

Meeting industry in the EU - the role played by destinations

Magda Antonioli Corigliano
magda.antonioli@unibocconi.it

Poland Meetings Destinations
Warsaw, 17th March 2014

agenda:

Events and the MICE industry:
what are we talking about?

Facts and figures: **an issue of concern**

The MICE industry
main trends

The MICE industry
a driver of economic, social and cultural development

The MICE industry
tips for the future

Events and the MICE industry: **what are we talking about?**

Events?

Unique and **transient** occurrences,
separate from everyday experience.

Every event is a **unique blending** of its duration,
setting, management and people.

for **organizers**



one-time or infrequently
occurring event outside normal
programs or activities of the
sponsoring or organizing body

for **attendees**



an opportunity for a leisure,
social and cultural experience
outside the normal range of
choices or beyond every day
experience

[Getz, 1997]

Events - MICE Industry

Conferences
Congresses
Conventions
Exhibitions
Expositions
Events
Fairs
Festivals
Hallmarks
Incentives
Meetings
Seminars
Workshops

...

Events can be **segmented** according to the following **features**:

- focus
- purpose
- initiator of the event
- timing
- location
- audience
- size
- stakeholders

MICE Industry
(business events)



“The Meetings, Incentives, Conventions and Exhibitions (MICE) industry is one of the **key drivers of tourism destination development and an important generator of income, employment and foreign investment.**

Beyond economic benefits, the MICE industry presents opportunities for knowledge sharing, networking and capacity building, making it an important **driver for intellectual development and regional cooperation.”**

[Taleb Rifai, UNWTO]



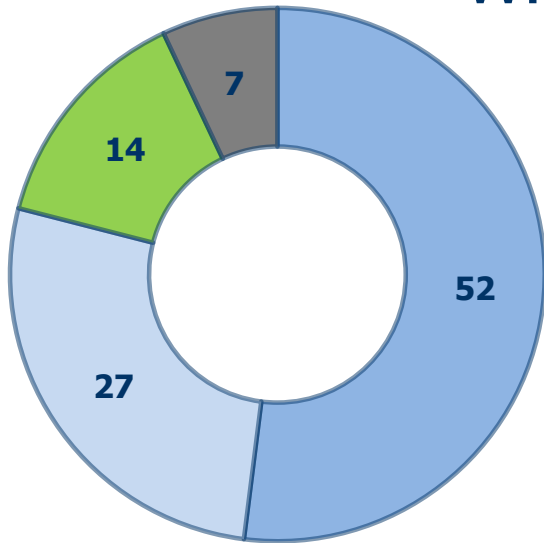
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Business travel and the MICE industry

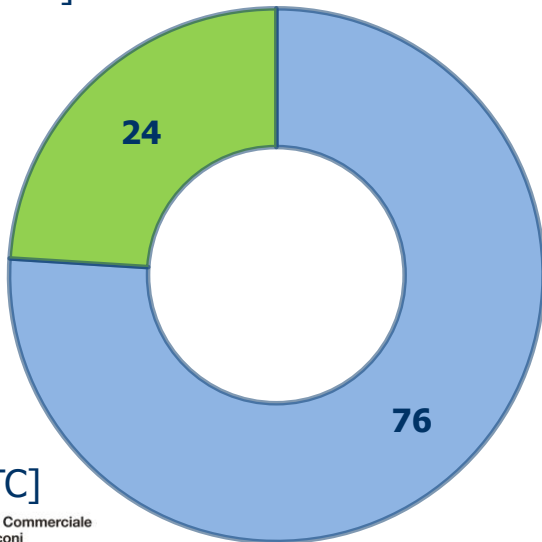
why is it important?



- Leisure, recreation and holidays
- VFR, health, religion, other
- Business
- Not specified

Business purposes generated **14%** of **world** international tourist arrivals (2012)

[UNWTO]



- Leisure spending
- Business spending

Business travel spending generated **24%** of **world** travel and tourism GDP (2012)

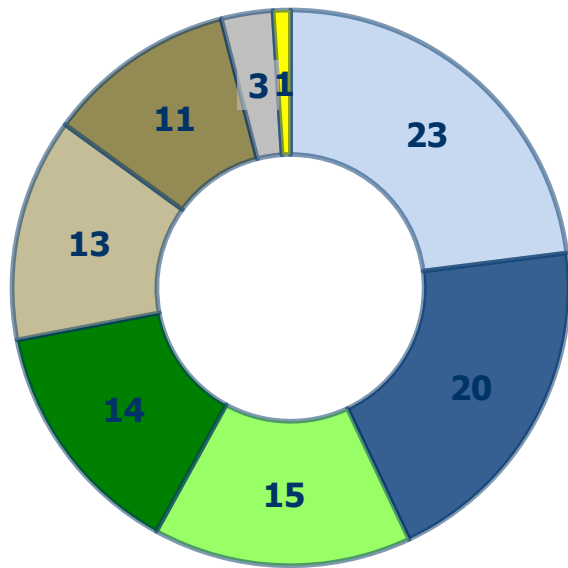
Expected growth:

- 3,2% in 2013
- 4,6% in 2023

[WTTC]

Business travel and the MICE industry

what is the relationship?



- To work on-site at a customer office
- Internal meetings/trainings
- Meetings with suppliers/partners
- Meetings with customers
- External conferences/conventions
- External trade exhibitions
- To manage internal offices
- Incentive

74% of business travel is dedicated to **meetings**:

- 29% meetings with suppliers/partners/customers
- 20% internal meetings
- 25% external meetings (conferences/conventions/trade exhibitions and incentives)

[WTTTC]



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MICE travellers and the destination

how do MICE travellers
impact on the destination?

attending the
event and
making expenses
connected/not
connected to the
event

extending
their **stay**
before/after
the event

being
accompanied
by partner
before/during/
after the event

returning to
the destination
(also with their
family/friends)
for leisure
purposes

Stay extension and **partners' attendance** generate **additional income** for the destination in terms of expenditure in:

- hospitality (40%)
- cafés and restaurants (10 - 20%)
- transports (6 - 8%)
- arts and culture (8 - 10%)
- shopping (30%)



The MICE Industry

key factors in choosing the destination

meetings

The **destination** is usually the **location of the company's**:

- headquarters / major installation
- significant number of buyers / key suppliers
- other commercial interests

Since these meetings occur in a specific place for a specific reason, **destinations' selling policies do not really influence the choice** of one destination with respect to another

incentives

- competitive 4/5 hotels (price drives decisions!)
- quality service and food
- attractiveness (fashionable, cultural and exotic appeal)
- unique experiences at reasonable costs
- accessibility and safety
- experience with the incentive market (DMCs)



The MICE Industry

key factors in choosing the destination

conventions

- quality hotels (3–5 star)
- quality convention centre with large capacity and space flexibility
- air accessibility
- quality ground transportation
- quality services (including PCOs and DMCs)
- destination appeal (image)
- strong local support (local host and government)
- safety and security

exhibitions

- close proximity to major markets
- strong attendance by buyers
- absence of similar event
- air accessibility
- hospitality capacity near the venue
- sponsor support
- efficient staging
- space rental cost

[ICCA, UFI, UNWTO]



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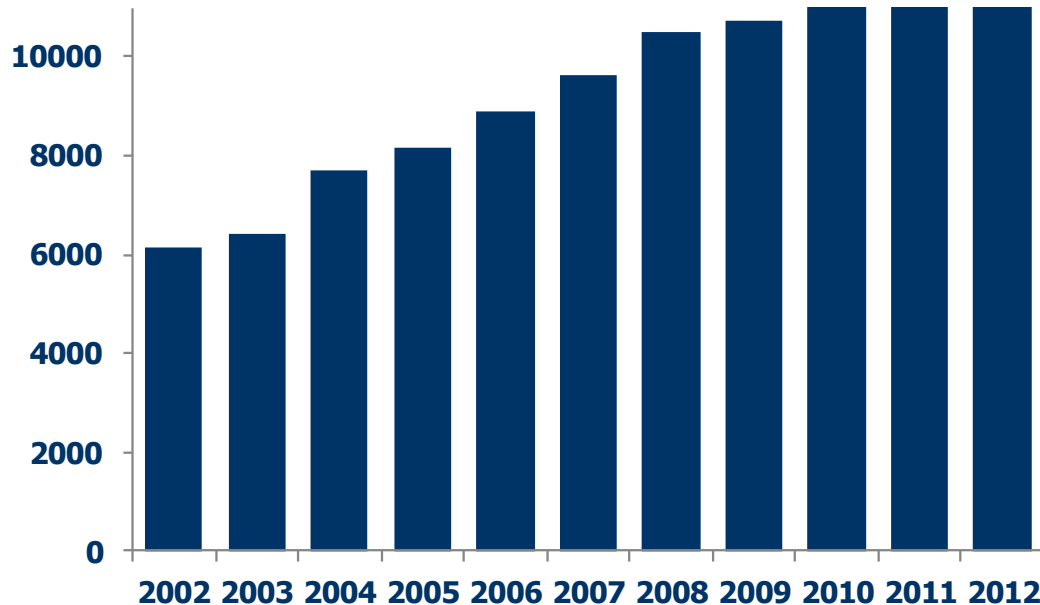
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Facts and figures: **an issue of concern**

International Associations' Conventions

number of meetings



↑ + **81%** in 10 years

- market growth
- increase in research investments

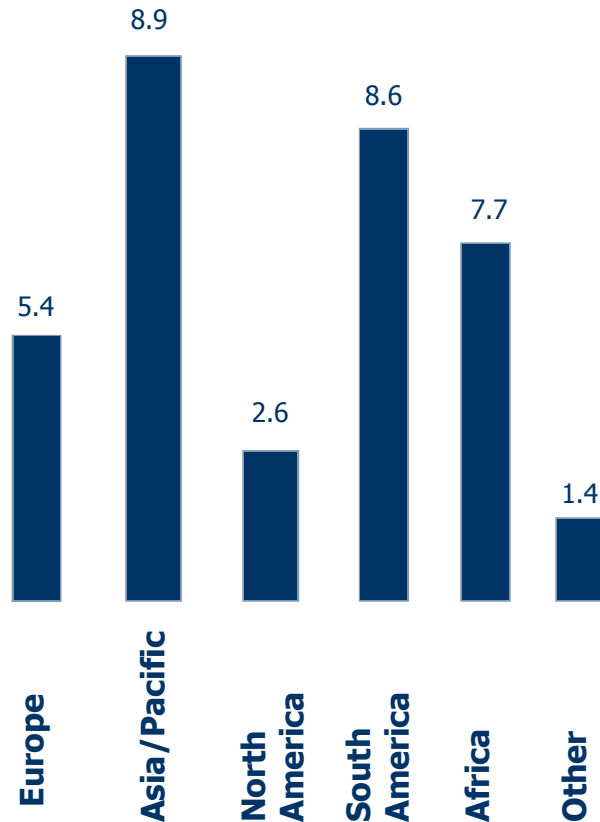
...however **ICCA** collects data on meetings:

- organized by **international associations**
- taking place on a **regular** basis
- rotating between at least **3 countries**

Incomplete picture!

International Associations' Conventions

annual percentage growth rate (last 10 years)



- The industry **keeps growing** despite economic and other crises
- **Different results** according to geographic areas
- **BRICS** countries lead the growth in Asia/Pacific and South America regions

[ICCA]

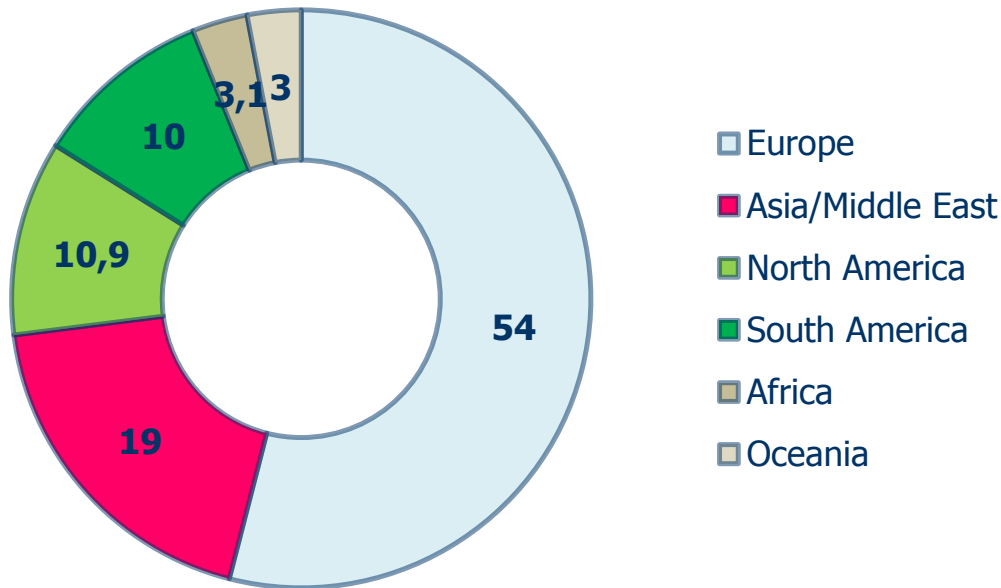
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International Associations' Conventions

regions' market share by number of meetings

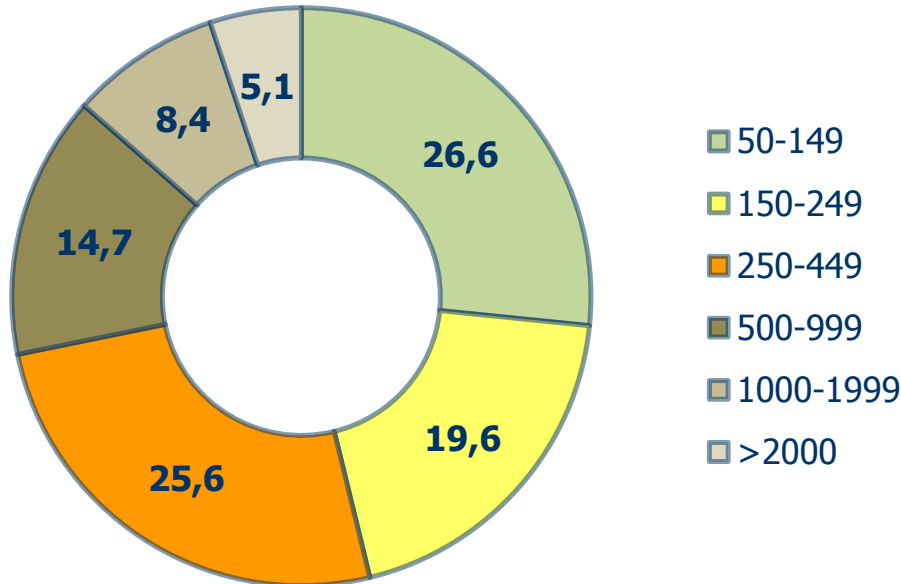


[% value, ICCA, 2010]

- **Europe:** first world region for number of association meetings hosted
- **First 10 countries:** USA, Germany, Spain, UK, France, Italy, Brazil, Japan, Netherlands, China
- **First 10 cities:** Vienna, Paris, Berlin, Madrid, Barcelona, London, Singapore, Copenhagen, Istanbul, Amsterdam

International Associations' Conventions

size of meetings by number of participants

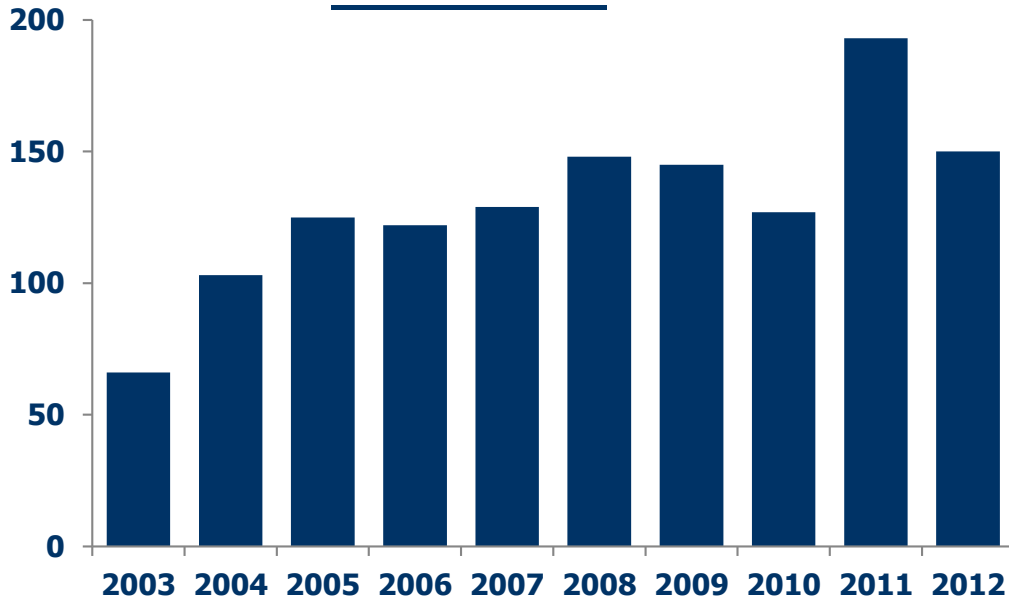


[% value, ICCA, 2010]

- **50%** of association meetings have between **150 and 449** participants
- **28%** of associations meetings have **more than 500** participants

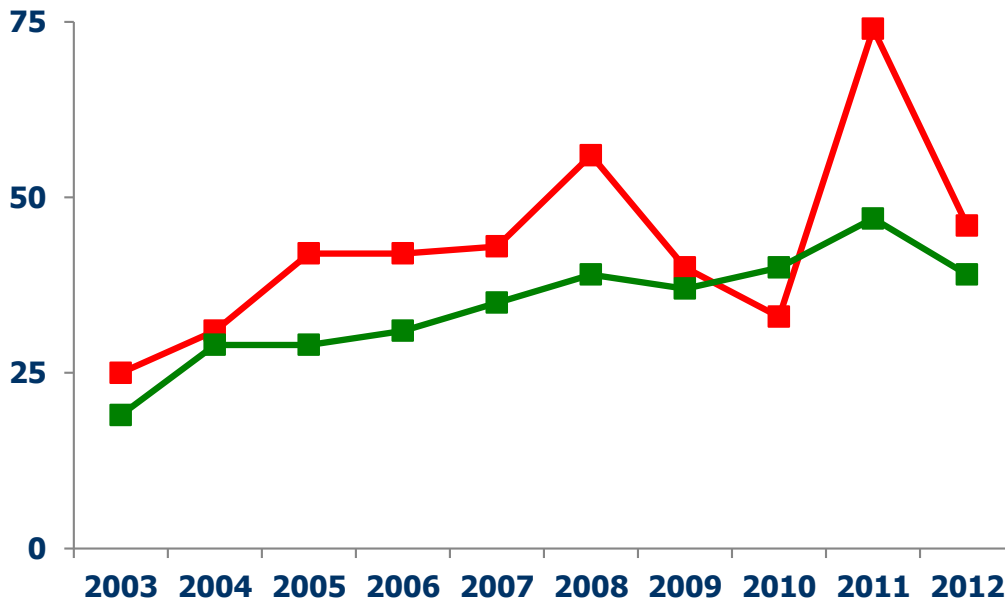
International Associations' Conventions

Poland - number of meetings



Poland:

- + **127%** in 10 years
- country ranking: **26th**



Warsaw:

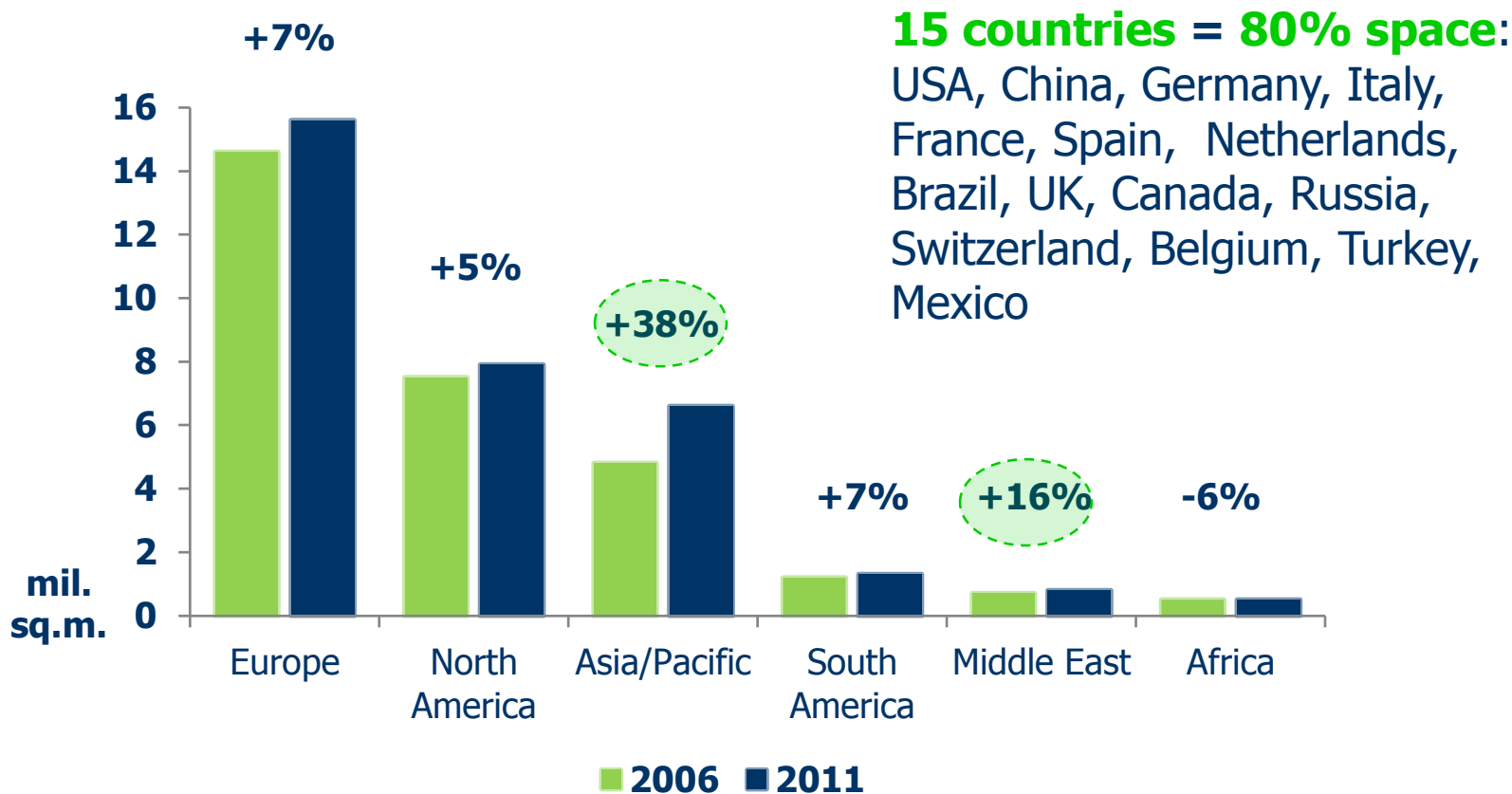
- + **84%** in 10 years
- city ranking: **50th**

Cracow:

- + **105%** in 10 years
- city ranking: **58th**

Exhibitions

indoor exhibition capacity: regional trends



Market shares	2006						2011					
	Europe	North America	Asia/Pacific	South America	Middle East	Africa	Europe	North America	Asia/Pacific	South America	Middle East	Africa
	50%	26%	16%	4%	2%	2%	48%	24%	20%	4%	2%	2%

[UFI]

The MICE industry main trends

The MICE Industry – main trends

budget constraints

The MICE industry reflects worldwide and regional **economic trends**. How do **lower available budgets** for both events' organizers and attendants affect the MICE industry?

From the
organizers'
perspective

- preference **short haul/domestic destinations** (from global to national, from national to regional meetings);
- shorter **booking windows**;
- shorter **length** of events (**not in Asia!**);
- reduction of **side events**;
- **price-cut** strategies:
 - ✓ attention on prices rather on quality;
 - ✓ risk for congress destinations competing on global attractiveness rather than only on economic factors.

The MICE Industry – main trends

budget constraints

From the
attendees'
perspective

- shorter **length** of stays (**not in Asia!**);
- lower **number of attendees** (**not in Asia!**);
- shorter or **less tourism-related activities**/stays before/after events;
- **less spending** on attendee-related services in venues (such as food concessions or business center).

From the
venues'
perspective

- search for **new revenue streams**: IT services (audiovisual equipment rental, internet and IT services), advertising, upgraded food and beverage, parking, security, cleaning services, hosting other types of events (i.e. cultural,...);
- investment in **renovation** rather than building and expansion activities;
- growing **competition** with not specialized venues (i.e. hotel operators, aquariums, ...).

The MICE Industry – main trends

other issues

IT and **digital**
attendees

- use of **social media** to increase the events' value;
- increase of (face-to-face / virtual elements).

environmental
and **CSR** issues

- almost 80% of meeting planners and suppliers (in EU, Canada, USA) claim to be somewhat or very **active in CSR**;
- however **price** issues are still more relevant.

security and
stability

- influence the **choice of destinations** (BUT it can be an advantage: major hotel brands located in regions with political instability are often chosen based on the perception amongst meeting planners that they offer a higher level of security)

The MICE industry

a driver of economic, social and cultural development

MICE as a driver of future development

The **MICE industry** is recognised as a **driver of economic, social and cultural development worldwide** as it:

- creates **added value for tourism** and **enhance the tourism economy, mainly in the low season** (i.e. business events' visitors are not only among the most lucrative tourist segments but they can extend their stay and/or return with family and friends / festivals and promotional events as showcase of excellence in the creative industries...)
- creates **jobs** and retrains **workforces**
- increases **trade** through the promotion of **international collaborations** and the support of **business and professional networks**
- attracts **investments** by promoting the profile of hosting cities/regions
- provides opportunity for **destinations' regeneration**, expansion and growth (i.e. infrastructure and services development)
- spreads **knowledge** and enhances **innovation** and **creativity**
- nurtures **community cohesion**

The MICE industry

tips for the future

The MICE Industry – Tips for the future

lack of support from institutions

What to do? Need for:

Long-term support is needed to enable the growth of the MICE industry

a long-term (at least 10-year) strategy to support the financial investments in infrastructures required for the industry growth (the potential of the meeting industry for employment and economic growth should be made evident)

engagement with all level of government (regional, national and international)

data collection and research to support the industry advocacy

[IMEX Politician Forum]



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The MICE Industry – Tips for the future

accessibility and other issues

What to do? Need for:

Accessibility

- visa requirements*
- open skies policies**
- travel taxes and air passenger duties**
- (negative) travel advisories

more **efficient visas' issuing** procedures

fees' and taxes' rationalization (need for governments to offer marketing support for attracting visitors and to recognize potential damage of taxes on travelers)

Local community

- lack involvement
- lack of understanding

social activities connected to the event and **sharing the event knowledge** with local universities and educational establishments

* visa issues are perceived mainly in **North America**

** air travel issues are perceived mainly in **North America, Africa and Australia** (Source: AIPC)

[IMEX Politician Forum]



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