractions, chambers of commerce and others. CVBs are set up as not-for-profit organisations, controlled by a management board, and market a specific destination, frequently a city. In most cases, the bureau is established at arms' length from the local authority or authorities which it represents, but in others the bureau remains an integral part of the local authority structure.

Funding

Funding is derived from the following sources:

- public sector contributions (usually the largest single source),
- private sector membership fees (members including venues of all kinds, accommodation providers, professional conference organisers, destination management companies, transport operators, audio-visual companies, and other kinds of suppliers),
- sponsorship,
- joint commercial activities with members,
- in some cases, also from commission which is charged to venue members on business placed.

Some bureaux prefer to have a high membership fee which covers a full package of benefits and services to their members (with no or few hidden or extra charges). Other bureaux opt for a much lower membership fee which provides a core of benefits but they then invite their members to buy into additional activities and services on a partnership basis.

Both models have their strengths and weaknesses. Each destination and the suppliers within it must agree what is appropriate for themselves and then develop and fine-tune the model in the light of experience. CVBs are dynamic entities which evolve in the light of local circumstances, market trends, the demands of clients, and a multitude of other factors.

Organisational structures

At a national level, CVBs usually depend on substantial funding from the government and, indeed, may be structured as a government agency. The German Convention Bureau (GCB) is the marketing, not-for-profit organisation for the solicitation of international meetings for Germany's congress and convention industry. Founded in 1973, the GCB was established to provide impartial advice and suggestions to meeting planners concerning facilities, sites, accommodation, and programmes in Germany. The GCB, based in Frankfurt and with an overseas office in New York, is a single umbrella organisation representing the leading companies in the German meetings industry. Its 200-plus members include the principal congress cities, convention centres and hotels, professional conference/congress organisers (PCOs) and other convention service providers, Lufthansa German Airlines, German Rail and the German National Tourist Board.

In the UK, Scotland has a dedicated Scottish Convention Bureau (a division of the national tourist board, VisitScotland), Wales has a Business Travel Unit within the Wales Tourist Board and is currently in discussion about the establishment of a national convention bureau, and Northern Ireland has the Northern Ireland Conference Bureau as a unit of the Northern Ireland Tourist Board. The Business Tourism Department of the British Tourist Authority fulfils some of the overseas marketing activities of a national convention bureau on behalf of the four countries of the UK.

British CVBs have an average of two or three staff (typically a general manager, a sales executive, and an administrative assistant with computing skills), but the CVB team can be as large as 15. Budgets also vary enormously, from a marketing budget of a few thousand pounds up to several hundred thousand pounds. Research carried out in 2000 found an average marketing budget of just £31,500.

Bureaux in North America operate on a different scale, largely because there is a longer tradition of CVBs, going back to 1896, with even relatively small towns having a CVB. In the USA, bureaux are also funded differently, principally through a system of local state or city visitor taxation which means that funds, in many cases, are ring fenced for tourism destination marketing and product development.

For British convention and visitor bureaux to achieve a similar status within their communities to that enjoyed by their US and Canadian counterparts, they have to secure a higher level of funding and resources than is currently available to them.

FUNDING SOURCES OF CVBS* (%)

	Membership	Local/Central Government	Others
1994	25	57	18
1997	21	66	13
2000	18	72	10

*These figures refer to CVBs which were the members of the International Congress & Convention Association in 2000

Table 1
Source: ICCA 2000

ANNUAL MARKETING BUDGETS OF CVBS* (\$)

	European City Bureaux	Non-European City Bureaux	European National Bureaux	Non-European National Bureaux
1997	307,299	1,429,361	434,275	1,600,000
2000	398,128	5,181,550	396,957	444,613

*These figures refer to CVBs which were the members of the International Congress & Convention Association in 2000

Table 2
Source: ICCA 2000

AVERAGE STAFFING LEVELS OF CVBS*

	Average	European City Bureaux	Non-European City Bureaux	European National Bureaux	Non-European National Bureaux
1994	18	6	22	4	38
1997	10	4	18	5	14
2000	10	6	18	5	12

*These figures refer to CVBs which were the members of the International Congress & Convention Association in 2000

Table 3
Source: ICCA 2000

CVBs functions

CVBs provide a range of services, many free of charge, to conference organisers and meeting planners. They aim to offer a 'one-stop' enquiry point for their destination, with impartial advice and assistance. Such services are likely to include some or all of the following, often working in tandem with a professional conference organiser:

Pre-booking the event

- Literature and information provision,
- Venue location and selection advice,
- Availability checks,
- Rate negotiation,
- Provisional booking service,
- Familiarisation/inspection visits,
- Preparation of bid documents,
- Assistance with presentations to a selection committee/board,
- Negotiation of subventions and sponsorship.

Preparing for the event

- Block accommodation booking service for delegates,
- Co-ordination of the full range of support services including transportation, registration, translation, office support,
- Provision of 'Welcome Desks' for delegates at major points of entry,
- Promotional and PR support to maximise delegate numbers and increase awareness of the event in the host destination,
- Supply of delegate information packs and undertaking delegate mailings and confirmations,
- Planning partner programmes, social programmes, and pre- and post-conference tours.

During the event

- Welcome hosts,
- PR support,
- Helpline support,
- Guided tours and contributions to social and partner programmes,
- Co-ordination of destination resources, including transportation and entertainment,
- Civic welcome and recognition,
- Provision of tourist information,
- Handling travel enquiries and ticket sales,
- Registration.

After the event

- Post-event evaluation and follow-up research,
- Collective billing, budget finalisation and reconciliation,
- Consultancy support to the destination hosting the conference.

Many of a bureau's **marketing activities** are implicit or explicit in the list of services it offers to conference organisers. A typical portfolio of activities for a British convention bureau will include some or all of the following, dependent upon staff and financial resources:

- **direct marketing** – particularly direct mail, but also telesales and, occasionally, a sales person 'on the road',
- **website development** – marketing the destination through the web,
- **print and audio-visual production** – compiling conference destination and other promotional print, as well as videos and CD-ROMS,
- **exhibition attendance** – taking stands at trade shows such as 'International Confex', 'Meetings & Incentive Travel Show', 'National Venue Show', 'EIBTM',
- **overseas trade missions** – participation in overseas roadshows and workshops, often organised by the British Tourist Authority,
- **familiarisation visits** – organising visits for groups of buyers and press representatives,
- **receptions** – co-ordinating receptions, lunches and occasionally small workshops to which key clients, existing and potential, are invited,
- **advertising** – in local and national press,
- **public relations** – circulating information and releases to the media and, often, to influential community organisations,
- **ambassador programmes** – identifying, recruiting, training and supporting key individuals in the local community (often university academics, hospital staff, leading industrialists, members of the business community, trade unionists) as 'ambassadors' for the destination, assisting them to bid for and attract the annual conference of the professional institution or trade union to which they belong.

The two case studies presented below illustrate well the role and contribution to the local economy of two of the largest CVBs in Britain.

London Convention Bureau

London Convention Bureau (LCB) promotes London as the destination for meetings, incentives, conferences and exhibitions (MICE) in Europe. LCB is an integral part of London Tourist Board and Convention Bureau, the official tourist organisation for Greater London. LCB represents a broad membership with extensive knowledge and expertise across the industry (such as conference and exhibition venues, convention hotels, visitor attractions and specialist services).

LCB targets MICE segments in UK, North America and Europe through research, direct marketing, production of publications, participation at trade fairs, organisation of familiarisation visits, a free venue enquiry service for clients, networking and training seminars for members.

LCB evaluates all activities. With regards to the venue enquiry service, for example, in the financial year 2000-2001, LCB dealt with 402 sales enquiries for residential conferences of 50 and over delegates, and helped to confirm events worth over £7m in economic benefit. (NB: Estimated values are calculated with the help of multipliers proposed in *The Conference Delegate Expenditure Research Report*, 1998 and the *British Conference Market Trends Survey 2000*, both compiled by System Three).

Edinburgh Convention Bureau

The Edinburgh Convention Bureau is the business tourism division of Edinburgh & Lothians Tourist Board and is responsible for marketing and managing Edinburgh and the Lothians as an international conference, incentive and event destination. The Convention Bureau is a membership organisation and represents over 190 members in the meetings and incentives industry in Edinburgh and the Lothians.

The Convention Bureau provides conference organisers with information on conference venues, accommodation, transport, social programmes, conference support services and pre- and post-conference tours.

In 2000, the Edinburgh Convention Bureau (ECB) generated £38 million for the local economy. Association conferences (international and national) contributed £28m to this total. Overall, the ECB assisted with bringing 500 conferences to Edinburgh in 2000.

The Edinburgh Ambassadors Programme, funded by Edinburgh & Lothians Tourist Board and Scottish Enterprise Edinburgh and Lothian, currently includes over 800 'ambassadors' – senior professionals in positions of influence representing academic and commercial fields in which Edinburgh has an international reputation. Since 1996, the Edinburgh Ambassador Programme has attracted over 170 major conferences to Edinburgh, which have brought over £36 million in revenue to the area.

Some current issues for CVBs

Funding, as already mentioned, remains a major challenge for CVBs. In the UK, this is especially the case because of the non-statutory nature of tourism function in local authorities. Bureaux have to spend a considerable proportion of their time justifying the case for budgetary resources and finding ever more creative means to lever additional funds. This inevitably detracts from their ability to carry out effectively their destination marketing activities.

The Internet continues to have an impact on marketing and booking, changing the ways in which such activities have traditionally been undertaken. Disintermediation (the process of cutting out the intermediary agency and booking direct via the web with the venue, airline, attraction, etc) will also affect the levels of business handled directly by bureaux, reducing for some the income generated through commissions on events placed.

The ways in which CVBs collaborate with professional conference organisers (PCOs) are currently under debate in the UK, with members of both the British Association of Conference Destinations (BACD) and the Association of British Professional Conference Organisers (ABPCO) jointly exploring ways of reducing duplication and unnecessary competition in order to exploit fully the natural synergies that exist.

Conclusions

CVBs represent the classic model of public-private partnership. Properly resourced, they can make a major contribution to the local (and national) economy, with a return-on-investment of 30 or 40:1 being typical. There are some excellent examples around the UK of CVBs whose achievements and dynamic approach to destination marketing rank alongside the best in the world. Regrettably, there are others which lack human and financial resources and struggle to offer anything more than a rudimentary level of service to conference organisers.

Possible solutions which would help to create a proper foundation for CVBs could include the introduction of a bed tax and/or a statutory tourism function for local authorities, which would help CVBs to realise their full potential and maximise business and leisure tourism revenues for the destinations they represent.

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