

**The Economic and “Beyond Tourism” benefits of Business Events.**

It is widely agreed within the meetings industry that business events are a driver of economic growth particularly in service oriented economies that are seeking international trade and intellectual engagement to progress advantage in the Knowledge and Creative aspects of their economy.

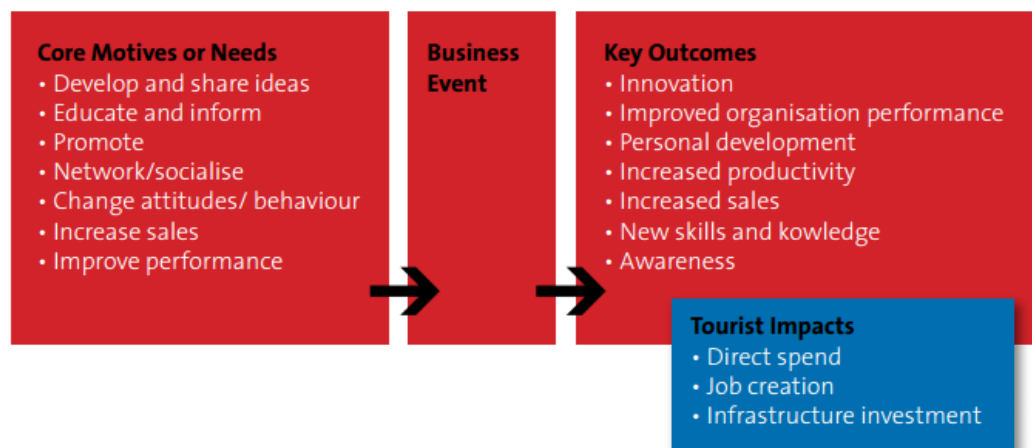
The **micro-economic** impact of business tourism is relatively easily measured and relates to spend in hospitality and tourism businesses by business events delegates, who tend to be higher spending than leisure visitors, may extend a visit for leisure purposes, may visit out of season and can often recommend or return. Additionally, business tourism has a wider supply chain than leisure tourism involving e.g. event caterers, production and A/V companies, PCOs and DMCs, special event venues, florists etc. London & Partners and VisitEngland is measuring impact using Expenditure, GVA and FTE jobs supported, to which a new, sensitive multiplier with city weightings is applied, giving a more accurate and rounded estimate of net additional impact of a business event. VisitScotland Business Events (VSBE) refers to this as the Regeneris model and is developing a methodology for Scotland; VSBE will be applying such metrics to all leads to estimate potential value of an event to Scotland. More info on the London & Partners GVA metrics [here](#).

The Joint Meetings Industry Council (JMIC) is the overarching body which reviews the current status of progress on documenting and communicating the value of meetings as drivers of economic, academic and professional development. At stake is the ability of the meetings industry to come up with defensible measures for these **“beyond tourism”** benefits that can be used as an evidence base to support the required investment in the infrastructure and softer structures and initiatives (subvention, route development, capability building, industry leadership, promotion and marketing, a “Team Scotland” approach etc.) required to support business events’ growth and development.

The growing recognition of the ‘beyond tourism’ contribution of business events is due to this body of research:

- [Delivering Innovation, Knowledge & Performance: The Role of Business Events \(2010\)](#), Jago and Deery

*Figure 2: Key Motives and Outcomes for Business Events*



- [Beyond Tourism Benefits - measuring the social legacies of business events. University of Technology Sydney](#), for Business Events Sydney, 2011.

An initial qualitative study identified that the benefits from business events extend well beyond tourism spend and include others, such as knowledge expansion, opportunities for networking, increased relationships and collaboration, positive educational outcomes, awareness raising and profiling, and destination showcasing and reputation.

A second, quantitative study of 1000 attendees at five international congresses held in Sydney between 2009 and 2011 revealed these key benefits:

**Benefits for the host destination**

- ✓ Enhanced Sydney's reputation as a global business events destination
- ✓ Exposed Australian delegates in the conference destination to cutting edge research and world's best practice
- ✓ Showcased local talent from the conference destination
- ✓ Enhanced the capacity of the academic sector in the conference destination.

**Benefits for the delegates**

- ✓ Congresses facilitated the dissemination of new knowledge, ideas, techniques, materials and technologies
- ✓ Shared information with colleagues and peers
- ✓ Provided new professional insights
- ✓ Shared information with students
- ✓ Contributed to building the knowledge and capabilities of young people

**Benefits for exhibitors and sponsors**


- ✓ Gained product exposure/ awareness
- ✓ Obtained leads for future business
- ✓ Improved brand awareness
- ✓ Contributed to developing the sector
- ✓ Increased domestic sales
- ✓ Increased export sales

- [Future Convention Cities Initiative](#) used the same UT Sydney methodology in 2014 to study business events in Seoul, Sydney, Toronto and Durban. The "Beyond Tourism Benefits: Building an International Profile" study concluded:

*"The current study supports previous results which found the Beyond Tourism Benefits (BTB) outcomes are important for building industry sectors. Continued collection of BTB data will result in increased understandings of how business events drive industry innovation and development. Such knowledge can inform policy-making in which business events are seen as spaces for the production and exchange of knowledge that generate a ripple effect on wider economic and societal outcomes."*

- [The JMIC workshop in Paris, May 2015](#) brought together the most up to date thinking on the subject and was addressed by Prof Leo Jago of Surrey University amongst others, who is a visiting professor at Napier University. BTFS PM and Deputy Chair met with Prof Jago in October 2015.

He attempts to distinguish between the measurable and non-measurable benefits:

**Benefits Measured by ROI** 

ROI can be used to measure the dimensions shaded in yellow

| Benefit                                | Delegate | Speaker | Sponsor | Exhibitor | Organiser | Destination |
|--|----------|---------|---------|-----------|-----------|-------------|
| Acquire knowledge (personal & profess) | X        |         | X       | X         | X         |             |
| Formed clusters to create knowledge    | X        |         |         |           |           |             |
| Make new business contacts             | X        | X       | X       | X         | X         | X           |
| Reinforce / develop business contacts  | X        | X       | X       | X         | X         | X           |
| Build company awareness / profile      | X        | X       | X       | X         | X         |             |
| Build personal awareness / profile     | X        | X       |         |           |           |             |
| Employment opportunities               | X        | X       |         |           |           |             |
| Research grants                        | X        |         |         |           |           | X           |
| Generate sales leads                   | X        | X       | X       | X         |           |             |
| Make sales                             | X        | X       | X       | X         |           |             |
| Attract new members                    |          |         |         |           | X         |             |
| Enhance profile of host destination    |          |         |         |           |           | X           |
| Showcase local talent                  |          |         |         |           |           | X           |
| Sales / investment in host destination |          |         |         |           |           | X           |
| Build expertise of local destination   |          |         |         |           |           | X           |

And recommends:

- Accept that not everything that counts can be counted
  - Undertake some ROI studies of sample events in various jurisdictions
  - Collect exemplar case studies of the benefits to host destinations.
- **Bruce Redor of Global Edge** covered some of this territory in [his presentation](#) the Business Tourism Scotland Conference, Edinburgh, December 2015 and talked through some exemplar case studies such as The Hague, which has secured a position for its IT sector as the global capital for cyber security. At a recent global conference held in The Hague, over 100 MOUs for investment opportunities were signed – more than had been signed in the previous 5 years.

He highlighted the “beyond tourism” supply chain that business events requires, creating expenditure in sectors such as creative economy (e.g. sound, lighting, set build, musicians) and retail (e.g. florists, kilt hire).

In his view, international association meetings are drivers of economic transformation:

- ✓ Raising global profile for the host location amongst industry leaders, thought leaders, corporations and investors.
- ✓ Showcasing host innovation, products and expertise.
- ✓ Creating global media attention.
- ✓ Strengthening host Associations and Professional societies which in turn helps grow the knowledge economy and lifelong learning opportunities in that sector.

## **Conclusion**

The research outcomes and industry views clearly indicate that business events contribute to the economy in the short term, while in the long term, their legacies are broad-reaching and potentially far more valuable. Business events stimulate creativity, inspire innovation, propel productivity and drive knowledge economies. They lead to global profiling, international network creation, cultural and business development and foreign investment.

Given the difficulty in accurate measurement of the BTB to the destination, it would be useful to prepare a series of case studies of business events in Scotland, hopefully adopting a standard, international methodology so that comparison could be made between types of events and results could contribute towards a larger body of knowledge.

BTFS Intelligence sub-group, Jan 2016