Report to Staffordshire and Stoke-on-Trent Conference Market research

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Introduction

Following the recommendation to review Business Tourism importance and marketing in the *Destination Staffordshire Tourism Review, Strategy and Action Plan 2011-2014* and the availability of ERDF funding to support the project, The Right Solution were appointed by the Business Tourism Sub group of the Staffordshire Destination Management Partnership to undertake research into the conference market.

The brief was to undertake four elements of research:

A - Market valuation and economic impact assessment for Staffordshire and Stoke-on-Trent

B - Identify the factors influencing conference and meetings business for venues

C - Gauge conference organisers' perceptions and views of Staffordshire and Stoke-on-Trent

D - Initiate delegate expenditure research to provide guidance on propensity of business visitors to return as leisure visitors and to aid future economic impact assessments.

Since November 2012 the first three elements above have been carried out and the results are outlined in this report. The delegate expenditure research is ongoing and will be continued for a set period (probably one year) in order to provide robust information for future economic impact estimates.

The research results are reported in the order outlined below:

1. Executive summary with conclusions and recommendations
2. The UK conference market general information, trends and future influences
3. Research with conference, meeting and event organisers
4. Overview of venue feedback and venues' business experience
5. The market valuation and economic impact assessment
6. Delegate expenditure survey results to date.

Executive Summary with conclusions and recommendations

The UK conference market

1. Conferences, meetings and other business events play a vital role in the economic, professional and educational development in a region in addition to creating direct economic spend benefits. They contribute to inward investment, knowledge capital, creation of jobs and awareness of the region in general.
2. The value of the UK conference market is estimated to be £16.3 billion (source: BVEP 2011) from a volume of 1.3 million events.
3. In addition to the value shown above, the trade transacted at exhibitions and meetings is estimated to be worth over £80 billion to the UK economy. Meetings deliver a 12.5 to 1 return on investment directly to the organisation involved (source: MPI).
4. UK wide conference visitors (including international) spend an average of £178 per day, over 50% more than the average spend by leisure visitors.
5. UK destinations estimate that between 25% and 40% of business visitors return as leisure visitors.
6. Despite the gloomy economic climate, the 2011 report *Opportunities for Growth* published by the BVEP forecasts 34% growth on the value of UK conferences and meetings by 2015 and a further 16% by 2020. Staffordshire and Stoke-on-Trent should also be able to see growth in their volume of business in future.
7. The national associations and not for profit sector, estimated as 44% of the UK market, offers Staffordshire and Stoke-on-Trent an opportunity to increase the annual number of conferences and meetings attracted. This sector saw an increase in volume of events held in 2012 and an average increase in budget of 0.4% compared to a decrease of 5.5% for the corporate sector. (source: BMEIS 2012) This sector forecasts 3% increase in budgets for 2013, compared to 0.6% for the corporate sector.
8. Over 40% of national associations choose the locations of their conferences on a rotation system around several regions of the UK, providing the opportunity for many locations to have a 'share of the pie'. By building relationships with association organisers and targeting specific associations where the region has members, Staffordshire and Stoke-on-Trent can begin to ensure they are included in the rotations.
9. 84% of this sector's events are for fewer than 500 delegates, a figure which suits Staffordshire and Stoke-on-Trent venues. However associations often require a combination of facilities with meeting, eating, exhibition and breakout space that may require venues working together and careful targeting to ensure the region can meet market needs.
10. The factors influencing associations destination decisions can be summarised as follows:
    - Appropriate facilities
    - Availability of venues, hotels etc.
    - Previous cities used, rotations

- Membership target areas
- Local ambassadors, experts and universities
- Conference bureau relationships with clients
- Access, transport
- Price
- Appeal of destination
- Subvention.

Staffordshire and Stoke-on-Trent will need to ensure they are delivering the best facilities and services in all of the above categories to increase market share. The volume of these events could be increased with creation of a proactive ambassador programme and more sales activity aimed at developing relationships with associations.

11. The corporate sector is estimated to generate 56% of the UK market volume.
12. This sector has seen great change in volume and value of events in recent years with the key market sectors now predicted to generate most meetings being alternative energies; biotechnology and healthcare; food related industries; infrastructure; high tech manufacturing and education. Financial services will remain a key sector albeit with tighter regulation than previously, very similar to healthcare. IT and electronics remain important. However automotive and retail have already seen decline in volume and value of events held. The targeting of key sectors (sometimes referred to as clusters) ensures meetings and conferences help contribute to the inward investment and economic growth of the region. In a similar way to the not for profit sector, targeted sales activity should encourage new industries and businesses from beyond the Midlands to hold their meetings and events in Staffordshire.

Trends and Future Influences

13. Technology is significantly affecting the conference market as in all areas of life. The key issues are the changing methods of presenting and communicating and the expectation of free Wi-Fi at venues. In addition social media is changing the marketing activity for all venues and services.
14. Low growth is forecast for the UK economy for the immediate future, resulting in a situation of flat demand yet at the same time increased competition leading to a 'battle for attention'. National associations offer more growth opportunities and are therefore a key sector to target. However in general it is a buyers' market with increasing expectations from buyers of what is included in package pricing. Venues and services need to ensure they meet market needs exactly, with the right product at the right price, to be successful.
15. In addition this buyers market is increasing requests for subvention, particularly from associations who look to minimise costs of their conferences.
16. Design innovations are helping the ability of venues to offer flexible facilities that can meet association market needs and help maximise occupancy and revenue. Venues within Staffordshire and Stoke-on-Trent should consider the latest innovations within any refurbishment or reconfiguration plans.
17. A new *UK Economic Impact Study* is due to be published in July 2013 with up to date information on delegate spend. This information together with ongoing results of the local delegate expenditure

survey should lead to more accurate estimates of the value of conferences in Staffordshire and Stoke-on-Trent in future. It is important for all venues to continue to use the local survey.

Research with organisers to test perceptions of Staffordshire and Stoke-on-Trent

18. Direct research was undertaken with a sample of 100 conference organisers from corporate, not for profit and third party organisations to gauge perceptions of Staffordshire and Stoke-on-Trent. This revealed around 20% had organised more events in the last twelve months, while up to 51% had organised the same volume.
19. 43% of the sample had held events in Staffordshire and Stoke-on-Trent while 57% had not.
20. 31% never considered Staffordshire and Stoke-on-Trent when looking at venue options, despite frequent use of the Midlands region.
21. Only 14% were very familiar with venues in the region, while 26% had no knowledge of them. However all said they would definitely or possibly consider the region for a future booking.
22. The region was rated highly for location, ease of travel and value for money, yet the appeal of the destinations, the unusual venues, prestigious venues and opportunities for leisure activities were less well ranked.
23. The average number of delegates at their events was 207, with many more events for under 200 delegates than over. The average duration was 1.8 days.
24. Organisers' average budgets were £42.50 +VAT daily delegate rate and £115+VAT 24 hour delegate rate, rates that are considerably higher than those being achieved by the local venues (see below). Most said their budgets stayed the same in the last twelve months. 20% of respondents had seen budgets decrease by an average 8.7% and 13% had seen an increase (averaging 10.5%).

Research with local venues

25. An online survey with telephone follow up was carried out during Winter 2012/13 to examine the business experience of local venues in Staffordshire and Stoke-on-Trent. In total 36 venues responded each hosting an average 8.73 non residential meetings and 1.86 residential meetings per week.
26. 74% of their business was for 1 day or less with an average duration of 1.2 days (lower than the national average).
27. The average daily delegate rate being achieved is £23.33+VAT, a difference of £19.17 from the average rate recorded above by organisers (see point 24). The average residential rate achieved is £102.92 which is £12.08 lower than the organisers' average.
28. A good mix of business is being experienced with meetings held by not for profit and corporate sectors.
29. The average meeting size taking place is for 67 delegates, considerably smaller than the 207 quoted by the organisers, suggesting the region is missing out on the lucrative larger meetings.
30. 25% of business is booked through venue finders or third parties, following the national picture.

31. Average occupancy of meeting rooms is 51%, which is lower than the national average of 60%. Enquiries are being turned away on average once every three weeks suggesting there is plenty of spare capacity to increase business. The most frequent reasons are lack of availability or lack of appropriate facilities.
32. 58% of meetings business originates from within Staffordshire and Stoke-on-Trent and 24% said it also originates from the West Midlands. The areas local venues are losing business to most often are also in the Midlands region including Leicester, Coventry, Warwick, Birmingham and West Midlands.
33. 38% said turnover from meetings business is likely to increase in 2013, 54% said it would stay the same. 44% said profit would increase and 30% said it would stay the same.
34. 58% of venues are definitely in favour of recognised accreditation schemes for venues.
35. Venues views of what would help attract more business include pro-active marketing; improved image of Stoke-on-Trent and more publicity and promotion.

Conference market valuation and economic impact estimate

36. Further research was undertaken in order to increase the venues sample used for the market valuation to 50 venues. A model was created using the individual meeting room capacities at each venue; estimated take up of number of delegates in comparison to capacity; achieved daily delegate rates or room hire rates and occupancy percentage to calculate the value of the conference and meeting venues for Staffordshire and Stoke-on-Trent. This figure is £63,740,089.
37. The calculations outlined above were then used to estimate economic impact by applying the typical delegate spend average of £139.45.
38. The economic impact estimate of the conference business in Staffordshire and Stoke-on-Trent is £316,287,033 which is 1.94% of the UK total. This compares to the figure of £822 million recently published as the economic impact of conference business for Greater Manchester.
39. The volume of conferences and meetings at the 50 venues used for the calculation is 2.1% of the UK total.
40. A delegate survey has been set up for all venues to encourage participation with attendees in order to calculate a more accurate local spend figure in future. To date 26 delegates have responded, following a conference at Keele University in Autumn 2012.

Conclusions and recommendations

41. A focus on increasing demand through proactive sales and marketing will eventually lead to increased average daily delegate rates, occupancy and profitability for all venues. This in turn will lead to increased economic impact for the region.
42. There is a need to build awareness of Staffordshire and Stoke-on-Trent's products and services and to build relationships with potential clients so that they consider the county more frequently in future.
43. Telephone and face to face sales together with targeted marketing activity including more use of social media aimed at associations, corporates and third party organisers will increase demand.

44. Exploring the opportunities to target larger association meetings with increased numbers of delegates using the Regent Theatre and Victoria Hall, and Keele University, will help encourage more association organisers to consider the county and lead to more bid opportunities. This would be helped by the proactive administration of an ambassador programme recruiting academics and industry experts throughout Staffordshire to encourage invitations to bid for association conferences.
45. Targeting sales and awareness raising outside the immediate locality will add value by generating new business, thus not duplicating hotel companies and venues' own sales efforts or displacing existing business.
46. It is strongly recommended that workshops and/or training sessions are set up for the local venues to increase understanding of how they can help themselves to increase conference and meetings business. Providing an 'understand your customer' approach for those who are first in line with dealing with conference clients will help them learn about client needs and expectations and how their competitors approach the delivery of service.
47. There is an opportunity to create some sample incentive programmes in a similar way to the Rhone Alpes region's incentive ideas (http://en.businessclass.rhonealpes-tourisme.com/. For example a creative hands on day at the potteries, packaged with high end food experiences (using Taste of Staffordshire), luxury accommodation, a team experience at Alton Towers, a '*Robbie Williams* experience' are just a few ideas that could all create good value incentive programmes that would prove popular. Structured selling of these ideas to the appropriate third party organisations will generate demand and increase awareness of what the region has to offer. The additional benefit of setting these up would be more cross over from business tourism to leisure tourism as the programmes become more widely known and participating attendees discuss their experiences on social media.
48. 58% of venues are definitely in favour of recognised accreditation schemes. It is likely that going through the MIA's AIM accreditation or other similar accreditation schemes would help venues to focus on service, systems and procedures for conferences and meetings and would help to increase business eventually.
49. All venues should be encouraged to improve flexibility and technological capability whenever possible and include these as priorities within refurbishment, reconfiguration or maintenance planning and budgeting.

The UK Conference market

Conferences, meetings and other business events play a vital role in economic, professional and educational development in an area by providing important opportunities to communicate, educate, motivate and network. Conferences and meetings contribute significantly to the local economy not just by attracting visitors who spend locally but also by creating jobs, encouraging inward investment, creating awareness of the knowledge capital and promoting local industries.

Conference visitors spend an average of £178 per day, over 50% more than the average spent by leisure visitors.

Event type	Expenditure per day
International associations	£364
National associations	£170
Corporate	£120
IPS Overseas business visitors	£131
UKTS business visitors	£105

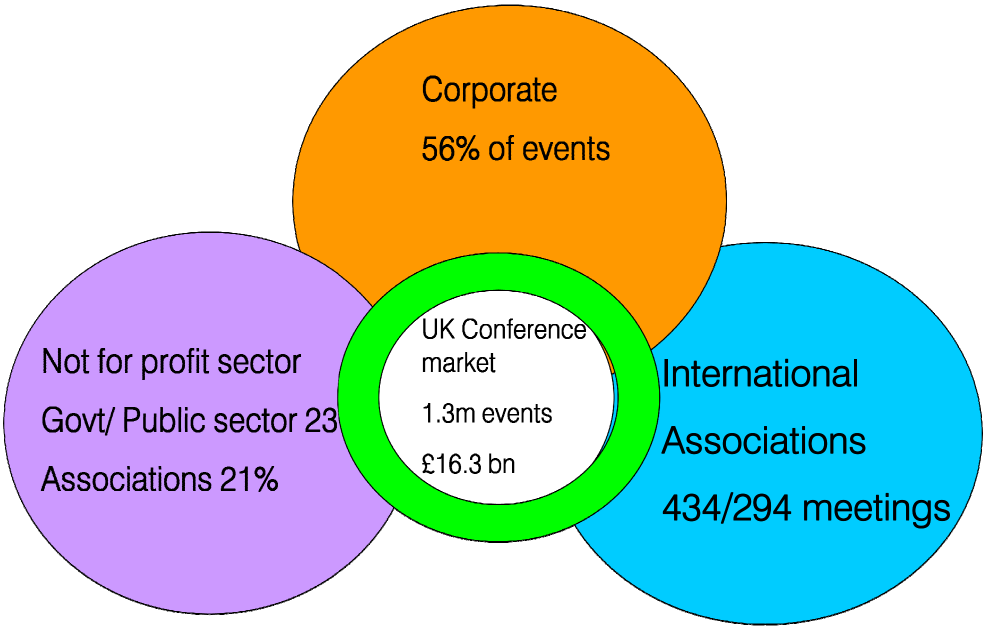
Source: Delegate Expenditure Survey 2006 Visit Britain, IPS & UKTS

In addition to the direct spend benefits attributable to conference tourism detailed above, conferences complement and support overall tourism, providing business for accommodation suppliers in periods when there are fewer leisure visitors such as mid-week and winter months, supporting messages of a vibrant successful destination and by conference visitors returning as leisure visitors in future, extending their trips to stay on as leisure visitors or bringing friends and family with them on future visits. UK destinations estimate that between 25% and 40% of business visitors return as leisure visitors.

The latest market information, trends and changes in characteristics for each market sector are outlined here in the context of their importance to Staffordshire and Stoke-on-Trent.

The chart overleaf illustrates the main sectors to the UK conference market:

- associations-national and international
- corporate
- government and public sector.



Source: UKEMTS

In addition to the value shown above, most recently estimated as £16.3 billion, the trade transacted at exhibitions and business meetings is conservatively estimated to be worth over £80 billion. Meetings deliver a 12.5 to 1 return on investment directly to the organisation involved (Source: MPI).

Since the global financial crisis in 2007 there has been a reduction in volume of events, particularly from the corporate sector. The most recent estimate of the value of conferences and meetings in the UK is £16.3 billion, generated from 1.3 million events (Source: UKEMTS 2011). This is slightly down on the 2010 figure shown in the table below. However the association sector is more resilient to recession and is likely to show continued growth due to strengths in medical and scientific research. The core specialisms and research activities at Keele University and Staffordshire University (particularly science and medicine) create opportunities to bid for association conferences related to these fields, particularly if ambassadors are recruited and encouraged to lead bidding opportunities. The report *Opportunities for Growth in the UK Events Industry* published by the Business Visits and Events Partnership (BVEP) forecasts 34% growth on the current value for UK conferences and meetings by 2015 and a further 16% growth by 2020. Exhibitions are also forecast to grow 16% by 2015 and a further 15% by 2020. In our view these forecasts are optimistic particularly with the very limited growth in the economy seen since this was published. However the likelihood of growth is positive and suggests Staffordshire and Stoke should also be able to see growth in their volume of business.

Sector	Estimated value in 2010 (£billions)	Estimated value in 2015 (£billions)	Estimated value in 2020 (£billions)
Conferences and meetings	18.8	21.8	25.2
Exhibitions and trade shows	9.3	10.8	12.4

Source: BVEP October 2011

National associations (UK) and non-profit making sector

This sector offers Staffordshire and Stoke-on-Trent an opportunity to increase the annual number of conferences it attracts.

Around 50% of the 7,000 associations listed in the British Directory of Associations are estimated to hold regular events. Government and public sector organisations regularly holding meetings and events are also included in this sector. There are two annual surveys recording information on this sector - the UK Events Market Trends Survey (UKEMTS) which records information provided by venues throughout the UK and the British Meetings and Events Industry Survey (BMEIS) which is based on 600 interviews with conference organisers from the corporate and not for profit sectors. The latest results from each of these surveys are used to compile the key facts below and highlight the differences between what organisers and venues experience.

UKEMTS & BMEIS 2012 Key results	Not for profit Sector	Implications for Staffordshire & Stoke-on-Trent
Average number of events per organiser	29 (26)	11.5% increase in volume last year
Buyers organising more events next 12 months	28% (27%)	Over 25% predict increase in volume
Percentage residential events	21 (21)	Further 11% estimated to stay in destination
Average number of delegates: -at main annual event -other events	 443 204	Events for less than 500 more frequent than larger events
Average budgeted daily delegate rate (inc VAT)	£47.67 BMEIS £41.00 UKEMTS	Difference between organiser budgets and venues achieved rates
Average budgeted 24 hour delegate rate (inc VAT)	£140.80 BMEIS £134.00 UKEMTS	Difference between organiser budgets and venues achieved rates
Average annual budget for events	£157,133	Increase in volume of events not matched by increase in budget
Anticipated budget change next twelve months	+3%	Small growth in available budgets- value for money remains top priority
Preferred venue incentive	Added value items	More expected within rates paid
Percentage of events with third party assistance	16.5% BMEIS 33% UKEMTS	Third parties influential in the market
Average number of events per UK venue	369 (includes many small meetings)	No growth experienced by venues year on year
Average event duration	1.6 days	Careful diary management required to maximise occupancy

UKEMTS & BMEIS 2012 Key results	Not for profit Sector	Implications for Staffordshire & Stoke-on-Trent
Percentage of event business generated from outside local region (all venue types)	32 (includes 4% overseas)	Careful strategy and tactics needed to target this business.

Figures shown in brackets are the previous year's survey results.

The average size of annual meetings shown has ranged from 380 to 450 for the last ten years. The average size of association conference on the Eventia database of 1,240 national associations is 428 delegates, with 84% for less than 500 and around 12% for between 500 and 1,000.

Average size of events	Main event	Other events
Not for profit national	443	204
Not for profit international	509 Europe 535 Worldwide	N/A
Corporate	393	151
Size of national association conferences		
1240 associations on Eventia database	76% for under 1,000 85% up to 1,500	
Average duration (not including set up)		
Not for profit national	1.6 days	
Not for profit international	3-4 days	
Corporate	1.6 days (65% 1 day or less)	

The most popular destinations for national associations' events are shown in the table overleaf. It can be seen that major cities and destinations with the transport links and infrastructure to accommodate meetings and events are the most popular. However there is no doubt that the Midlands and centrally located destinations are popular and should be able to attract more events with the right products and services.

	National association organisers' preferred destinations	Percentage of not for profit organisers having held an event there 2011/12
1	London	70
2	Birmingham	42
3	Manchester	32
4	Edinburgh	27
5	Glasgow	26
6	Leeds	25
7	Bristol	23
8	NewcastleGateshead	21
9	Liverpool/York	20
10	Cambridge/Cardiff/Oxford/Nottingham	19

Source: British Meetings and Events Industry Survey 2012

N. B. Organisers have often used more than one destination in a year.

Many national associations choose the locations of their conferences on a rotation system e.g. north south rotation, or rotation around several regions of the UK on a 3 or 4-year cycle. Over 40% of associations have a regular cycle of a certain number of destinations, a trend that has grown substantially, providing an opportunity for many locations to have a 'share of the pie'.

Yet, as competition elsewhere has grown, it has become harder for cities to maintain and increase share of this market without the appropriate combination of facilities, accommodation and attractive destination services to meet conference needs exactly. The key factors influencing destination and venue selection for these events are shown in the table below:

Rank	Key Factor influencing destination selection	How does Staffordshire and Stoke-on-Trent meet this priority?
1	Location	Well located, central England
2	Price/value for money	Affordable rates available
3	Access (road/rail/air)	Road and rail access good
4	Quality of conference facilities	Variable, some need for refurbishment and improved technical facilities
5	Quality of service	Variable, training needs
6	Availability	Spare capacity
7	Quality of food	Good
8	Capacity of conference facilities	Meet most conference requirements

Source: BMEIS 2012

The table above shows that the quality and capacity of facilities are key drivers in addition to the basic parameters of location, access and cost. These have become more important in recent years. National associations demand high quality flexible conference facilities with state of the art technology and telecommunications including free Wi-Fi and high levels of service and security. The county will need to ensure it is meeting market requirements exactly in order to increase demand.

Meetings and conferences from this sector have been held at the Regent Theatre and Keele University plus some of the hotels to date. The volume could be increased with creation of a proactive ambassador programme recruiting local academics and industry expert plus more sales activity aimed at developing relationships with associations.

Space for association conferences

The exact requirements for every association conference will be different but will be made up of a combination of facilities that often increases the overall size of space by significantly more than that required for the total number of delegates in plenary session. Requirements include:

- Main plenary space for total number of attendees for up to one day (rarely more)
- A range of breakout rooms of different sizes for simultaneous sessions to take place with required capacities varying each day of the conference duration
- Exhibition space in a location that encourages delegates to walk through the space. Catering is often provided within the exhibition space so that delegates enter the area
- Poster display space is also required although this is now being done digitally as well as physically
- Catering spaces. Delegates often buy their own meals using cash payments or vouchers so a range of alternatives including outside options may be used
- Gala dinner venue for the total attendees including delegates and partners
- Offices, support spaces, internet areas, partner spaces etc.

A conference for 1,500 delegates could require 8,000 square metres of total space depending on the size of the exhibition area, as shown in the table below.

Theatre style capacities unless otherwise stated	Approx space requirement (sq m)
Plenary session for 800	800
Varying combination of breakouts, for example:	
2 x 400	676
3 x 200 (cabaret style)	720

Theatre style capacities unless otherwise stated	Approx space requirement (sq m)
2 x 150	253
2 x 75	127
4 x 50	169
4 x 25 (boardroom)	100
Catering area for 1000	1,400
Exhibition space	3,000
Poster display space	150
Total square metres	**7,395**

It is particularly important for associations to include exhibition space as this is the element for which they earn revenue from the exhibitors which helps pay for the conference and provides much needed funds for the association.

In summary the factors influencing associations destination decisions are as follows:

1. Appropriate facilities
2. Availability of venues, hotels etc.
3. Previous cities used, rotations
4. Membership target areas
5. Local ambassadors, experts and universities
6. Conference bureau and centre relationships
7. Access, transport
8. Price
9. Appeal of destination
10. Subvention.

Staffordshire and Stoke-on-Trent will need to ensure it is delivering the best facilities and services in all of the above categories to increase market share.

Non profit making sector: International associations

International associations also use their meetings as a key revenue generator to support the headquarters and fund outreach activities and hold them on a regular basis either annually or once every two, three or four years. There are two organisations regularly reporting statistics for this sector, the Union of International Associations (UIA) and the International Congress and Convention Association (ICCA).

Each has slightly different qualifying criteria for their statistics. ICCA estimates there are around 19,000 international association meetings, with 10, 070 included in their statistics for 2011. The UIA recorded 11,261 meetings for 2011 which took place in 183 countries and 1,309 cities. The top countries and cities are invariably capital cities although some cities with strong university academics also fare well in attracting these conferences. The top countries for international association meetings in recent years are as follows:

Top ten countries for international association meetings (UIA)							
Top ten countries 2011	Number of meetings 2011	Top ten countries 2010	Number of meetings 2010	Top ten countries 2009	Number of meetings 2009	Top ten countries 2008	Number of meetings 2008
Singapore	919	USA	936	USA	1085	USA	1079
USA	744	Japan	741	Singapore	689	France	797
Japan	598	Singapore	725	France	632	Singapore	637
France	557	France	686	Germany	555	Japan	575
Belgium	533	Belgium	597	Japan	538	Spain	467
Korea Republic	469	Spain	572	Belgium	470	Germany	440
Germany	421	Germany	499	Netherlands	458	Netherlan ds	428
Austria	390	Korea Republic	464	Austria	421	Italy	413
Spain	386	UK	375	Italy	391	Belgium	383
Australia	329	Austria	362	Spain	365	UK	349

Source: Union International Associations

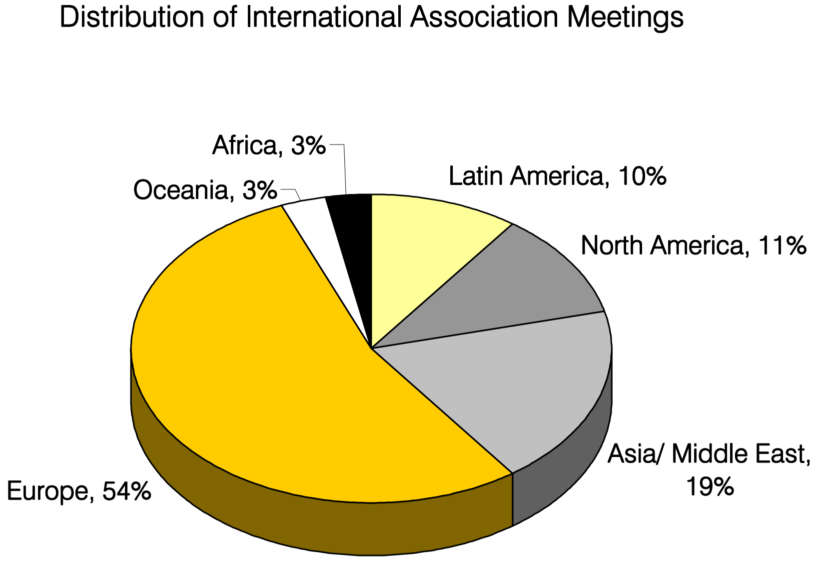
Europe has retained market share of around 55% in the last ten years despite the recent interest in Asia because associations are keen to increase members in developing countries, particularly China and India. The UK has had strong appeal for such meetings since records began in 1856, yet in recent years London has found it increasingly difficult to provide sufficient hotel accommodation at affordable rates and, until the ICC London opened at ExCel in 2010, London did not have a large convention centre. Success with this sector requires the appropriate facilities with ample exhibition space, and an attractive destination offer. Subvention is also a major factor that significantly impacts on the region's ability to compete internationally.

It can be seen that the UK was in ninth position for 2010 and tenth for 2008, but it slipped out of the top ten list for 2009 and 2011. The UK attracts just 55% of the number of meetings held in France. Apart from London, no other UK city features in the top 30. Edinburgh, Glasgow, Liverpool and Manchester have all been able to increase their proportion of international meetings through provision of a high quality purpose built conference centre, accompanied by associated infrastructure development and positive bidding for this market in conjunction with local ambassadors. It would be difficult for Staffordshire and Stoke-on-Trent to attract significant numbers of meetings from this sector.

Of the total 11,261 international meetings for 2011, just 292 (2.9%) were held in the UK, with 105 in London, 20 in Edinburgh, and 15 in Glasgow. In total 62 different towns and cities across the UK recorded these meetings in 2011, emphasising the competitiveness of this sector. Those recording 5 or more meetings are shown in the table overleaf. It is apparent from those shown how influential universities can be in attracting these conferences and it is possible that Keele University could help attract some of these meetings events with a proactive ambassador programme carefully targeting the most appropriate events. However UK associations offer greater opportunity for return on effort and cost and should remain the prime target.

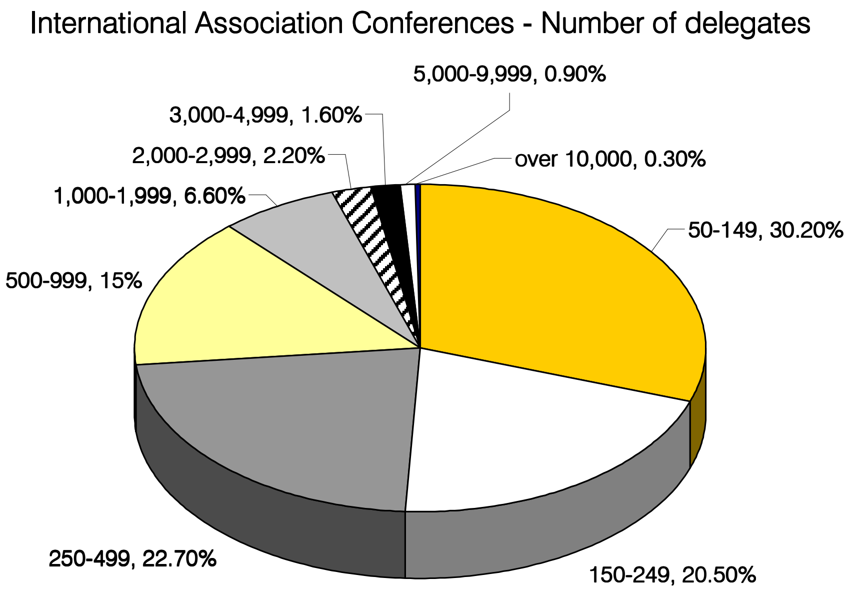
UK cities with 4 or more international meetings		
	City	No of international meetings 2011
1	London	105
2	Edinburgh	20
3	Glasgow	15
4	NewcastleGateshead	11
5	Oxford/Manchester	10
6	Cambridge/Aberdeen	9
7	Belfast	6
8	Birmingham/Cardiff/Leeds/Nottingham	5

Source: UIA international meeting statistics 2011



Source: UIA

The chart below outlines the average size of international association meetings over a ten year period. It can be seen that 88% are for up to 1,000 delegates. The larger meetings tend to be held in the major capital cities around the world with the infrastructure to accommodate them easily.



Source: ICCA

Corporate Sector

The profit making sector of corporate companies and organisations' events was estimated to generate 56% of the UK's conferences and meetings in 2011 (Source: UKEMTS). Historically the industry sectors that generated most meetings and events were as follows:

-Pharmaceutical	-Financial services
-IT	-Automotive (much reduced in recent years)
-Retail/FMCG	-Utilities

Although these sectors continue to generate meetings, albeit at lower levels than in previous years, there are other corporate sectors anticipated to generate more meetings in future including:

- Alternative energy/ies and renewables
- Biotechnology
- Food
- Infrastructure
- Healthcare (although highly regulated)
- Education

High tech manufacturing, biotechnology and the creative industries are all forecast to generate greater significance for the economy. Encouraging these sectors to be active in Staffordshire will help generate more meetings business and in turn lead to greater economic growth.

The majority of corporate business is generated from the immediate locality and the health of the overall economy will determine to a great extent whether this sector generates large numbers of meetings. There are many corporate events which tend to involve lower numbers of delegates of under 200 people, as seen in the average size of conference and meeting in the table below.

The impact of the recession was significant for the corporate sector yet it is now seeing stabilisation of demand although increased volume of events is not matched by budget increases. This more competitive environment makes it more important than ever to offer the highest quality facilities and service.

British Meetings and Events Industry Survey 2011 Key results	Corporate sector	Implications for Staffordshire and Stoke-on-Trent
Number of events per organiser	43 (30)	Volume increased 2012 over 2011
Percentage expecting to organise more events next year	31 (32)	Stable volume
Percentage residential events	33 (30)	Hotels need to make up occupancy with non residential business

British Meetings and Events Industry Survey 2011 Key results	Corporate sector	Implications for Staffordshire and Stoke-on-Trent
Average number of delegates:- at main annual event -other events	393 (330) 151 (93)	Plenty of events with numbers of delegates below 500
Average budgeted daily delegate rate (inc VAT)	£63.83 (£54.50)	Added Value is expected
Average budgeted 24 hour delegate rate (inc VAT)	£164.26 (£161.50)	Little change
Average annual budget for events	£252,037(£216,300)	Not matching increased volume
Reported percentage change in budget last twelve months	-5.5%	Reduced budgets 2012
Percentage change anticipated next twelve months	+0.6%	Little change in budgets anticipated
Preferred venue incentive	Added value items	More expected within rates
Percentage of events with third party assistance	16.5	Require commission

Source: BMEIS 2012

Banqueting

Although banqueting is not the prime focus for this study, it is important for venues in the region and is most often generated by the local population and economy for a city or area. The corporate entertaining, awards dinners and hospitality events for organisations based in the vicinity together with private social entertaining, parties, and celebrations can generate a significant number of events. It requires skilful diary and revenue management to ensure that taking a booking for such events does not block the opportunity for a conference.

With the exception of large annual or regular awards events or corporate functions, it is also more difficult to identify target customers for banqueting. It therefore requires more general marketing and awareness raising than specific targeted sales activity in order to generate business. Many of these events look for attractive surroundings conducive to providing the appropriate ambience for the event. Increasing overall marketing activity could create additional demand for some events. The evening and weekend nature of much banqueting business will help to spread demand and provide valuable additional revenue for the venues.

Trends and Future Influences

The top issues and trends affecting the conference market currently and likely to affect it in future are as follows:

1. Technology

This is significantly affecting the conference market, with new presentation techniques and equipment and hybrid conferences being the latest trends to be explored by many conference organisers. The hybrid meeting is where sessions and presentations are streamed online while they are taking place, thus extending the audience reach.

Although associations can be slower than corporates to embrace new technology, many medical associations have a strategy for integrating virtual and hybrid events and are studying how to charge for sessions and information provided online.

Venues now need to integrate the latest technology and 'future proof' as far as possible, thus creating competitive advantage by helping event organisers to stream live sessions and use the latest presentation technology. In this way the meeting experience is guaranteed to be high quality, offering added value for the cost of face to face events. A recent survey revealed that 92% of organisers expect free Wi-Fi at venues.

Although not yet readily in use, technology has been developed for delegates to be able to use headsets to listen to simultaneous breakout sessions without moving rooms. Online streaming means they can already do this via smart phones and tablets. Clearly this has implications for the spaces required and emphasises the need for adaptable, flexible breakout space.

Social media, the internet and the quantity of readily available information, much of which is free, put greater emphasis on the meeting experience at venues to add something special in order to justify delegates investment in time attending.

2. The economic situation

Low growth figures are predicted for the global economy for the foreseeable future. The national markets for the public sector are weak with cuts in public funding affecting demand for meetings. Traditionally strong corporate sectors such as financial services and pharmaceutical have been much affected in recent years and the increasing legislation and ethics of good practice are having a wide ranging impact on the pharmaceutical and healthcare sector.

The association market is resilient and is predicted to see continued growth in volume of events due to strengths in medical and scientific research. This sector is experiencing shorter, smaller (lower numbers of delegates) less residential meetings spread over a wider number of destinations in order to reduce delegates travel time and keep costs as low as possible. This widens the number of destinations used and creates opportunities for Staffordshire and Stoke-on-Trent.

3. Design innovations

Flexibility is the key to maximising occupancy, revenue and profit at venues. Flexibility enables venues to accommodate simultaneous events, to adapt the facilities for varied uses in event types and to change size and format of facilities as required.

Clearly partitions enable spaces to be divided. The traditional partition systems, composed of individual leaves which are installed horizontally via a top-hung track, still work well and can achieve the required specifications for acoustic integrity. There is also a vertical partition system, stored in the ceiling and lowered into place electrically, produced by a company called Skyfold, which offers advantages, particularly in space-saving and speed of installation.

As well as changing the sizes of a space, other ways of adapting a room are by the use of moving floors or moveable seating. Several convention centres have adaptable floors to change from a raked auditorium to a flat-floor configuration. This has the advantage of flexibility, particularly when the room is used as a plenary hall. In the majority of conferences, the plenary session takes up a relatively small part of the event. However, if a hall has a permanent rake, it can’t be used for much else and consequently stands idle for the rest of the conference. With moving floors, seating and partitions, the plenary hall can be turned round into breakout, exhibition or catering space, thus gaining most use out of expensive space. The change from raked seating to flat floor can be achieved by the use of bleacher seating, such as at London ICC at ExCel, or by changing the height of the floor in sections, using mechanical methods, such as EICC, Edinburgh. This has the advantage of being able to create many more different formats, such as small auditoria, raked cabaret style and arena style.

The development of LED lighting helps achieve the necessary criteria for both house and theatrical lighting. This has the tremendous benefit of being much more energy efficient than traditional incandescent lighting, which in turn means a capital cost saving in mechanical plant and dramatic cost-in-use savings.

These may be options that could be considered for The Regent Theatre and Victoria Hall in order to make them more suited to conferences at some future date.

4. Buyers market

Cost and budget issues are the highest priorities for event organisers currently. The trend to include more elements within the rental costs for venues has been seen for the past few years and shows no sign of disappearing. The BMEIS 2012 revealed that around 64% of buyers from not for profit and corporate sectors prioritised 'added value' items as their preferred venue incentive.

Venues need to develop package pricing incorporating many elements at competitive rates in order to be successful.

5. The 'battle for attention' in destination competition

As the world 'shrinks' and the number of destinations keen to attract valuable conference visitors increases, the battle for attention from conference organisers becomes greater. The UIA records 1,300 destinations on its international meetings database for 2012 and over 100 destinations were mentioned by respondents to the EIBTM research November 2012 as those frequently used. For Staffordshire and Stoke-on-Trent to succeed in such a competitive market, the venues and services need to meet the market requirements exactly with the right facilities at the right price, well managed and well marketed, supported by the infrastructure to provide accommodation, transport, retail and entertainment for the high spending conference visitor. Once these needs are met, the rewards are great with business event visitors spending twice as much as leisure visitors, providing all year round employment and increasing revenue for many local businesses.

6. The growth in travel and trips being made from India, China and South America is good for the conference market as they are boosting attendee numbers to association conferences. Any opportunities to exploit the existing or potential trade links with many countries to help generate conferences should be explored. Any links with emerging markets for trade, businesses, universities or other academic institutions should be fully explored to maximise opportunities for attracting conferences.

7. Improved research into Economic benefits from conferences

The economic benefits generated by direct spend of conference visitors are clear. The *UK Economic Impact Study* will be published in July 2013. This is expected to reveal the latest information on typical delegate spend figures for conferences. Conferences also generate benefits to the local economy for knowledge and commercial development and support for inward investment priorities. High profile conferences can promote universities, local industries, inward investment opportunities and the overall brand image of a city. All of these benefits are additional to the direct spend by delegates and partners in the city.

Conferences complement and support overall tourism, providing business for accommodation suppliers in periods when there are fewer leisure visitors such as mid-week and winter months, supporting messages of a vibrant successful destination and by conference visitors returning as leisure visitors in future, extending their trips to stay on as leisure visitors or bringing friends and family with them on future visits.

8. Subvention

The trend for destinations to subsidise the costs of association conferences to encourage them to their city is not diminishing. A more competitive 'buyers' market' situation has led to many destinations offering ever increasing sums for international events in particular. It is generally true that the more affordable a destination is, the lower the subvention budget required to compensate for costs. However there is no doubt that subvention has a strong role to play in winning the bid for many of the more attractive association events and it should be allowed for in future strategy and budget planning.

Research with conference, meeting and event organisers

Databases of qualified meeting, conference and event organisers were emailed with an invitation to participate in an online survey during January and February 2013. In order to gain sufficient responses telephone follow up was carried out. In this way we were able to achieve a sample of 100 respondents. The different sectors represented by this sample are as follows:

- Corporates 43%
- Third parties 29%
- Associations 14%
- Not for profit 10%
- Local authority 4%

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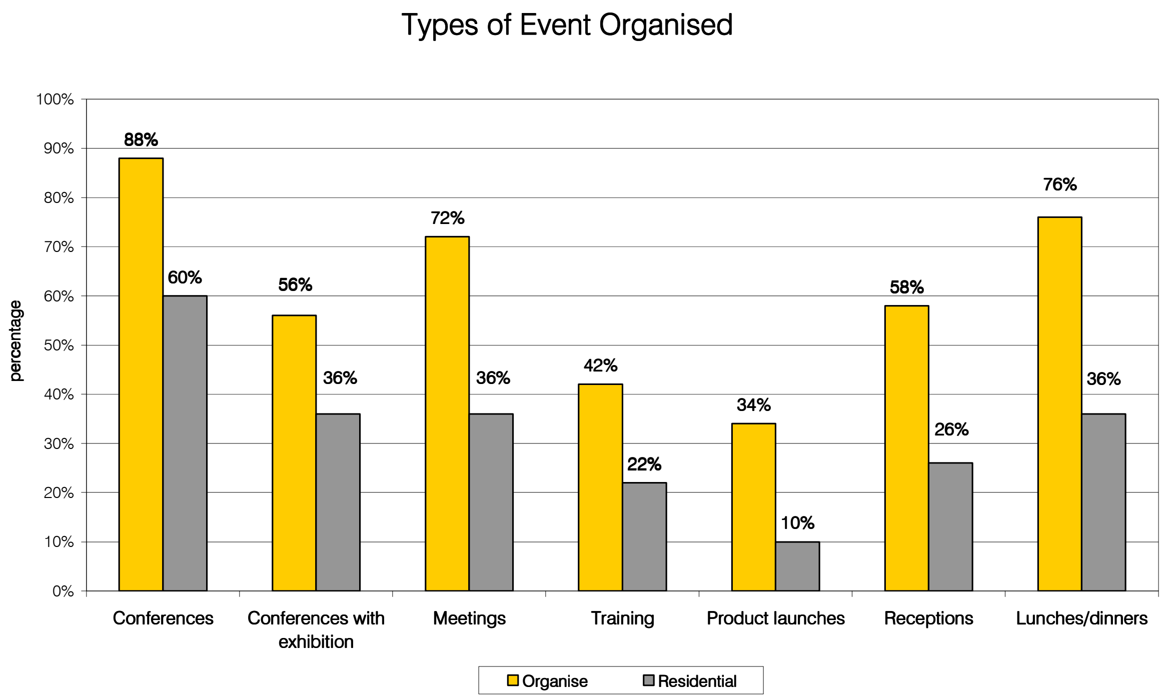
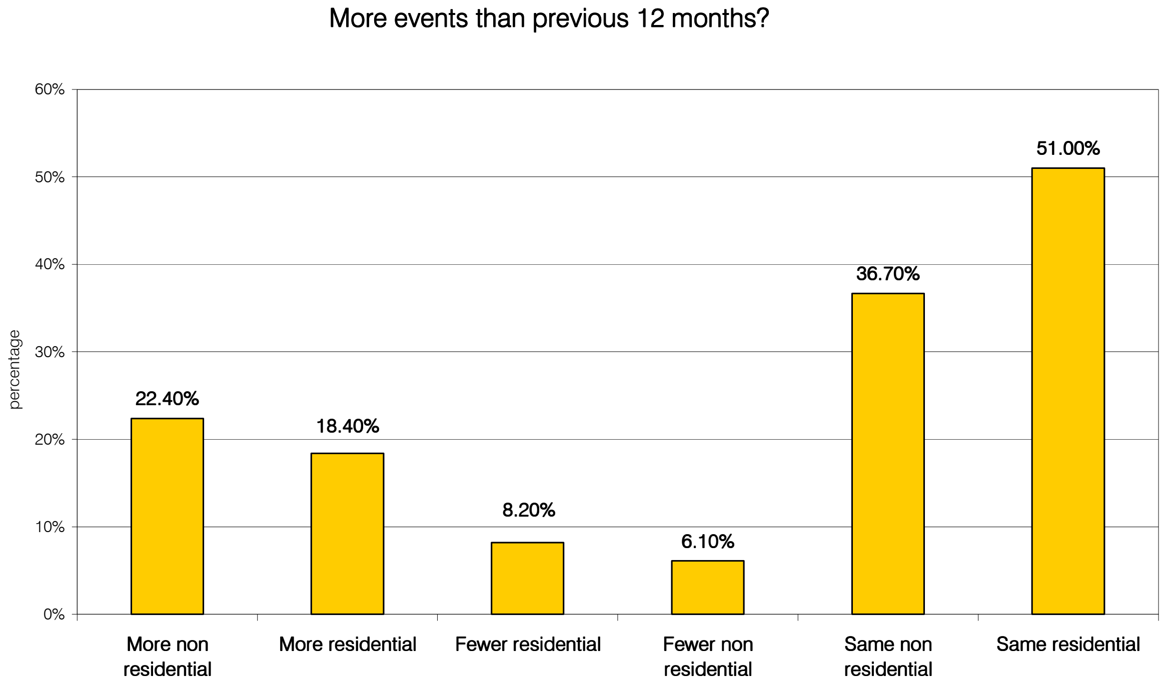
Characteristics of respondents' events

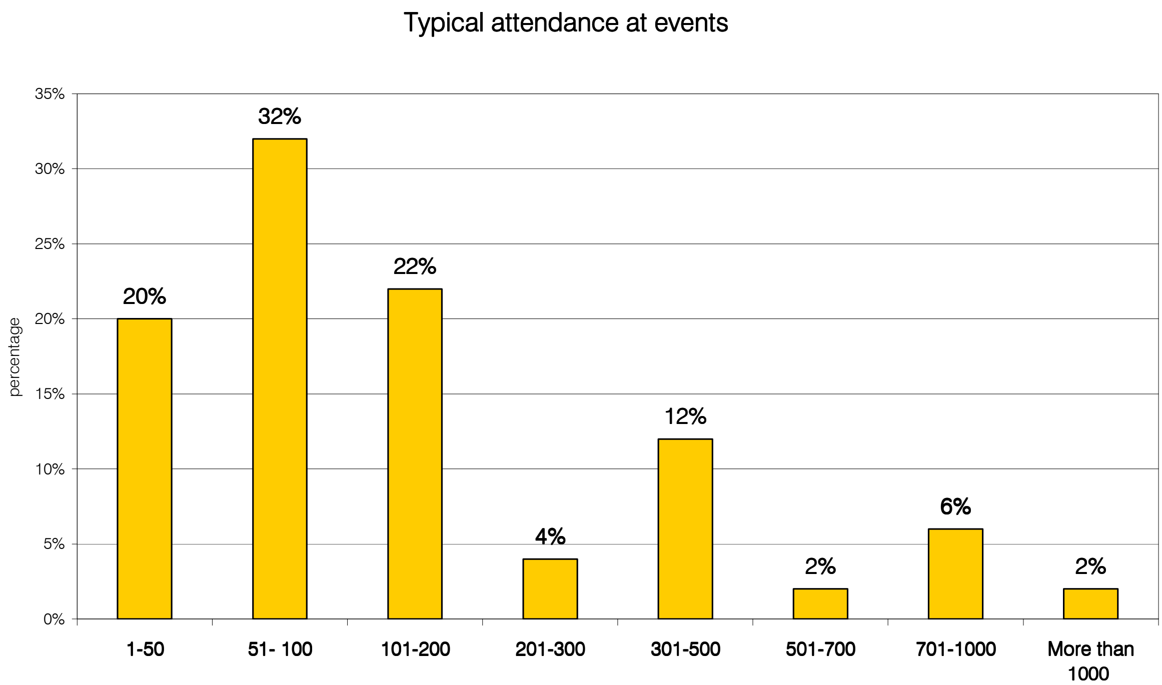
The wide range of event types they were organising are shown in the chart below:



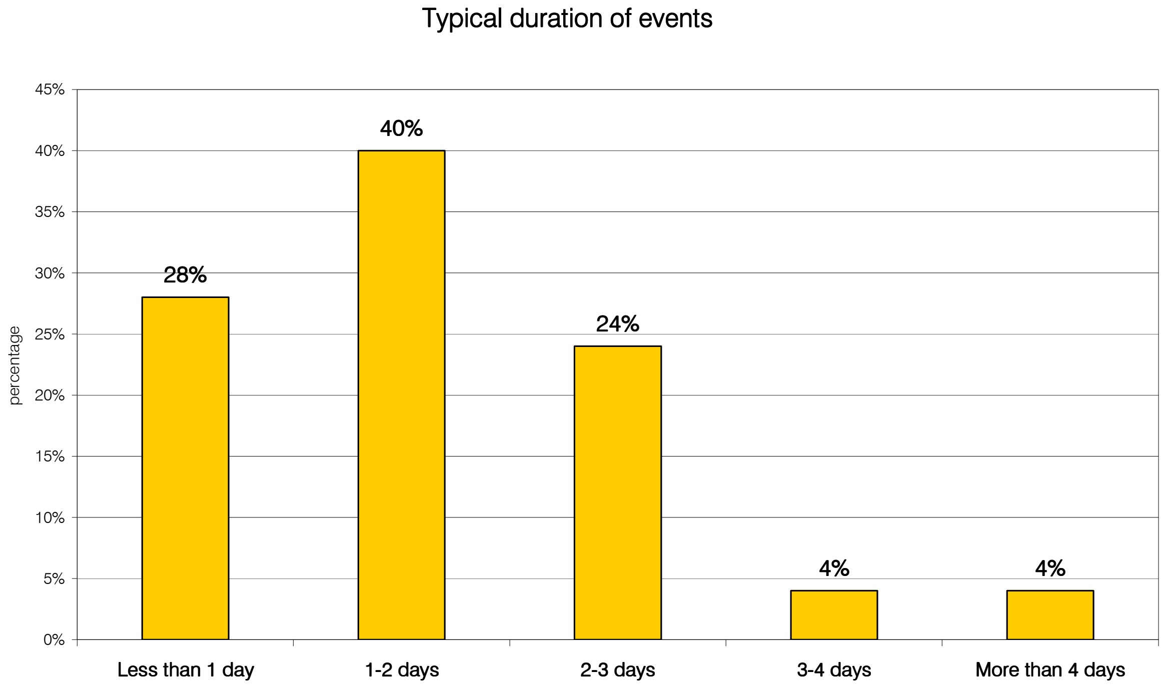
When asked if they had organised more events in the last twelve months than previously the responses were reasonably positive, as shown overleaf:



The average number of delegates at respondents' events is 207 with many more events for under 200 than over, as shown in the chart below:

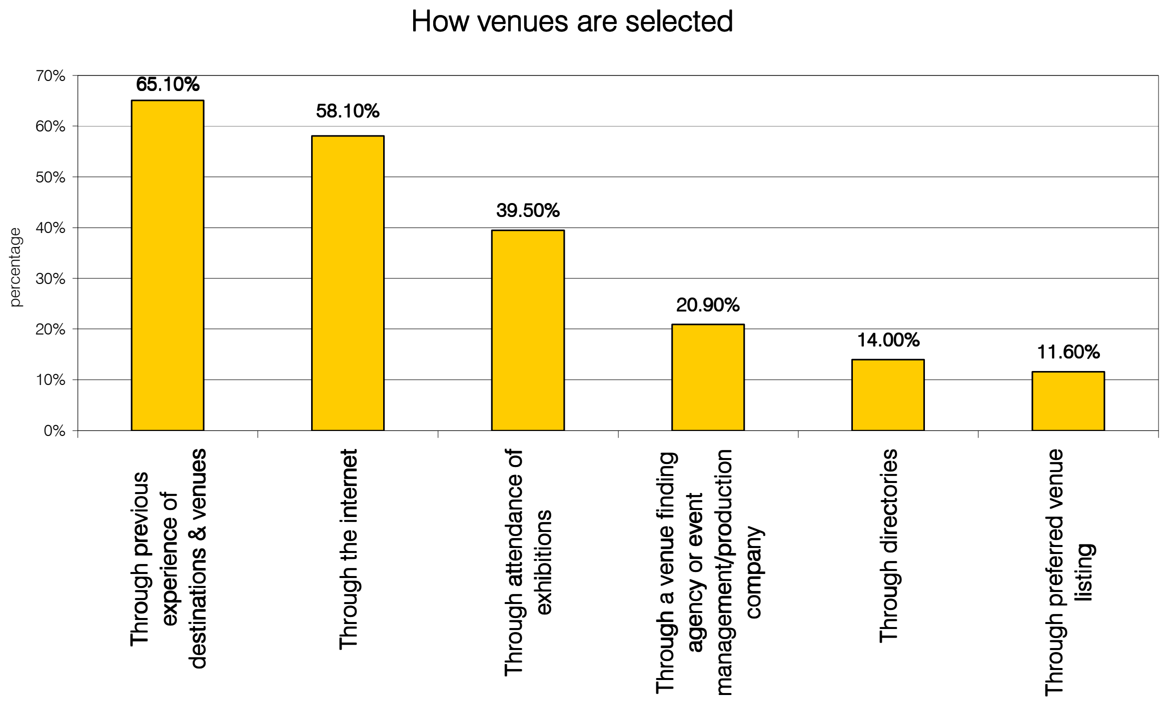


The average duration of their events is1.8 days with very few events for more than 3 days and many for less than 1 day, as can be seen here:



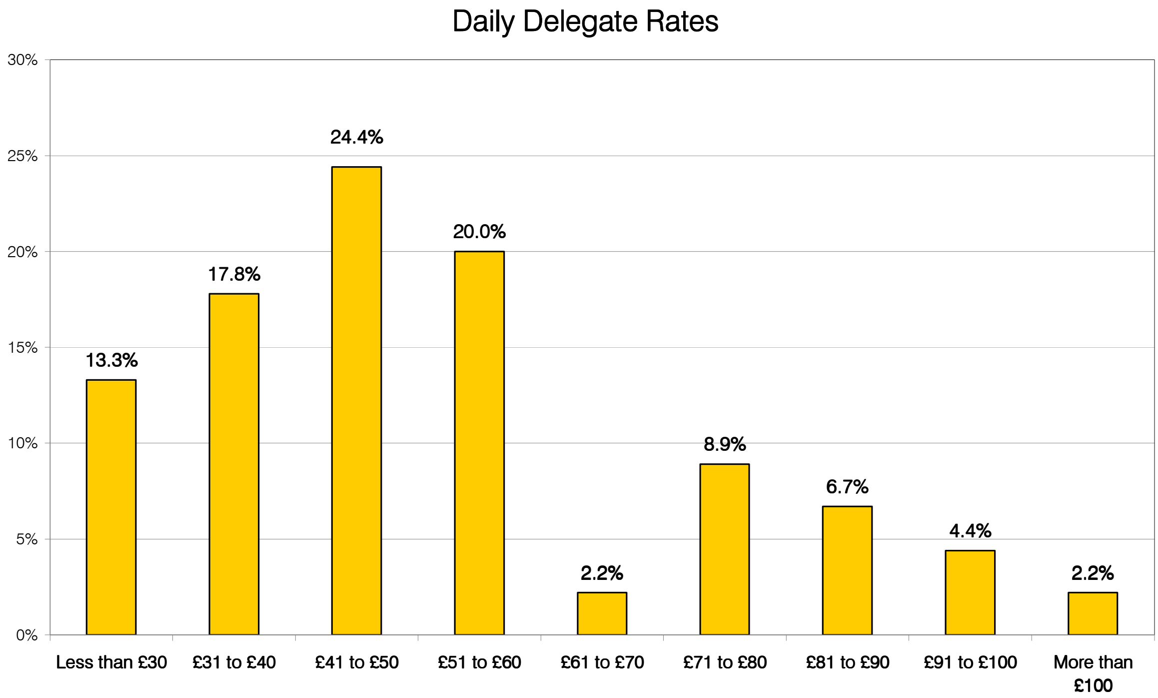
When asked which venues they favoured most for their events, responses were as follows. It would appear that the varied types of events they are responsible for is leading to use of a wide range of venues. It is interesting to note the high use of unusual venues.

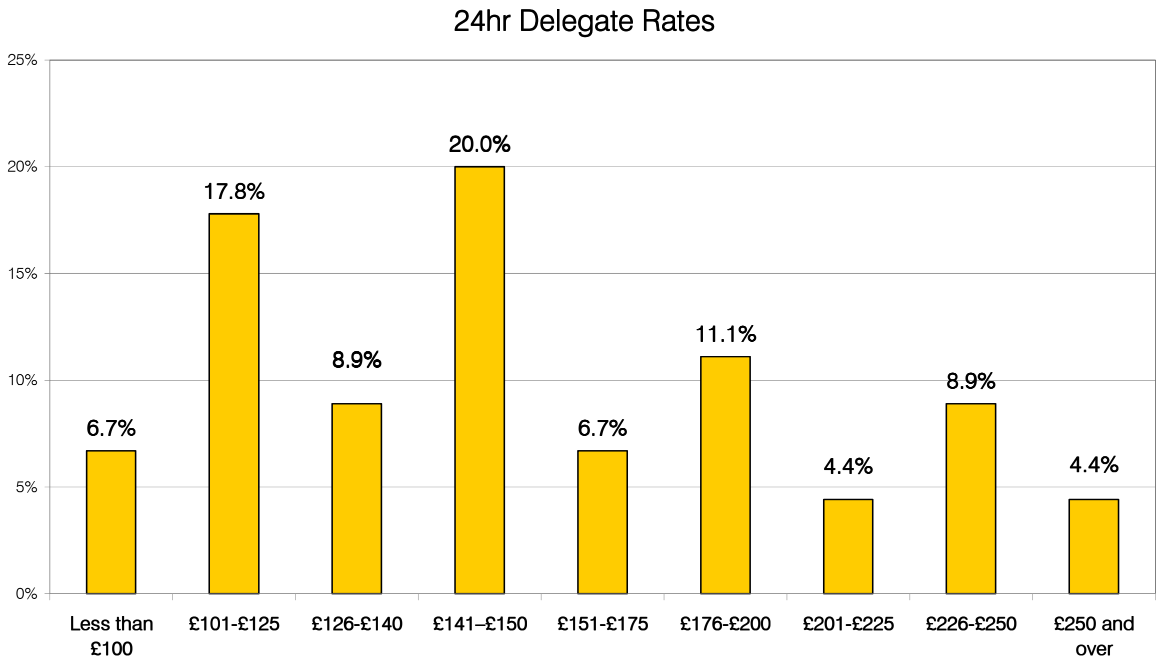
Venue type	Percentage of respondents using this type
Hotels	86%
Unusual venues	62%
Conference centres	50%
Academic venues	20%
Others	10%



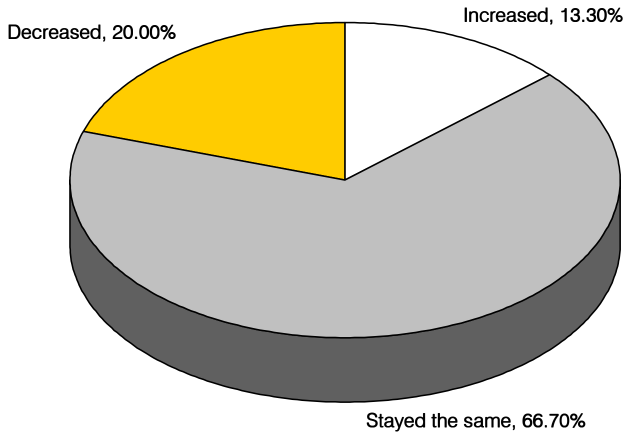
It is unsurprising that Google is the most popular search engine, however the websites *Venuefinder*, *venuedirectory* and *Square Meal* were also frequently mentioned. There were few memorable marketing campaigns which is surprising considering the marketing budgets of many hotel groups and destinations. Those mentioned were *Scotland, Manchester, Fairmont, Four Seasons* and *Stoke Place*. The exhibition most frequently attended is International Confex, although Squaremeal, IMEX and RSVP (now integrated into International Confex) were also mentioned. The full listings of websites, agencies and directories mentioned are included in the appendix to this report.

Typical delegate rates paid by our respondents are shown in the charts overleaf with averages of £51 including VAT for daily delegate rate (£42.50 +VAT) and £138 inc VAT (£115+VAT) for 24 hour delegate rate. These are considerably higher than the rates being achieved by local venues as shown in the results of the venue survey later in this report. For the 13% who had seen an increase in budgets in the last twelve months, the average increase was 10.5%. For the 20% who had seen budgets reduce, the average decrease was 8.7%.


Daily Delegate Rates
30%
25%
20%
15%
10%
5%
0%
24.4%
20.0%
17.8%
13.3%
8.9%
6.7%
4.4%
2.2%
2.2%
Less than £30
£31 to £40
£41 to £50
£51 to £60
£61 to £70
£71 to £80
£81 to £90
£91 to £100
More than £100


24hr Delegate Rates
25%
20%
15%
10%
5%
0%
6.7%
17.8%
8.9%
20.0%
6.7%
11.1%
4.4%
8.9%
4.4%
Less than £100
£101-£125
£126-£140
£141–£150
£151-£175
£176-£200
£201-£225
£226-£250
£250 and over

How budgets have changed



Destinations used by organisers

A wide list of destination and venues were mentioned as those being used which is provided in the appendix to this report. The most frequently mentioned places are the major cities of London, Birmingham and Manchester together with central England locations and major hotel groups. Alton Towers was the most frequently mentioned local venue although a wide list of venues were named. The most frequent reasons cited for venue choice were:

- the use of unusual venues to act as a draw for delegates;
- preferences for hotels and conference centres where they understand meeting requirements and provide good service;
- hotels due to the ease of having accommodation on site;
- budget, accessibility and suitability.

Use and views of Staffordshire and Stoke-on-Trent

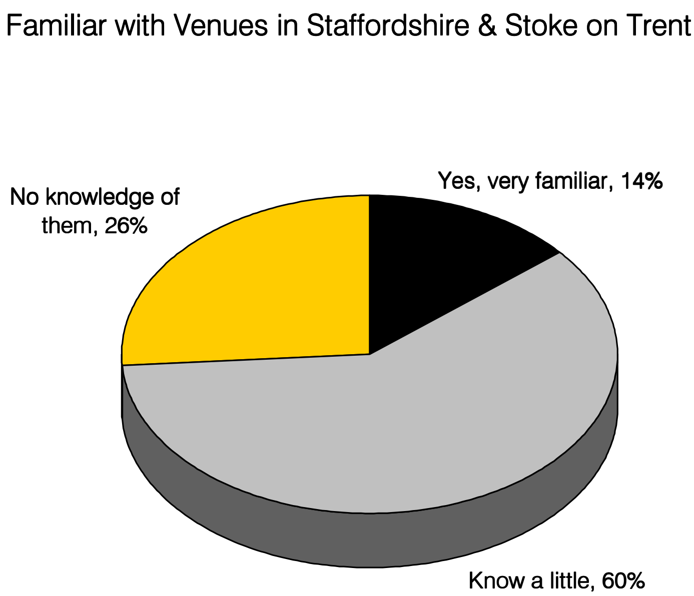
43% of respondents had held a meeting or event in Staffordshire or Stoke-on-Trent, 57% had not. When asked how often they include Staffordshire and Stoke-on-Trent venues when considering venue options, responses were as follows:

Always	8%
Regularly	12%
Occasionally	48%
Never	31%

There is clear room to ensure that more organisers consider the region's venues in future.

The reasons most often cited for the frequency stated were: lack of awareness of what the region can offer; bias towards London and large cities; and clients briefing preferences (for third parties).

Further questions were asked to try and explore why this might be including their familiarity with local venues and their use of them for events. There is clear room for increased awareness of what the county has to offer, as shown in the chart below:



When asked if they would consider Staffordshire and Stoke-on-Trent for a future booking, responses became much more positive, proving the benefit of contacting them and raising awareness, with 35% saying yes and 65% saying possibly. It is very encouraging that there were no negative responses to this question. Suggestions on what Staffordshire and Stoke-on-Trent could do in future include the need for improved awareness of what it can offer, more truly 4 star venues, and improved transport links across the country West to East as well as North to South.

The rating of Staffordshire and Stoke-on-Trent on various issues related to conference use is shown in the table below. The higher the number the higher the ranking as 4=excellent and 1=poor. It can be seen that none of the items receives a rating of more than 2.39 although it is good to note that the region is generally quite highly regarded for location, pricing, ease of travel and transport links. The appeal of the destinations, the unusual venues, prestigious venues and opportunities for leisure activities were less well ranked.

How would you rate Staffordshire & Stoke-on-Trent? 4= excellent, 1=poor	
Location for meetings and conferences	2.39
Price and value for money	2.24
Ease of travel and transport links	2.23
Service standards	2.02
Food/menus/catering quality	1.96
Standard of conference facilities in venues (room layout, décor, lighting, furniture etc)	1.93
Availability of hotel rooms of required standards	1.87
Overnight activities/entertainment	1.84
Flexible space and Break Out space/rooms in venues	1.80
Wi-Fi & technology in venues/a/v, technical facilities and support	1.73
Appeal of the destinations in attracting delegates to events	1.78
Prestigious/high quality venues that draw attendees	1.58
Opportunity for leisure activities such as visit to the potteries	1.73
Unusual venues with rich heritage and culture	1.62
Additional organisational support offered by venue / destination. e.g. delegate management services or social programme management	1.41

Overview of venue survey

In order to gain information on the levels of business and characteristics of conferences and meetings taking place in the venues in Staffordshire and Stoke-on-Trent, all members and potential members of the conference bureau were invited to take part in an online survey during December and January. The results have been used to compile the market valuation and this in turn has formed the basis for the economic impact estimate as outlined on page 35.

In total 36 venues responded to the survey and the collective results from all venues are shown below:

- The conference and meetings business taking place is almost equally residential and non residential.
- Venues are hosting an average of 8.73 non residential meetings per week and 1.86 residential meetings.
- 74% of the business taking place is for 1 day or less, with an average duration of 1.2 days
- Average daily delegate rate being achieved is £28 including VAT
- Average 24 hour delegate rate is £123.50 inc vat with the rates being achieved ranging from £95 to £190.
- The average meeting room hire for main meeting room is £729.
- Small meeting rooms and syndicate rooms range from £103 to £173, average is £137.22.
- Tea and coffee breaks during meetings result in average income of £5.13 per person per day
- Average income for lunch is £8.94 per person
- Average income per person for dinner is £19.57.
- All venue respondents are hosting corporate meetings, 96% are also hosting not for profit sector meetings and 92% governmental meetings.
- The main sectors generating corporate meetings are, in order of priority
    1. Retail
    2. Pharmaceutical/medical
    3. Leisure/brewing, manufacturing and financial services
    4. Construction/property
    5. Electronic/IT/computing
    6. Utilities
    7. Automotive
    8. Cosmetics.
- The majority of business taking place is for fewer than 100 delegates, average meeting size is 67 delegates.
- 25% of business is booked through venue finders or third party agencies.
- Enquiries are being turned away on average once every three weeks, with the reasons it is being rejected including numbers being too large and lack of availability.

- Average conference rooms occupancy in 2012 is 51%.
- 52% of venues said this is about the same as 2011, 32% said it was higher.
- 38% said turnover from meetings business for 2013 is likely to increase, 54% said turnover will stay the same
- 44% said profit from meetings business will increase and 30% said it will stay the same
- 25% of conferences and meetings are booked by venue finding agencies or third party agencies
- 49% of venues had clients who repeat business throughout the year, with 67% of repeat business from the corporate sector and 33% from the not for profit sector
- 58% of meetings business originates from within Staffordshire and Stoke-on-Trent
- 24% also get business from the West Midlands
- 13% get business from the East Midlands
- 13% also get business from the North West and 8% from Yorkshire and the North East
- 13% from the South East, 10% from London.
- The areas where Staffordshire and Stoke-on-Trent are losing business to are Leicester, Coventry, Warwick, Birmingham and West Midlands, Manchester and London.
- 58% of venues are definitely in favour of recognised accreditation schemes for venues

Venues views and comments on what would help attract additional conference and meetings business are as follows:

- pro-active marketing programmes
- improved image of Stoke-on-Trent
- Familiarisation trips with a difference
- more publicity and working harder
- being represented at more national shows
- further promotion of Staffordshire as a great destination
- Having a 'big push' on location and access, raising the profile of accessibility and value
- More association business
- Public transport improvements, quality of hotels, image of city
- Focus on clear sectors with appropriate needs
- More exposure in SE and London.

Conference market valuation and economic impact estimate

The information gained from the venue survey was supplemented by information gained from the Conference Bureau and further research into rates and occupancy undertaken by The Right Solution. In total information on 50 venues throughout Staffordshire was used to prepare the estimates of market value and economic impact for conference and meetings business.

A model has been created which uses the following elements:

- individual meeting rooms' capacities at the 50 venues
- take up experienced in number of delegates using the meeting rooms
- Daily delegate rates or room hire rates
- occupancy percentage of 200 days per year (40 weeks x 5 days of typical meetings take up)

The market value of conferences and meetings in Staffordshire is **£63,740,089.** This does not include overnight accommodation which is accounted for separately in the economic impact estimate.

The direct economic impact of conferences and meetings in Staffordshire is **£316,287,033.** Using an average salary of £30,000 this is equivalent to 10,500 jobs. This has been calculated using the volume of business as input into the model with the average delegate spend of **£139.45 per attendee** applied. (Source of spend is the *Delegate Expenditure Survey 2006).* The economic impact estimate could be remodelled once the new spend figures from the *UK Economic Impact Study* are available in July 2013 (depending on the published data available at that time).

Delegate expenditure survey

A post event survey has been set up for all venues throughout Staffordshire and Stoke-on-Trent to use by asking their event organisers to send it out to their delegates. At the time of preparing this report 26 delegates had responded. The 26 delegates had all attended a conference at Keele University late 2012. Their responses show that:

- Average cost of attending the conference was £126 including registration
- Average cost for those who travelled by train was £57.60
- Average distance for those travelling by car was 92 miles
- Average stay was 1.2 nights
- 4% had visited a local restaurant
- 1 delegate had visited Alton Towers and the Pottery factory shops
- 1 delegate had visited the National Brewery Centre.
- None of the attendees had stayed on for an extra night before or after the conference and 2 out of 26 had brought an accompanying partner or guest (at a cost of £20).

A wide range of comments on the best aspect of the conference included the following :

- AM&T software visit
- Meeting peers in the HE sector
- Meeting Gordon Banks
- Good parking
- High quality lectures
- Good speakers
- Keele University venue
- Easy to reach on public transport
- Scientific programme.

33% said they would be likely to revisit Staffordshire and Stoke-on-Trent as a leisure visitor with supporting comments (verbatim) as follows:

- work visits will be decided by work, private visits will be decided by my wife!
- I live in the area.
- lovely area ideal for walking in the surrounding countryside
- Since I live in the area it is likely but not as a result of the conference
- It's an area that is not too far removed geographically from where I live and I would like to return to the National Brewery Centre and Alton Towers
- Lovely drive, looks really nice area to visit
- I have friends in the area
- Alton Towers
- Likely to visit Staffordshire as a leisure visitor, but not as a consequence of the conference being based in Staffordshire.
- Can find a closer area of the same greenery
- Not an area of interest for me; I prefer more outdoor and coastal activities.

The other comments made on Staffordshire and Stoke-on-Trent are as follows:

- Campus was very nice, stunning setting.
- For conferences etc. this area is central in the UK and the transport links are good.
- Easy to access providing one does not have to travel on the M6
- Enjoyed the day, some interesting points raised from the abroad lecturers. Lunch was absolutely lovely
- Relatively easy to get to
- Difficult to reach for many people
- Very far away from Southampton
- I know it doesn't have a good image / perception with colleagues from other parts of the country!

- Excellently situated for central locations to Wales and England delegates.

The aim is for many more hotels and venues to encourage the organisers holding events at their venues to send out the post event surveys over a longer period of time. In this way more data will be captured enabling a more accurate local figure on spend to be calculated at a future date.