

THE VALUE OF BUSINESS EVENTS

MEASURING THE VALUE OF THE AUSTRALIAN BUSINESS EVENTS SECTOR, 2003-2020

APPENDIX: LITERATURE REVIEW



WITH
SUPPORT
FROM

TNS

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The business events value pyramid

PART 1: VISITOR ECONOMY IMPACTS

Measuring the economic contribution of international visitors, domestic overnight travellers and day trippers travelling beyond 50km.

PART 2: TOTAL ECONOMIC IMPACTS

Measuring the broader economic contribution of local event attendees travelling within 50km, and event organisers and suppliers.

PART 3: INDIRECT IMPACTS

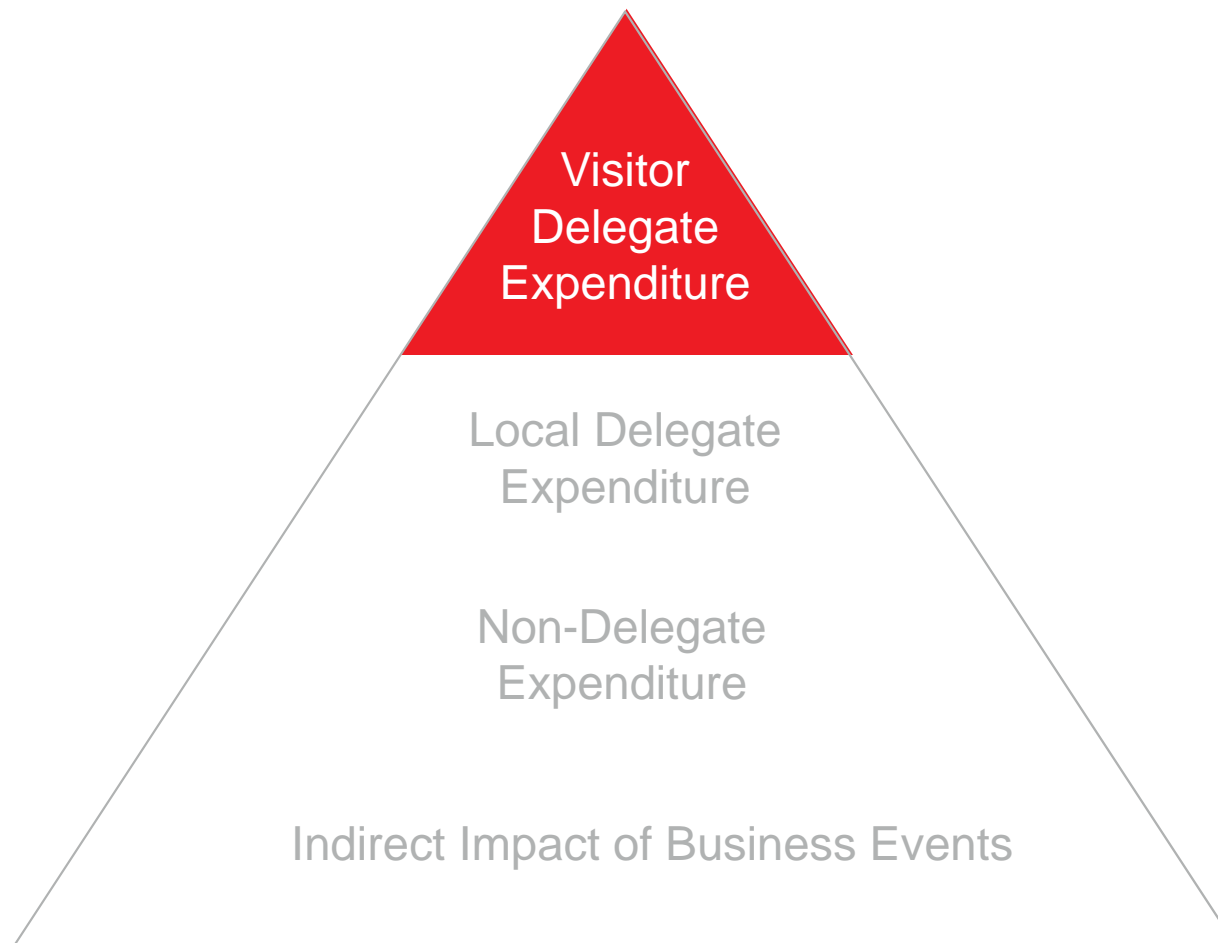
Intangible benefits generated by business events, a review of available research insights and the needs of the sector in the years ahead.



Key facts and figures

- The total value of the business events sector was estimated at \$17 billion in 2003 as part of the landmark *National Business Events Study*.
- In 2012, the value of business events to the economy was estimated at \$24 billion. By 2020, this is forecast to rise to \$31 billion.
- The sector is a crucial part of the Australian visitor economy, with 8% of all travellers participating in some form of business events and generating 15% of all visitor expenditure.
- The value of the sector extends beyond economic expenditure, leaving intangible legacies including knowledge dispersal, business development and community development.

Part 1: Visitor economy impacts of business events



Business events and the visitor economy

ALL VISITORS: In 2012, Australian hosted 254.1 million international and domestic visitors aged 15 and above, representing 661.9 million visitor days and \$87.1 billion of in-country spend.

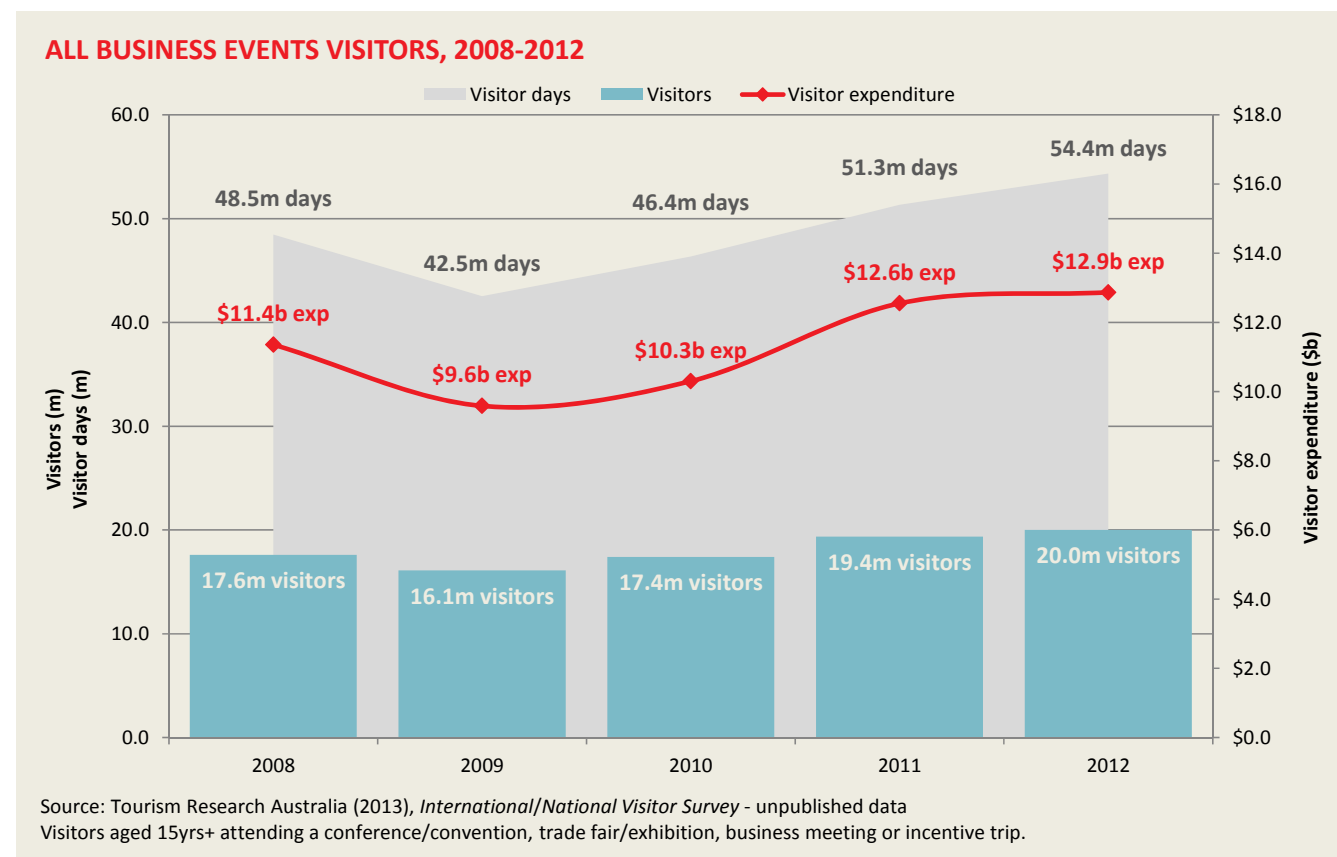
BUSINESS EVENTS VISITORS:

20.0 million visitors participated in some form of BE, representing:

- 8% of all visitors,
- 8% of visitor days, and
- 15% of visitor expenditure.

SECTOR TRENDS:

Since Tourism Research Australia's more comprehensive BE dataset began in 2008, the volume of BE visitors has grown an average 3.3% per annum, with associated visitor days up 2.9% p.a. and spending up 3.2% p.a.



Categories of business events visitors

CATEGORIES OF BE VISITORS:

Of all business events visitors in Australia in 2012:

- 76% attending a meeting,
- 24% participating in a conference or convention,
- 7% visiting a trade fair or exhibition, and
- 1% on incentive trips.

KEY CATEGORIES, 2012:

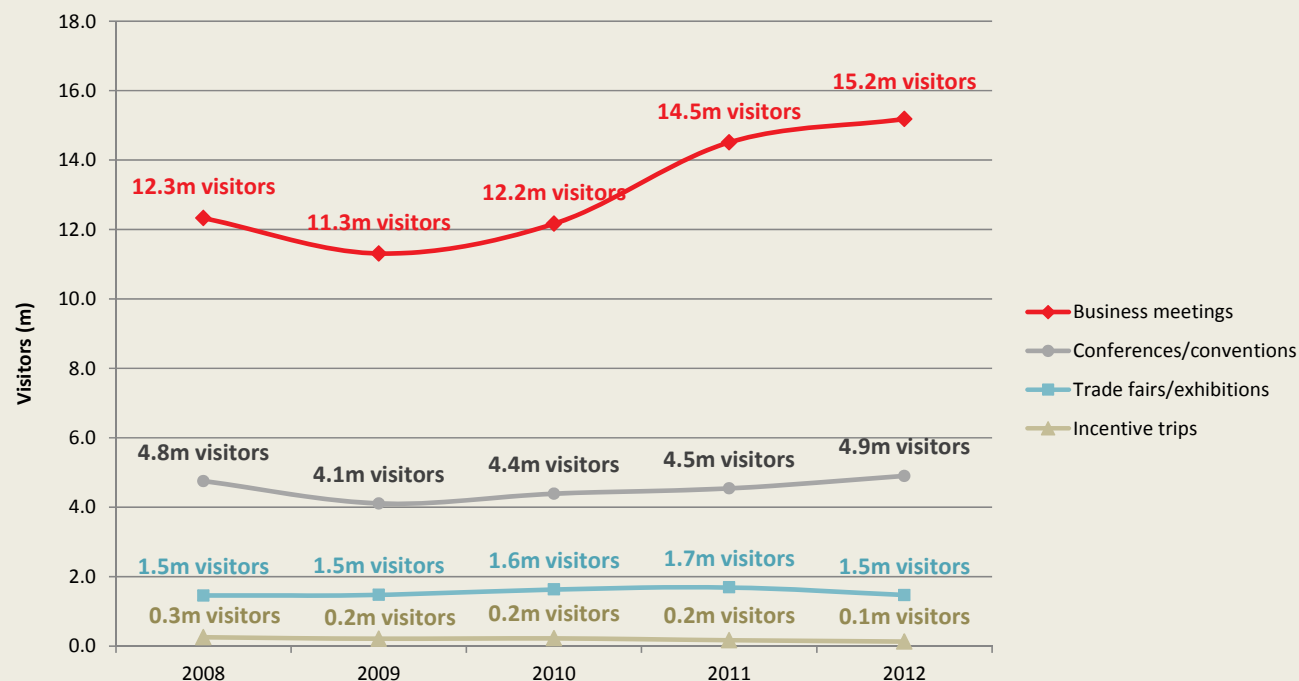
Conference/conventions:

- Visitors: 4.9 million
- Days: 17.6 million
- Expenditure: \$4.2 billion

Trade fairs/exhibitions:

- Visitors: 1.5 million
- Days: 6.7 million
- Expenditure: \$1.0 billion

CATEGORIES OF BUSINESS EVENTS VISITORS, 2008-2012



Source: Tourism Research Australia (2013), *International/National Visitor Survey* - unpublished data
Visitors aged 15yrs+. Sums will exceed totals as some visitors have attended multiple categories of business events.

The value of business events visitors

AVERAGE YIELD BY VISITOR TYPE, 2012



International BE visitors

ALL VISITORS: In 2012, Australia received 5.7 million international visitors aged 15 and above, representing 206.3 million visitor days and \$18.9 billion of in-country expenditure.

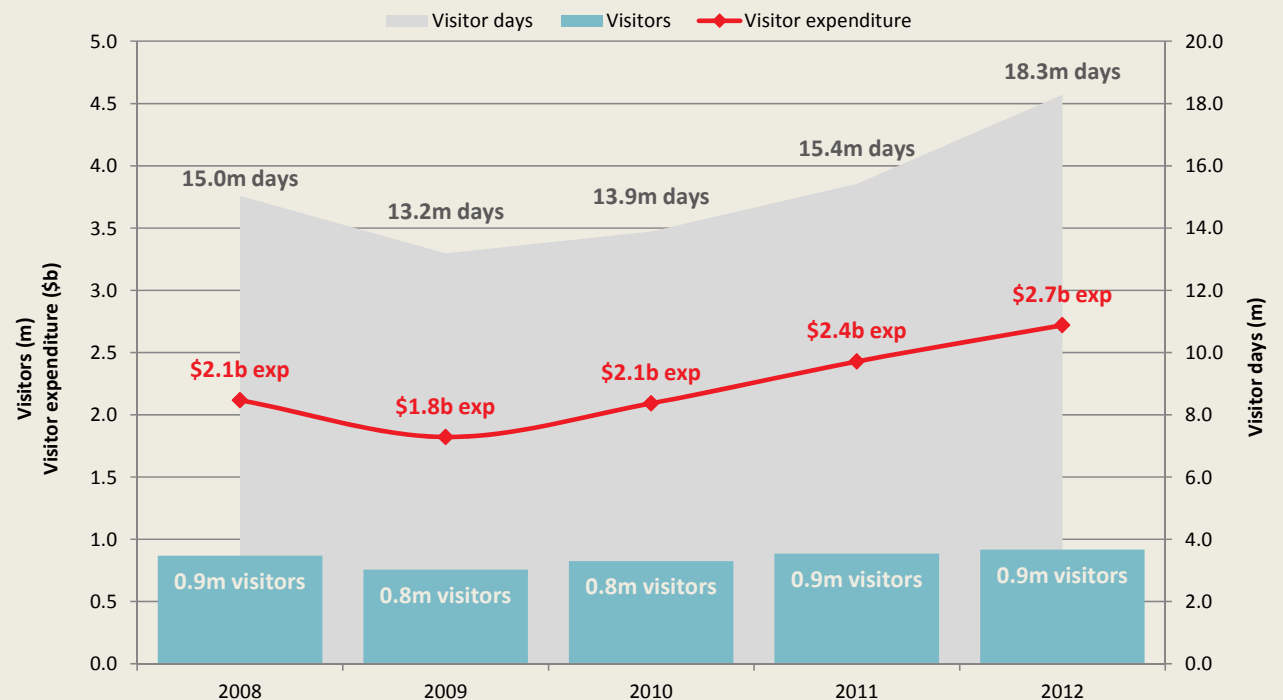
BUSINESS EVENTS VISITORS:

0.9 million international visitors participated in some form of BE, representing:

- 16% of all international visitors,
- 9% of visitor days, and
- 14% of visitor expenditure.

SECTOR TRENDS: Since 2008, the volume of international BE visitors has grown an average 1.4% per annum, with associated visitor days up 5.0% p.a. and expenditure up 6.5% p.a.

INTERNATIONAL BUSINESS EVENTS VISITORS, 2008-2012



Source: Tourism Research Australia (2013), *International Visitor Survey* - unpublished data
 Visitors aged 15yrs+ attending a conference/convention, trade fair/exhibition, business meeting or incentive trip.

The value of international BE visitors

AVERAGE YIELD BY INTERNATIONAL VISITOR TYPE, 2012



Source: Tourism Research Australia (2013), *International Visitor Survey* - unpublished data. Visitors aged 15yrs+.
BE visitors are those attending a conference/convention, trade fair/exhibition, business meeting or incentive trip.

Domestic overnight BE visitors

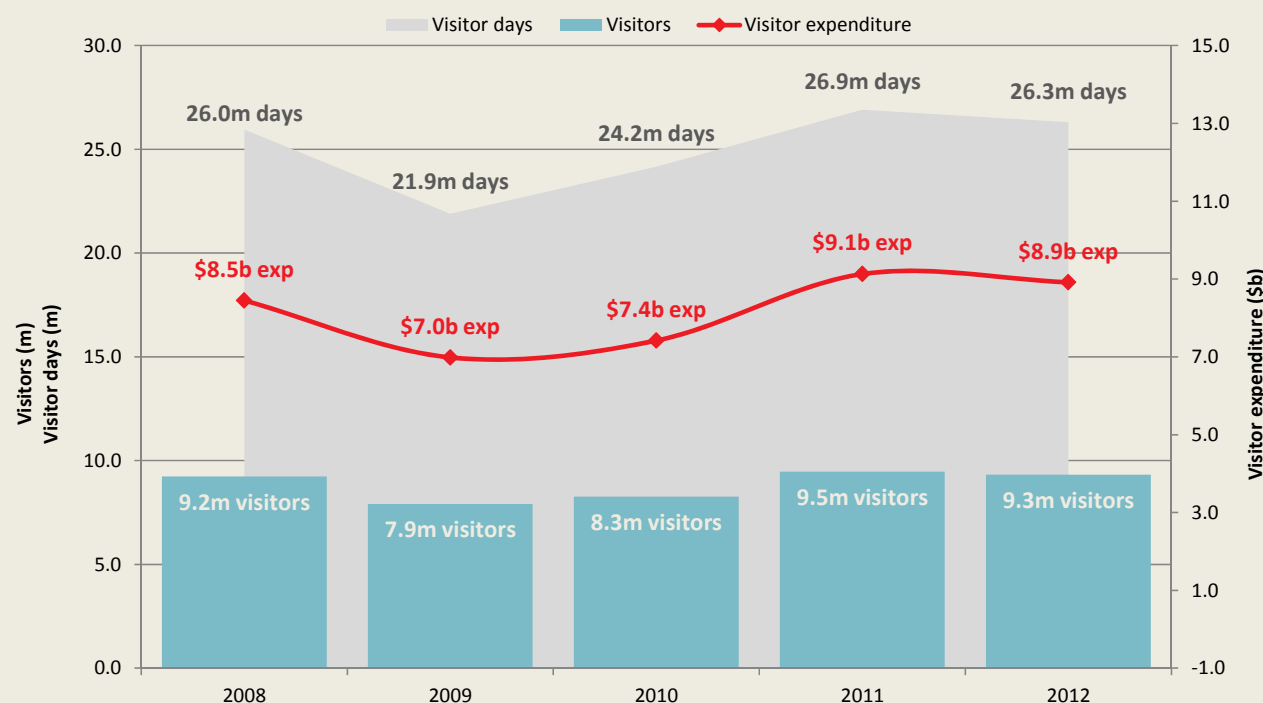
ALL VISITORS: In 2012, there were 74.5 million domestic overnight travellers aged 15 and above, representing 281.7 million visitor days and \$50.0 billion of expenditure.

BUSINESS EVENTS VISITORS: 9.3 million domestic overnight visitors participated in some form of BE, representing:

- 13% of all domestic overnight travellers,
- 9% of visitor days, and
- 18% of visitor expenditure.

SECTOR TRENDS: Since 2008, the volume of domestic overnight BE visitors has grown an average 0.2% per annum, with associated visitor days up 0.3% p.a. and expenditure up 1.3% p.a.

DOMESTIC OVERNIGHT BUSINESS EVENTS VISITORS, 2008-2012



Source: Tourism Research Australia (2013), *National Visitor Survey* - unpublished data
 Visitors aged 15yrs+ attending a conference/convention, trade fair/exhibition, business meeting or incentive trip.

The value of domestic overnight BE visitors



Day trip BE visitors

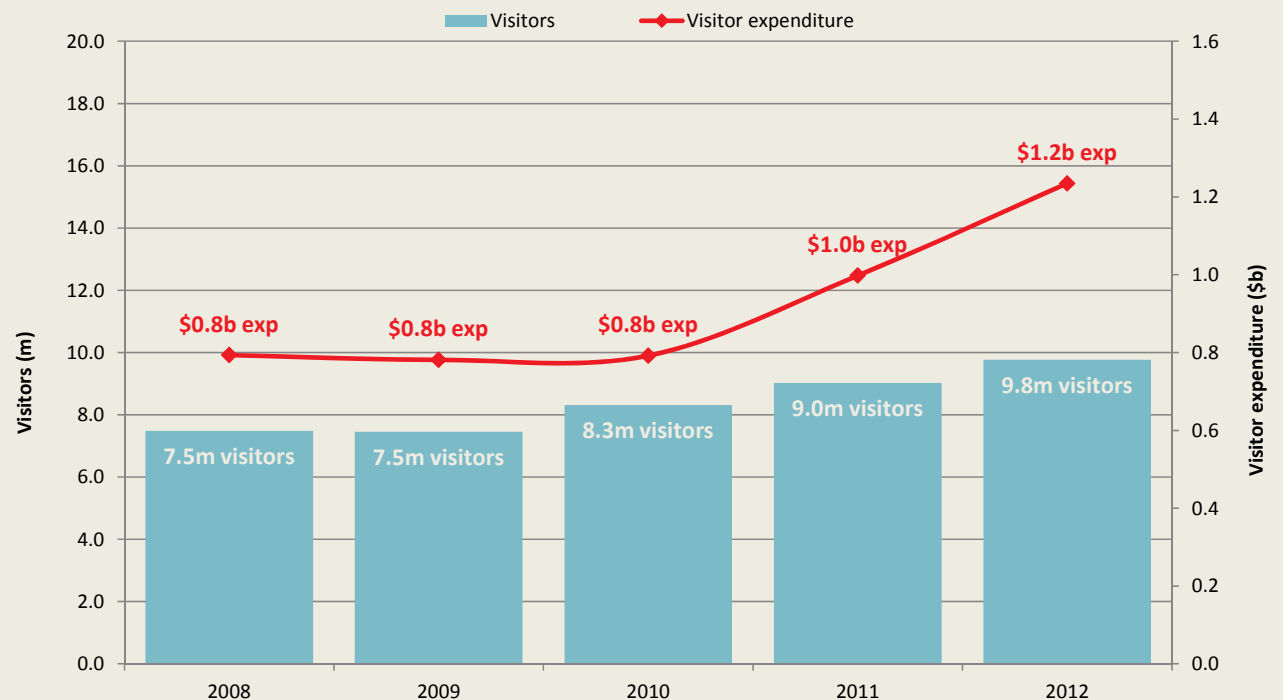
ALL VISITORS: In 2012, there were 173.9 million domestic day trip visitors aged 15 and above, representing \$18.2 billion of expenditure.

BUSINESS EVENTS VISITORS: 9.8 million day trip visitors participated in some form of BE, representing:

- 6% of all day trip visitors,
- 7% of visitor expenditure.

SECTOR TRENDS: Since 2008, the volume of day trip BE visitors has grown an average 6.9% per annum, with associated visitor expenditure up 11.7% p.a.

DOMESTIC DAY TRIP BUSINESS EVENTS VISITORS, 2008-2012



Source: Tourism Research Australia (2013), *National Visitor Survey* - unpublished data
Visitors aged 15yrs+ attending a conference/convention, trade fair/exhibition, business meeting or incentive trip.

The value of day trip BE visitors

AVERAGE YIELD BY DOMESTIC DAY TRIP VISITOR TYPE, 2012

BE visitors

All visitors

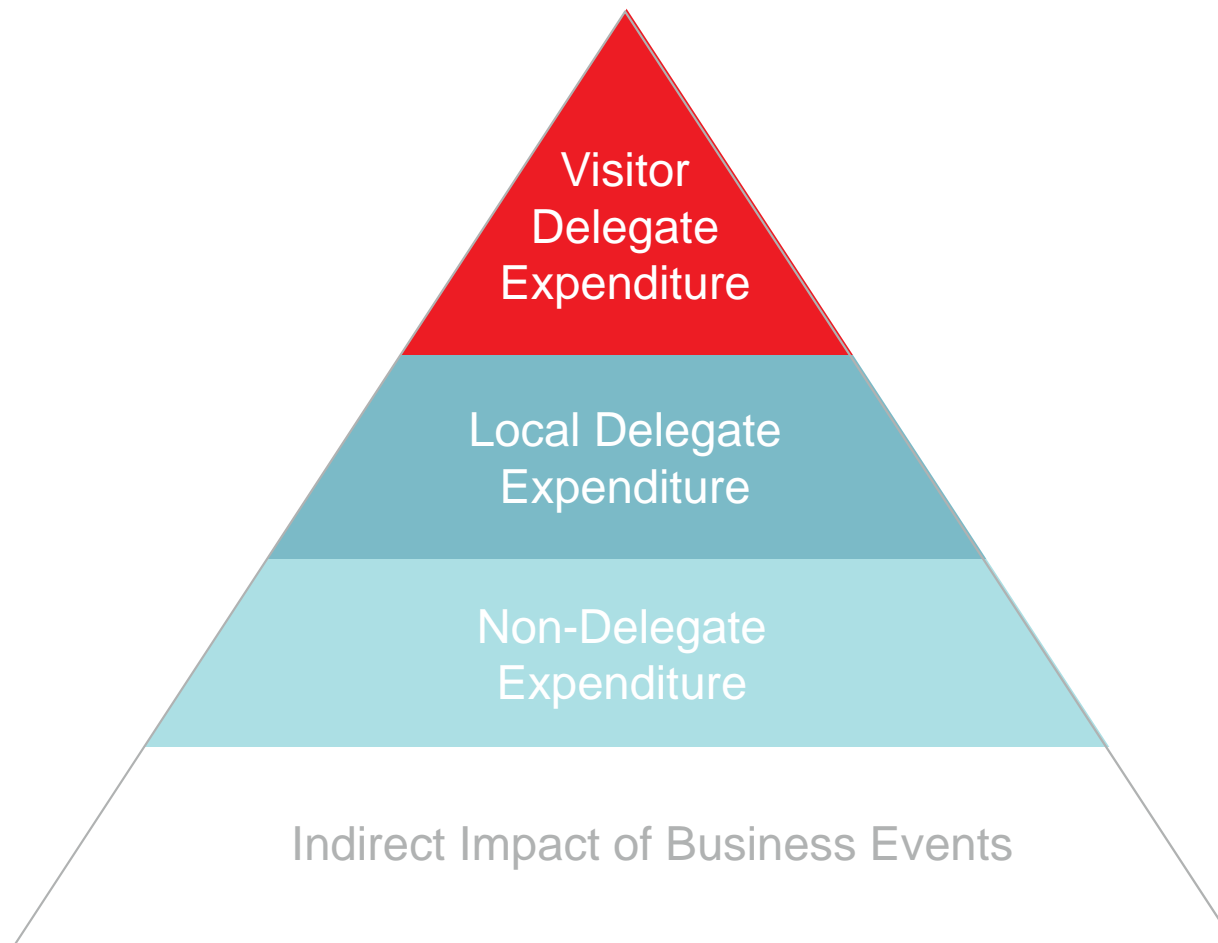
\$126

\$105

Ave expenditure per trip

Source: Tourism Research Australia (2013), *National Visitor Survey* - unpublished data. Visitors aged 15yrs+.
BE visitors are those attending a conference/convention, trade fair/exhibition, business meeting or incentive trip.

Part 2: Total economic impacts of business events



The total value of business events

The National Business Events Study (NBES), a landmark piece of quantitative research undertaken in 2003 by the Sustainable Tourism Cooperative Research Centre, investigated the value of business events beyond the visitor economy.

The study surveyed 8,250 stakeholders across a number of event sectors, sizes and locations, with responses from 530 venue managers, 6,670 convention delegates, 160 conference organisers, 840 exhibitors and 50 incentive travellers.

Concluded two years later, the NBES counted 316 business events and 22.8 million participants nationally in 2003, placing the total value of the sector to the Australian economy at:

- \$17.4 billion in expenditure, and
- 214,000 jobs.

SECTOR	EXPENDITURE	Direct Effects (%)	EMPLOYMENT	Direct Effects (%)
DIRECT EFFECTS	\$17.4 BILLION	100%	116,000 JOBS	100%
Meeting & conference delegates	\$11.5 billion	66%	78,000 jobs	67%
Meeting organisers	\$2.4 billion	14%	16,000 jobs	14%
Exhibitors	\$2.3 billion	13%	12,000 jobs	10%
Trade visitors	\$0.5 billion	3%	4,000 jobs	3%
Incentive travel sector	\$0.6 billion	3%	6,000 jobs	5%
DIRECT EFFECTS	\$17.4 BILLION	100%	116,000 JOBS	100%
Domestic	\$15.5 billion	89%	99,000 jobs	85%
International	\$1.9 billion	11%	17,000 jobs	15%
INDIRECT EFFECTS			98,000 JOBS	
TOTAL EFFECTS			214,000 JOBS	

Source: Sustainable Tourism Cooperative Research Centre (2005) – *The National Business Events Study: An evaluation of the Australian business events sector*

The projected value of business events

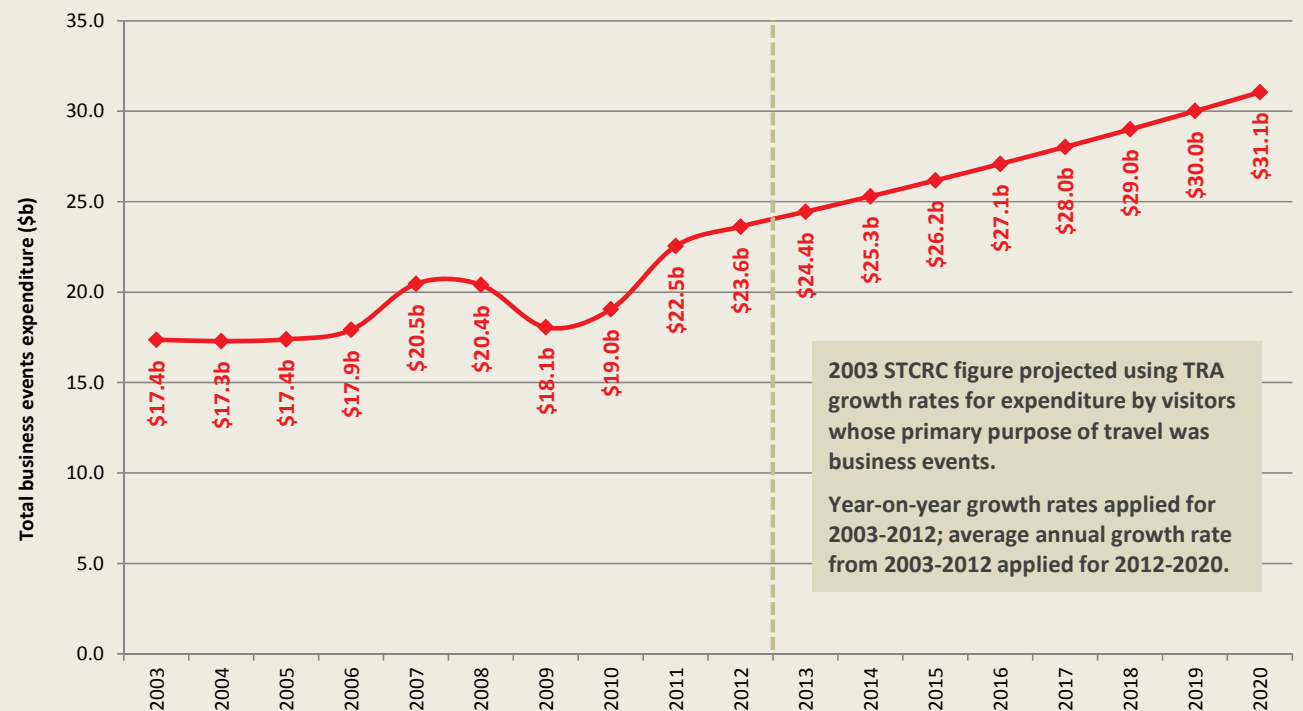
Projecting from the 2003 STCRC baseline value of \$17.4 billion, TTF analysis estimates the total BE sector is potentially worth:

- \$23.6 billion in 2012
- \$31.1 billion in 2020

Growth rates have been applied based on visitor expenditure growth for all visitors whose primary purpose of travel was attending a conference, convention, exhibition or trade fair, sourced from Tourism Research Australia.

A growth rate of 3.5% has been applied from 2012 to 2020, based on annualised long-term growth between 2003 and 2012.

TOTAL VALUE OF BUSINESS EVENTS, 2003-2020



2003 STCRC figure projected using TRA growth rates for expenditure by visitors whose primary purpose of travel was business events.

Year-on-year growth rates applied for 2003-2012; average annual growth rate from 2003-2012 applied for 2012-2020.

Sources: Tourism Research Australia (2013), *International/National Visitor Survey*; Sustainable Tourism Cooperative Research Centre (2005) - *The National Business Events Study (NBES)*

2020 Tourism Industry Potential: Business Events

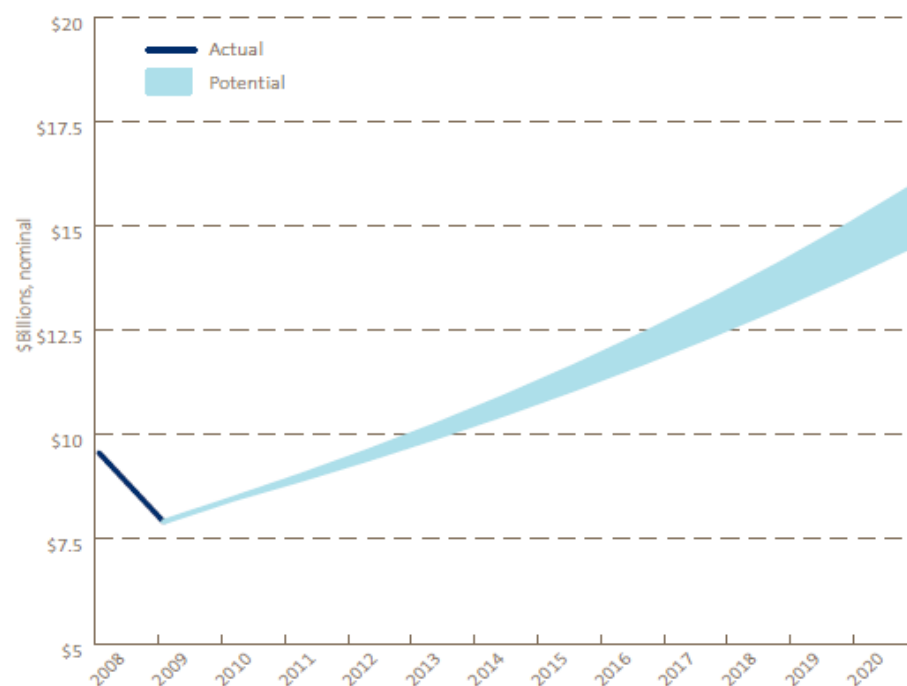
The Australian government has set an ambitious target for growing overnight visitor expenditure from \$70 billion in 2009 to \$140 billion in 2020.

As a part of this, the stretch target for the BE sector is to grow overnight visitor spend from \$8 billion in 2009 to \$16 billion in 2020.

Historical revisions to the underlying data from Tourism Research Australia now places 2009 overnight BE visitor expenditure at \$9 billion, but the growth trajectory remains the same.

It is important to note this is not directly comparable with TTF's forecast for the broader value of business events, which is based on growth trends rather than stretch goals.

TOURISM INDUSTRY POTENTIAL – BUSINESS EVENTS EXPENDITURE (IVS & NVS DATA)
Domestic & International Visitor Delegates (Source: Tourism Research Australia)



Source: Tourism Australia (2011) – 2020 Tourism Industry Potential: The Business Events Sector

Part 3: Indirect impacts of business events



The soft value of business events

Besides significant economic contribution, secondary economic opportunities arise from business events such as global conferences and congresses. Business Events assist communication that promotes effective diffusion of knowledge. Many congress delegates believe that these congresses have facilitated the dissemination of new knowledge, ideas, techniques, materials and technologies. Networking also affords local delegates with new business and research collaborations which can generate innovation, ideas and research agendas for many years to come. Investments are also a significant contribution, with sponsors and exhibitors receiving investments ranging from \$1,500 up to \$1.5 million. The direct economic value of this can be hard to calculate, but ultimately lead towards strengthening Australia's industry and economy through a variety of means, through short term and long lasting effects. These indirect benefits can be measured in legacy outcomes.

Intrinsic Legacies

Opportunities, provided to delegates to develop knowledge, skills and practices to fulfil part of their potential to work within the chosen industry sector

Practice Legacies

Skills and knowledge that delegates gain, such as learning new insight, technical procedures and sharing new ideas and solutions into solving problems being directly integrated into their professional practises and organisations

Social Legacies

The camaraderie that develops around congresses such as relationships that are enhanced and developed and the broader benefits that accrue to the communities. This facilitates social interaction and influences the effectiveness of collaborative learning

Economic Legacies

Intangible and tangible economic legacies such as dissemination of new knowledge, building knowledge and capabilities, improved workforce practices, better education, new investments, enhanced funding opportunities and better industry sector policies

Attitudinal Legacies

Developed from the reactions of delegates through their experiences at the congresses and from governments, the private sector and other individuals who become aware of the important issues that are communicated through media

Source: Business Events Sydney (2011) – *Beyond Tourism Benefits: Measuring the social legacies of business events*

Case study: Research collaborations

International AIDS Society (IAS) Conference on HIV Pathogenesis Treatment and Prevention

2007, Sydney

According to the Director of the National Centre in HIV Epidemiology and Clinical Research at the University of New South Wales, the profile and success of the 2007 IAS Conference was a factor in the subsequent increase in government funding for HIV/AIDS research.

This increase included a \$17.7 million grant from the National Health and Medical Research Council (NCHECR), awarded in February 2008 to advance understanding of HIV and hepatitis C – the largest grant in the university's history.

Case study: Business investment

XXIXth International Congress of Ophthalmology

2002, Sydney

The congress had been losing popularity with delegates and sponsors alike over previous years. However, the 2002 meeting in Sydney was deemed a great success and made a financial surplus of \$1.8 million.

One third of this went to the world body and the balance - some \$1.2 million – stayed in Australia and was used to set up the Eye Foundation.

This fund is professionally managed and is used for research and to train ophthalmologists locally and in our region – Australia hosting the world congress made this possible.

Appendix: Literature review



Literature review: Economic impact studies

Date	Publisher	Author	Title	Notes
1995	Southern Cross University	James Cook University (Jack Carlsen)	Gathering Information: Meetings and Conventions Sector Research in Australia	Assessment of data reliability, knowledge gaps and other research issues associated with generating a comprehensive evaluation of the meetings and conventions industry.
1999	Bureau of Tourism Research	Bureau of Tourism Research (Leanne Johnson, Lee Mei Foo, Mick O'Halloran)	Meetings Make Their Mark: Characteristics and economic contribution of Australia's meetings and exhibitions sector	Comprehensive evaluation of the economic value of the MICE industry in Australia, surveying a number of delegates to produce a total expenditure figure of \$7 billion in 1996-97.
2005	Sustainable Tourism Cooperative Research Centre	Sustainable Tourism Cooperative Research Centre (Margaret Deery, Leo Jago, Liz Fredline, Larry Dwyer)	The National Business Events Study - An evaluation of the Australian business events sector	Comprehensive evaluation of the holistic value of business events in Australia, surveying a number of BE attendees to produce the much-quoted \$17 billion impact figure.
2006	United Nations World Tourism Organization	United Nations World Tourism Organization	Measuring the Economic Importance of the Meetings Industry: Developing a Tourism Satellite Account extension	A paper examining the potential for developing a system of meetings satellite accounts.
2008	Meeting Professionals International Foundation Canada	Maritz Research, Conference Board of Canada	The Economic Contribution of Meetings Activity in Canada	An analysis of the economic value of the BE sector in Canada, outlining expenditure, GVA, jobs and taxes generated.
2011	Business Events Australia	Business Events Australia	2020 Tourism Industry Potential: The Business Events Sector	Sets an ambitious target of \$16 billion in overnight expenditure by business events visitors in 2020, double that of 2009 and as part of the broader Tourism 2020 target.

Literature review: Economic impact studies

Date	Publisher	Author	Title	Notes
2011	Centro de Estudios Superiores en Turismo	Centro de Estudios Superiores en Turismo	The Economic Significance of Meetings to Mexico	An analysis of the economic value of the BE sector in Mexico, outlining expenditure, GVA, jobs and taxes generated.
2011	Convention Industry Council	PricewaterhouseCoopers	Economic Significance of Meetings to the US Economy	An analysis of the economic value of the BE sector in the US, outlining expenditure, GVA, jobs and taxes generated.
2011	Hong Kong Exhibition & Convention Industry Association	Hong Kong Exhibition & Convention Industry Association	HKECIA Economic Impact Study 2010	An analysis of the economic value of the BE sector in Hong Kong, outlining expenditure, GVA, jobs and taxes generated. Fourth in a series dating back to 2004 data.
2012	Business Events Council of Australia	Margaret Deery	State of the Business Events Industry 2011	Examines the performance of the Australian BE industry in a global context, using a variety of secondary sources and metrics to measure the size of the industry.
2012	Joint Meetings Industry Council	Leo Jago	The Value of Business Events	Analysis and critiques of research approaches taken to quantifying the value of business events at the national and sub-national levels around the world.
2012	VisitDenmark	VisitDenmark	The Economic Contribution of Meeting Activity in Denmark	An analysis of the economic value of the BE sector in Denmark, outlining expenditure, GVA, jobs and taxes generated.
2013	Vienna Convention Bureau	Vienna Convention Bureau	Vienna Meetings Industry Report 2012	An analysis of the economic value of the BE sector in Vienna, outlining expenditure, GVA, jobs and taxes generated for the national economy. Second annual publication.
2013*	Eventia	Eventia	UK Economic Impact Study	Upcoming analysis of the economic value of the BE sector in the UK, outlining expenditure, GVA, jobs and taxes generated.

Literature review: Other studies and strategies

Date	Publisher	Author	Title	Notes
2008	Business Events Council of Australia	Business Events Industry Strategy Group	A National Business Events Strategy for Australia 2020	A strategic advocacy document for the Australian BE industry, including policy objectives that would support industry development.
2010	Business Events Council of Australia	Leo Jago, Margaret Deery	Delivering Innovation, Knowledge and Performance: The role of business events	A strategic advocacy document outlining the need to recognise the broader benefits of business events, supported by a number of case studies.
2010	Business Visits & Events Partnership	Business Visits & Events Partnership	Meetings and Events Manifesto for Britain	A strategic advocacy document for the UK BE industry, including policy objectives that would support industry development.
2011	Business Events Sydney	University of Technology, Sydney	Beyond Tourism Benefits - Measuring the social legacies of business events	A survey of attendees at five national congresses between 2009-2011, canvassing the perceived benefits for both attendees and host destinations.
2011	Melbourne Convention + Visitors Bureau	Victoria University (Leo Jago, Margaret Deery, Nella Ortisi)	The Holistic Value of Business Events: Interim Report	Study of the broader benefits of business events over time, examining the value generated before and after four conventions held in Melbourne in 2009.
2011	Melbourne Convention + Visitors Bureau	Australian Fieldwork Solutions	Melbourne Convention Delegate Study 2010	Study of the travel and spending habits of convention delegates, surveying attendees at eight international conferences held in Melbourne in 2010. Update of a 2006-07 study.
2012	International Congress and Convention Association	International Congress and Convention Association	International Association Meetings Market Statistics Report 2002-2011	Annual report series comparing the number and size of meetings the world.

Literature review: Other studies and strategies

Date	Publisher	Author	Title	Notes
2013	Center for Exhibition Industry Research	Center for Exhibition Industry Research	CEIR Index: An Analysis of the 2012 Exhibition Industry & Outlook	Annual study measuring the performance of the global exhibition industry.
2013	Exhibition & Event Association of Australasia	Circulation Audit Board	EEAA Exhibition Industry Insights 2011-12	A review of BE attendance at the top 30 audited exhibitions in Australia in 2011-12, including an assessment of attendee origin.
2013	Exhibition & Event Association of Australasia	Micromex Research	EEAA Market Monitor Insights 2011-12	A twice yearly study tracking BE industry metrics including event size, financial performance and industry sentiment.
2013	Grass Roots	Grass Roots	Grass Roots Meetings Industry Report	Annual survey of global market trends and outlook for the meetings industry, supported by a number of regional insights reports.
2013	Tourism Research Australia	Tourism Research Australia	International Visitor Survey / National Visitor Survey	Time series examining international and domestic visitor characteristics, including BE attendance. Includes unpublished supplementary dataset with more extensive BE data.
2013	UFI (Global Association of the Exhibition Industry)	UFI (Global Association of the Exhibition Industry)	Global Exhibition Barometer 2012	Sentiment survey canvassing global exhibition industry performance and business issues.