

Understanding the Value of the Meetings Industry

It's been said that you only value what you can measure – which would explain why both the global interests and communities served by the meetings industry have consistently underestimated the significance of the meetings industry, not just in economic terms but in respect of the other myriad benefits that arise from events like meetings, conventions and exhibitions.

These benefits are so extensive and widespread that they appear to defy identification, let alone measurement. But the fact that such measurement isn't easy is no reason to abandon efforts or, even worse, discount the value meetings, conventions and exhibitions generate. Yet that is exactly what most of us have done over many years, resulting in a situation where these activities are generally regarded as “background noise” against the larger economic sectors that drive the economy.

Nothing could be further from the truth. Such events are critical to the development of business, research, the professions and technology – and at the same time are key factors in generating new investment and profile for the destinations that host them. So why have they been so consistently undervalued?

For an answer, we need look no further than the fact that after many years of trying, there is still no single, accepted model for the measurement and documentation of even the direct spending arising from such events. Clients are reluctant to supply data; centres are typically too busy to bother surveying delegates and industry organizations compete rather than collaborate on what should – and is, in most other sectors – be a standardized and thus comparable measure.

At the next stage – the calculation of the broader economic activity that arises from this spending – things really come apart. Because these impacts are so diverse, and affect so many different sectors of the economy, they fall prey to how what is commonly referred to as “spin off”; a measure that, while entirely valid, has been so abused over the years as imprecise and subjective that no one really pays much attention any more/

Beyond all these issues around calculation are the questions of what exactly should be included. Should it only be non-resident based events, the ones that introduce new money into a jurisdiction and generally account for the bulk of things like hotel rooms? Or should it be based on all such events, given that even those that primarily attract local residents still deliver the kind of business development and knowledge transfer benefits that make up a large part of the value meetings deliver.

But the biggest gap of all is reserved for the most important factor – the value that meetings generate in terms of professional development, knowledge transfer, investment generation, technical progress and all the other areas that define why these events happen in the first place. Here, there has typically been an abandonment of any real effort to even try – and, as a result, the most valuable benefit of all is simply ignored.

Is it any wonder that the role of the meetings industry often fails to get the attention of decision makers?

In reality, meetings, conventions and exhibitions are primary engines of both economic and professional development – key vehicles for not just sharing information – something that in many cases can be done just as effectively on the Internet – but building the kind of understanding, relationships and confidence that can only be achieved on a face-to-face basis.

The importance of this factor is well understood by marketers, association leaders and corporate leaders, who consistently rate meetings, conventions and exhibitions as primary tools for advancing their objectives, and who continue to invest accordingly. As the world enters new, and inevitable, stages of economic and political challenges, they will only increase in importance.

So what are the key elements of the meetings industry “value equation”?

The fact is that meetings, conventions and exhibitions – the kinds of events that together comprise what we refer to as “The Meetings Industry” – have three critical areas of interface with the broader economy, whether that be at a global level or in the context of an individual community. Each alone makes an important contribution to the development process; together, they comprise an absolutely critical combination.

First, the industry has an economic role – for lack of a better description, it generates revenue for the economy, be it local or global. This revenue arises from a number of factors, but largely it is a product of the spending that takes place by delegates, exhibitors and organizers who make up event attendance. This spending is so diverse that it spreads into many areas of the economy, from transportation and accommodation to restaurants, retail and entertainment. In fact, many beneficiaries have no idea of the extent to which they owe at least part of their income to the meetings industry.

Second, there is a business development role, which reaches far beyond the immediate effects of event related spending. For a start, meetings, conventions and exhibitions attract business audiences that wouldn't necessarily otherwise visit a particular destination, and who are more likely to be investors and decision makers than other types of visitors. In this way, events serve to expose the host city and its investment opportunities to a whole new audience – a process that

can rival even the most highly evolved economic and investment development programs mounted by the business community. At the same time, they provide a vehicle for local business and professional groups to host colleagues and create a showcase for local products and services, all key elements in the economic development process.

But above all, there are the benefits associated with the community enhancement role – because these are the ones that most directly impact the largest number of people in a community. For a start, meetings and conventions create access to a wide range of professional development opportunities for local residents by making these more accessible to those in the community. Major or even regional gatherings bring what is often world class knowledge and expertise within the grasp of local businesses and professionals, improving overall knowledge in ways that would not otherwise be possible. When such gains are made in areas such as the medical or research fields, the benefits to the rest of the community can be very profound in terms of how they improve the overall quality of life.

But even without this effect there are ways that the benefits in a very tangible way from the meetings conventions and exhibitions taking place there. For a start, it justifies and in large part finances the development of facilities that can then be used for the community's own events and celebrations. But best of all, the arrival of non-resident delegates means a lot of new tax revenues from outside of the usual local tax base which can and will be applied to supporting ongoing community services.

All of these are key roles – and all arise from the kinds of events that the meetings industry represents. But in an age of ongoing and growing global uncertainties, there is an even more important role for the future.

That role goes to the very heart of what meetings are all about, which is the importance they have in bringing together diverse interests and cultures to address common challenges. Meetings, conventions and exhibitions not only support professional, research, technology and academic development – the pivotal activities that underpin global progress – but they also help build networks and bridge cultural differences that threaten world order and advancement. The simple fact is, meetings are vehicles for finding solutions to global issues – and that is something we will have no shortage of in the years ahead!