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THE CONVENTION AND MEETINGS INDUSTRY: AN OVERVIEW

LEARNING OBJECTIVES

After studying this chapter, you will be able to discuss:

- The economic impact and multiplier effect of the convention and meetings industry
- The growth of the convention and meetings industry, and current trends
- The types of facilities that house meetings and conventions
- The types of organizations that hold meetings and conventions

INTRODUCTION

About 30 years ago, in the mid-1970s, the business of planning and executing meetings in both hotels and convention halls began to undergo changes. At that time, both independent and chain hotels alike relied mostly on business from vacationers and individuals (also known as transient) to fill their rooms. The large function rooms in many hotels, designed and used as banquet and reception facilities, also could accommodate meetings. Today, the group meeting and convention market is recognized as the most significant market segment necessary to ensure the hotels' room occupancy, as well as food and beverage revenue requirements.

In the 1970s, few hotels in major U.S. cities and resort destinations had enough function space and guest rooms to book convention groups. Overall, convention groups at that time had an image that focused less on meetings and education and more on entertainment. Until recent years, the typical convention attendee was a middle-aged white male; today's convention-goer is now

reflective of the workplace—women and minority groups have altered that demographic profile.

The stereotype of a three-day junket of fun for many convention groups also has been replaced by days of intensive educational programs that upon completion, awarded attendees continuous education credits (CEUs) in their vocation or field. The food and beverage functions at meetings and conventions also have become representative of the creative culinary landscape, replacing the so-called “rubber chicken banquet circuit” of years past. The audiovisual and computer technology needs of groups today require true expertise on-site to ensure that each meeting and presentation goes off without a hitch! Additionally, the meeting planners—people who represent companies and association groups—over the years have become quite knowledgeable of the process.

Therefore, all these requirements have created a need for a department that can seamlessly coordinate and execute these overlapping areas. Thus, the convention services department has become an integral part of the hotel organization chart. This chapter examines how these factors and emerging trends have contributed to the growth of the convention and meetings market. We will look at the financial impact of this global industry in both private and public sectors of the economy. In the last 20 years, state-of-the-art hotel and convention centers have been built to fulfill the need for facilities. This chapter also discusses the key facility requirements for meeting groups. Finally, we will explore the main categories of the group meetings market.

Recently the CIC (Convention Industry Council), conducted a study on the economic impact of this broad, interrelated industry, titled, *The Economic Impact of Meetings, Conventions, Exhibitions, and Incentive Travel*. Figure 1.1 is a summary of the key points from the *2004 Economic Impact Study*, from the CIC Web site. The accompanying pie chart shows the total direct spending by industry segment, with conventions and exhibitions generating the most spending: 55.5 percent (\$122.31 billion). Additionally, the study reports that “the largest share of the convention and exhibition dollar (35%) is spent in hotels and other facilities.” These facts further demonstrate just how interdependent these hotel and convention industries are on each other.

This summary illustrates the usefulness of this report and application to many segments of the meeting and convention industry. Further information on the facts and findings of this study can be located in the appendix at the end of this chapter.

The billions spent in total by all these convention and meetings market segments have a far-reaching financial impact. For example, the U.S. Department of Labor classifies jobs in the hotel, restaurant, and tourism industry as part of the service sector of our economy. Additionally, a large number of jobs are created both directly and indirectly by the convention and meetings industry.

SERVICE SECTOR ECONOMIC IMPACT

Jobs are created and revenue occurs in other industries indirectly through foreign and domestic delegate spending by conventioners. This is known as

FIGURE 1.1
2004 ECONOMIC IMPACT STUDY



The meetings, conventions, exhibitions, and incentive travel industry...

Is a 365-day a year business that operates in communities large and small.

Generates more than 36% of the hotel industry's estimated \$109.3 billion in operating revenue.

Directly accounts for nearly 17% of the air transportation industry's operating income.

Generates spending and tax collection that trickle down to every sector of the local economy, from taxis and restaurants to retail stores and other services.

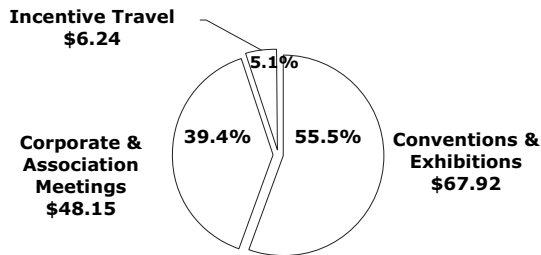
Supports 1.7 million jobs in the United States – One in every 86 individuals is employed in some aspect of the industry.

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The Economic Impact

of Meetings, Conventions, Exhibitions, and Incentive Travel
A Summary

Total Direct Spending by Industry Segment (Dollars in Billions)



Total Direct Spending: \$122.31 Billion

Taken as a whole, meetings, conventions, exhibitions, and incentive travel generated \$122.31 billion in total direct spending in 2004, making it the 29th largest contributor to the gross national product.

These are just some of the key findings from a new study conducted by VERIS Consulting, LLC for the Convention Industry Council (CIC).

Facts & Figures

The industry's total direct spending is \$122.31 billion. 1,710,000 full-time equivalent (FTE) jobs are supported by the direct spending of the industry.

Association-sponsored events accounted for two-thirds, or \$81.94 billion, of the direct spending industry total. Corporate-sponsored events accounted for the remaining third, or \$40.37 billion.

The largest share of the convention and exhibition dollar (35%) is spent in hotels and other facilities. The rest is widely distributed throughout local economies. After air transportation (24%), the biggest categories of attendee, exhibitor, and sponsor spending were: restaurant and outside catering food & beverage outlets (14%) and business services (12%).

A Useful Tool

The Convention Industry Council's 2004 Economic Impact Study is a useful tool for industry professionals, as well as communities at large, when planning, budgeting, and advocating for issues related to meetings, conventions, exhibitions, and incentive travel. The Study also:

- Provides compelling statistics to assist in attracting public funding from both local governments and private investors;
- Illustrates benefits of industry in terms of jobs created, business sales and tax revenues; and,
- Provides a baseline report that can be used to estimate long-term impact.

**Purchase your copy of the
Convention Industry
Council's 2004 Economic
Impact Study today at
www.conventionindustry.org**

Courtesy: CIC (Convention Industry Council) (2005).

the *multiplier effect*. As we said in the introduction, by the 1970s and 1980s, hotels and resorts began to expand their facilities to accommodate groups and compete for this emerging market. To remain profitable, most hotels no longer could rely on the leisure vacation and individual business traveler markets to fill their guest rooms year round. At the same time, many people, some with newly earned college degrees in a new program, Hotel and Restaurant Management, began careers in hotel group sales departments. Hotels with 400 or more guest rooms and meeting facilities will have a Group Sales department with a director and sales managers assigned to each of the market segments.

Based on the hotels' marketing plan, occupancy, and revenue goals, each salesperson must qualify and book a certain amount (or quota) of groups in their respective market.

For example, a group like a national associations' annual convention may need 200 to 300 rooms for three nights, with meeting space and multiple food and beverage functions. However, association groups traditionally require very low group rates because the majority of the delegates are paying their own way and will not be reimbursed. Additionally, planners for associations expect low room rates and complimentary meeting and exhibit space due to the large quantity of guest rooms they can provide.

This is where the "dance" of negotiating between the seller (facility) and the buyer (group planner) begins. Today, the hotel sales director must train their managers to evaluate every group for the total revenue potential: guest room nights, plus food and beverage and other services. Research is also regularly conducted to determine the groups' history (did they really use all the guest rooms the hotels held for them in previous years?). However, many association groups like to meet in different regions of the country each year, and this will impact attendance as well.

As you can see, for each group market segment there are many factors for the hotel or facility to consider before it even quotes a group room rate. Regardless, hotels derive much more revenue from any group business and therefore actively advertise and compete for this market. In Chapters 2, 3, and 4, we will also discuss identification of the needs of each type of group customer. Since the 1980s the people who plan the meetings and conventions for associations, corporations, and organizations have become more knowledgeable about the profit centers for hotels. Planners who are responsible for numerous meetings through the year often manage a staff and belong to their own trade association. These organizations offer educational programs at their own conventions so that new and seasoned meeting planners can gain more planning expertise.

However, the growth of the meeting industry is impacted by many factors, most notably, the economy. During the recession of the early 1990s, few corporation meetings were held off-site. Consequently, many hotels went bankrupt by the mid-1990s. The demand for training meetings grew in the late 1990s as a result of daily advancements in computer technology. Every few years the cycle alters so that sometimes it's a buyer's market (planners), and other years it's a seller's market (facility).

TYPES OF FACILITIES THAT HOLD MEETINGS AND CONVENTIONS

Multinational hotel chains have invested millions in renovating and upgrading their entire hotel properties, to provide facilities and services required by large meeting and convention groups. These well-known and recognized full-service hotels—such as Marriott, Sheraton, Hyatt, Westin, and Holiday Inn—compete with each other as well as other properties within their own chain or brand.

In addition to the traditional hotel, let's look at other facilities or “venues” used for meetings. Remember, each market or group planning a meeting has different needs and objectives. For example, corporate meeting groups require people (usually employees) to attend, and the corporation (employer) typically pays for everything—including hotel, meals, and travel—related to the meeting. Conversely, attendance at an association convention is optional, and attendees pay out of their own pockets. This results in fluctuating attendance and a greater need for low-cost hotel rooms.

On the other hand, incentive groups need very little meeting space, but they do require a full-service resort with luxurious hotel rooms and amenities. Fortunately, there are more than enough different types of facilities to accommodate these needs. First, we'll explore conference facilities.

Conference Centers

Conference centers are a relatively new concept that offer state of the art dedicated meeting facilities. Designed with the latest in meeting technology and soundproofing, these self-contained environments often feature built-in theaters and ergonomic chairs that are still comfortable after six hours of meetings. Today, the concept has evolved so that the design features and services provided at a conference center are quite varied. However, their marketing strategies remain focused on providing meeting facilities that are superior to hotels, since they don't double as banquet rooms. Most conference centers differ from hotels in the following ways:

- Their Meeting package pricing includes rooms, meals, and refreshment breaks
- Their Inclusive package concept ensures no unexpected charges for meeting planners
- They are suitable for small groups of 50 to 200 people who want to be treated like a big group, with an attentive staff and good service

As this concept has grown in popularity with meeting groups, some conference centers have been either acquired or built by some of the leading hotel chains. Therefore, this concept has evolved so that there are now conference facilities built to accommodate each niche. Other features may include:

- Conference center facility only; no hotel or overnight facilities (limited-service chain hotels often are built near these facilities to house conference attendees)
- Conference center with or without guest rooms, located away from city and distractions; a self-contained environment with meals on-site (meal package)
- Full-service hotels with adjacent conference center buildings

Two well-known companies successful in building and operating facilities are Benchmark Hospitality and Harrison conference centers (the latter has been purchased by Marriott Corporation). The one thing all conference centers have in common is that they're all designed for smaller groups, usually under 300 people.

All-Suite Hotels

All-suite hotels first appeared in the late 1970s with Embassy Suites quickly dominating this category. Their unique configuration features a two-room suite with a bedroom separate from a kitchenette and living room area. Each Embassy Suites hotel offers meeting and function facilities suitable for groups of up to 300 people. Most all-suite properties include:

- Spacious two-room suites for all attendees
- Complimentary buffet breakfast and evening reception daily (available for all guests, not private)

CONVENTION CENTERS

Historically, these facilities were designed for convention meeting groups of up to several thousand people, with a trade show area for 200 to 300 exhibits. Convention center function space can be quite versatile with air walls that can create more meeting rooms for smaller groups, known as *break-out rooms*. The centers also double as entertainment locations for concerts. For many cities this center may also be the *only* facility that can accommodate banquets for 1000 people or more. As a meeting venue convention centers are unique in the following ways:

- They don't have guest rooms, but are connected to (or within walking distance of) a large hotel.
- They are usually feasible for only large conventions.
- Convention space is booked through the convention center sales department or local convention bureau sales staff.
- Convention center space can be booked up to 10 years (or more) in advance for very large conventions; guest room blocks will be reserved at numerous nearby hotels (known as a citywide convention).

UNIVERSITY AND COLLEGE CAMPUSES

Campuses are a newer, affordable alternative, especially for groups who meet during the summer, although meeting space has become more limited as colleges increase their marketing efforts. This has forced repeat customers to secure space further in advance.

As a meeting venue campuses offer the following unique features:

- They have large amounts of meeting space (classrooms), rooms (student housing), and function space (student dining space) available during the summer
- They can offer lower group rates than hotels during a high-demand (summer) period

Each of these meeting facilities venues will be discussed in greater detail, along with site selection criteria and industry procedures, in later chapters.

TYPES OF MEETING PLANNERS

Today, meeting planners in general have received much more professional training than in the past. As mentioned previously, there are now numerous associations for all types of meeting planners to join. These groups offer training sessions (known as continuing education) to their members, which often are held during the convention.

Association Planners

The vast majority of association meeting planners are full-time, planning three to five meetings annually. Their job title is Planner, with the association's annual convention as their primary responsibility. This convention is the main source of income for that association, and attendance at these three- to four-day events is usually over 400 people. Types of associations include trade, professional/scientific, educational, veterans/military, and technical.

Smaller associations in any of these categories may not have a full-time planner. Similar to corporations, the association would also outsource this function. Organizations known as association management companies often are hired to manage the meeting and convention requirements of multiple associations. Planning needs may also include association board meetings, usually held quarterly. In general, the association meeting segment combined represents the largest group business revenue source for hotels and convention centers.

Corporate Planners

A large percentage of corporate meeting planners perform those duties only once or twice a year, so their full-time position could be in marketing, sales,

management, training, or operations. When corporations cut back on the number and types of meetings held, some eliminate this position altogether and instead hire planners only when needed. Unfortunately, this often happens during a slow economy. Consequently, the task of planning one corporate meeting could be contracted to any of the following types of organizations:

- Event planning company
- Travel and meeting management
- Destination management
- Independent meeting planner
- Site selection
- Incentive meeting management

Also, it is interesting to note that many planning professionals who start a firm with one of the preceding titles have background in hotel group sales and services departments. Planners who have worked on the supplier or seller side can be effective negotiators for their clients (group holding the meeting.)

However, there are many companies that have enough meetings to warrant having a meeting planning department. This department may also handle all travel arrangements for individual business travelers for that company as well. In this case, travel agents who rely on the hotel group sales departments to coordinate the meeting logistics may actually be the only planners for that corporation.

The largest segment of full-time corporation meeting planners is found in the insurance industry. All types of insurance companies hold a variety of meetings that their agents are required to attend. Additionally, this segment plans incentive travel programs that are rewarded to the insurance agents for their sales volume. Only the most luxurious full-service resorts and destinations are used for these programs. Planners in this segment can work either directly for an insurance company or for an incentive travel company. Remember, though, that unlike associations, corporations do not promote meetings outside their own employees or stockholders.

Nonprofit Organizations

There are many types of groups that are known collectively by the acronym SMERF, which stands for social, military, educational, religious, and fraternal. Meeting planners under this umbrella often hold the job title executive director. The issue common to all SMERF groups is cost. Like associations, many meeting attendees are paying on their own. Many of their annual meetings or conventions can have over 500 to 800 attendees.

Government and Union Planners

The final types of planners we will look at are government agencies and labor unions; these are similar to SMERFs in regards to meeting cost issues and the planner's job title. What often separates them are the following key concerns: most government employees are reimbursed only for meeting-related travel and

meals expenses within the *per diem*. This is a fixed amount of money allowed that is set for each city by the federal government.

In general, hotels or other meeting venues must be able to meet these requirements to be successful with securing the business. However, that is just the start. Later in the book we'll learn more about the proper servicing to ensure that the group is satisfied and will hopefully return again and again.

MEETING INDUSTRY REPORTS

Throughout this book you will see many important quotes, statistics, reports, and general contributions from a variety of convention industry trade publications. Most of these publications survey their subscribers—multiple types of meeting planners—on industry trends. The survey results in the *2005 Meetings Market Report* from *Meetings Media* are an example of this practice.

This survey is a propriety *Meetings Media* online study that was distributed to 8,512 *Meetings Media* subscribers. (As an incentive to complete the survey, respondents were offered a chance to win one of four \$50 American Express gift cards. The survey generated 430 completed responses.) *Meetings Media* reports this is their second annual report.

The charts in Table 1.1 report the demographics of the survey respondents: independent, association, and corporate planners. The results also report the level of support their respective organizations provide for each segment.

Table 1.2 is from the same survey, and identifies trends in types of facility and meeting attendance.

ADDITIONAL 2005 MEETINGS MARKET REPORT HIGHLIGHTS

The following is an excerpt from the summary of that report. It is provided in this introductory chapter to assist you with industry trends and in defining specific terminology used throughout this book.

POST-9/11 RECOVERY

With continuing fallout from the events of 9/11, corporate cutbacks and accounting scandals, plummeting stock prices, SARS, and the escalating war in the Middle East, it was a challenge to just muster up the courage to drag oneself out of bed in the morning last year, much less hop a jet to travel across the continent for a meeting.

Planner Demographics

While nearly four of five planners surveyed are female (a statistic that generally reflects the industry), 44 percent of independent planners are male

Continued

(56 are female). Independents are also the most tenured, with 67 percent indicating that they have been in the meetings industry for 11 years or more. Training on the whole is up, with the career growth of planners who said they receive support in the form of memberships to major trade organizations such as MPI or PCMA rose 5 percent over results from the 2002 survey. Association planners registered a 28 percent growth rate in trade association membership over 2002 results, but this high figure was dampened by a drop of 14 percent and 3 percent, respectively, of corporate and independent planner memberships.

Association and independent planners benefited from qualified third-party training, which was up 19 percent and 12 percent, respectively, from the previous survey. Corporate planners had the least amount of training, with 30 percent saying they had no continuing education support.

Financial Trends

In general, survey results show that while planners may not have had a banner year in 2003, it did trend upward—or at least stayed the same—from the year before. “We had the exact number of meetings budgeted in 2003,” says Elizabeth Campbell, director of corporate events and travel for Livermore, California-based Discovery Toys. “However, most budgets were decreased as the events were being planned and executed. The challenge in a nutshell is decreasing budgets, more importantly, the decreasing of established budgets after contract commitments have been made—and yet expectations and program elements remain the same if not higher.”

Planner optimism is perhaps fueled by an expected spike in attendance as the economy improves, with companies having more money available to send employees to meetings, and associations enjoying membership with fatter wallets. Most planners expect their attendance in 2004 to increase. Approximately 30 percent of all planners reported that their organization’s sales or memberships increased during the 12 months before the survey was taken, with 36 percent of association respondents indicating a rise in membership and 28 percent of corporate planners saying their companies enjoyed an increase in sales. A staggering 34 percent believe the number of meetings they hold will increase during the next 12 months, with 35 percent of corporate planners and 29 percent of association planners expecting more meetings. Independents forecast a 43 percent rise.

Anatomy of a Meeting

A total of 41 percent of all planners said more complicated contract negotiations were the most evident way their meetings had changed in the last year, followed by an increased workload due to reduced staffing (37 percent) and more concern for security (36 percent).

Complicated contract negotiations were singled out by 41 percent of respondents for two years running. Planners, as always, had a few tricks up their sleeves when it came time to sit down at the bargaining table. Attendees booking outside of the room block, which all too often triggers attrition clause enforcement, was listed as a major concern by 27 percent of respondents. Attrition was a major concern for 36 percent of association planners. Finally, 37 percent of all planners and 46 percent of association planners said that booking outside of the block was at least of minor importance.

Courtesy: Meetings Market Report, Meetings Media (2005).

TRENDS AND PRACTICES

In conclusion, let's look at a few current trends in the meeting industry.

Technology

Advances in computer technology have changed the way hotel sales departments communicate with potential customers.

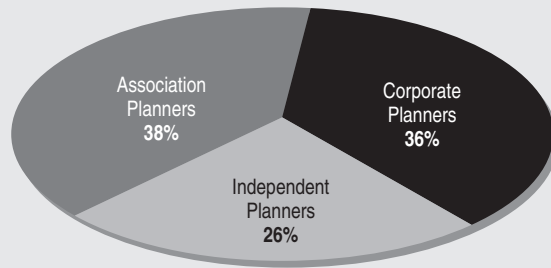
- Hotels have an RFP (request for a proposal) form on their own Web sites that planners can use to submit their meeting dates and function space requirements.
- Hotel sales managers now carry laptops on business trips, enabling them to check group availability online in real-time with the client.
- Event and meeting planning computer software programs are now available and used by many (types of) planners.
- Hotels now use software programs called Yield and Revenue Management, which determine the ideal rates (to quote) for a particular piece of business to meet the hotel's revenue and budget requirements. This is a component of the negotiation and contract process.
- To remain competitive, hotels have installed high-speed T1 lines in all guest rooms, enabling faster Internet access for meeting attendees.
- Full-service staffed business centers are available (often 24/7) for attendees to use during their stay or meeting.
- Videoconferencing capability also has been made available and affordable for groups to use, increasing the audience size and participation.
- Individual attendee reservations and almost all registration functions can be made online or on-site at the convention desk.
- Audiovisual production companies tape meeting sessions, which are purchased by members unable to attend the event, providing an additional source of revenue for the organization.

TABLE 1.1
2005 MEETINGS MARKET REPORT

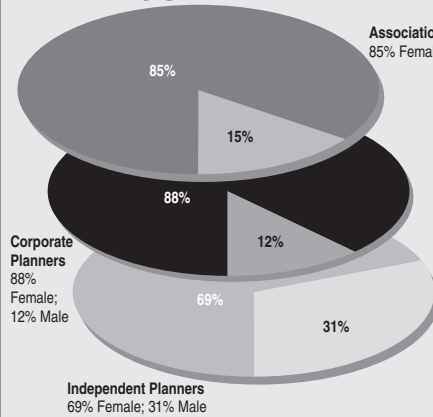
2005 Meetings Market Report

demographics:

Planners by type



Planners by gender

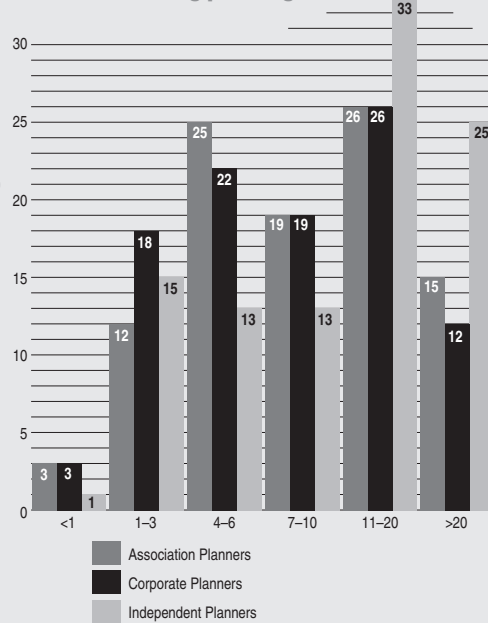


Association Planners
85% Female; 15% Male

Corporate Planners
88% Female;
12% Male

Independent Planners
69% Female; 31% Male

How many years have you been active in meeting planning?



How does your organization support your career growth in meeting planning?

	ASSOCIATION	CORPORATE	INDEPENDENT
Industry memberships	58%	44%	43%
Qualified third party training	27%	12%	26%
Informal internal training	22%	21%	26%
No training	17%	37%	29%
CMP/CMM certification	33%	25%	22%
Formal internal training	11%	14%	21%
Other	9%	4%	5%

Source: 2005 Meetings Market Report.

TABLE 1.2
FACILITY AND MEETING TRENDS

What types of facilities do you use for most of your meetings?				trends:			
	ASSOCIATION	CORPORATE	INDEPENDENT	What is the approximate attendance at the meetings and events you plan?			
					ASSOCIATION	CORPORATE	INDEPENDENT
Several chains	74%	61%	71%	1-50	63%	55%	51%
Independent hotels	46%	45%	60%	51-100	47%	49%	48%
Conference centers	35%	49%	39%	101-200	50%	40%	44%
Convention centers	46%	35%	34%	201-300	38%	30%	45%
Boutique hotels	24%	18%	36%	301-500	32%	25%	24%
Special venues	19%	23%	27%	501-750	24%	12%	23%
No particular type	14%	14%	10%	751-1,000	17%	13%	14%
One particular chain	1%	1%	2%	Over 1,000	40%	13%	19%

Source: 2005 Meetings Market Report.

Second-Tier Cities

Planners have been made aware (by convention and visitors bureaus) of the benefits of selecting sites in smaller cities or destinations. Known as second-tier, these cities are serviced by smaller airports (with major airline carriers) that are also more accessible and often more cost effective. Additionally, many large cities now have a second airport; within 40 to 60 miles of the main one, which offers the same benefits.

We will further explore these and other trends in the last chapter of this book. The appendix also includes some supporting articles in their entirety.

REVIEW QUESTIONS

1. Describe the amenities and services typically found at an *all-suite hotel* in both the guest accommodations as well as the meeting facilities.
2. Describe the amenities and services typically found at a *conference center* in both the guest accommodations and the meeting facilities.
3. List and define at least three technological developments that have shaped the meeting and convention industry since the 1970s.
4. List and describe the key survey results presented in the *2005 Meetings Market Report*. Discuss how these demographic trends have shaped the industry.

REFERENCES

Convention Industry Council (CIC). (2004, 2005). *CIC Press Release 2004 Economic Impact Study*.
Meetings Media. (2005). *Meetings Market Report*.

GLOSSARY

Note: Most chapters in this book contain a Convention Industry Council (CIC) Glossary of Terms. These terms represent the development of the first comprehensive standardized glossary terminology for the convention and meetings industry, developed by APEX (Accepted Practices Exchange), an initiative of the Convention Industry Council that is bringing together all stakeholders in the development and implementation of industry-wide accepted practices to create and enhance efficiencies throughout the meetings, conventions, and exhibitions industry. Reprint permission has been provided by the CIC.

Conference Center: A facility that provides a dedicated environment for events, especially small events. May be certified by the IACC (International Association of Conference Centers).

Second-tier City: A city where space limitations of the convention center, the hotels, or the air lift (airport) make the city more appropriate for smaller meetings and events.

APPENDIXES

The following documents are provided as a resource. Reprinted with permission.

Appendix A: CIC Press Release

The following is a press release regarding the CIC 2004 Economic Impact Study. The complete study is available for purchase at www.conventionindustry.org.

FOR IMMEDIATE RELEASE – September 13, 2005

CONTACT: Mary E. Power, CAE
President & CEO
Convention Industry Council
(703) 610-9030

**MEETINGS INDUSTRY IS 29TH LARGEST CONTRIBUTOR
TO THE GROSS NATIONAL PRODUCT**
**The Convention Industry Council's 2004 Economic Impact Study shows the strength
of the industry**

McLean, Virginia – September 13, 2005 – The Convention Industry Council (CIC) released today its 2004 Economic Impact Study, which provides the most current findings of the economic impact of the meetings, conventions, exhibitions, and incentive travel industry in the United States. The study provides a macroeconomic analysis of the industry's direct spending and employment growth.

"CIC is pleased to present this study on the economic impact of the meetings, conventions, exhibitions, and incentive travel industry," said Mary E. Power, CAE, president and CEO of the Convention Industry Council. "Conducted by VERIS Consulting, LLC of Reston, Virginia, this report estimates the economic impact of this industry to the national economy. With this study, CIC hopes to increase public awareness of the industry as a vital economic engine."

Summary of Findings

The meetings, conventions, exhibitions, and incentive travel industry is a 365-day-a-year business that operates in communities, large and small, across the country. Taken as a whole, it generated \$122.31 billion in total direct spending in 2004, making it the 29th largest contributor to the gross national product. That is more than the "pharmaceutical and medicine manufacturing" industry and only slightly less than the "nursing and residential care facilities" industry.

The industry's spending and tax revenue ripple through every sector of the local economy, from restaurants and transportation to retail stores and other services, while supporting 1.7 million jobs in the United States. It generates more than 36% of the hotel industry's estimated \$109.3 billion in operating revenue, and its attendees account for nearly 17% of the air transportation industry's operating income.

Facts & Figures

The industry's total direct spending is \$122.31 billion. Direct Employment Impact, the number of full-time equivalent (FTE) jobs supported by the direct spending of the industry, is 1,710,000 jobs. Direct Tax Impact rose to \$21.40 billion.

Association-sponsored events accounted for two thirds, or \$81.94 billion, of the direct spending industry total. Corporate-sponsored events (including incentive travel) accounted for the remaining one third, or \$40.37 billion.

The largest share of the convention and exhibition dollar (35 percent) is spent in hotels and other facilities. The rest is widely distributed throughout local economies. After air transportation (24 percent), the biggest categories of attendee, exhibitor, and sponsor spending were: restaurant and outside catering food & beverage outlets (14 percent) and business services (12 percent).

Key Findings

2003

Total Direct Spending- \$119.09 billion

Total Direct Employment- 1.70 million

Total Direct Taxes- \$20.84 billion

The credible, well-researched facts and figures presented in the Convention Industry Council's 2004 Economic Impact Study will be useful to industry professionals as well as communities at large when planning, budgeting, and advocating for issues related to meetings, conventions, exhibitions, and incentive travel. The Study also:

- *Provides compelling statistics to assist in attracting public funding from both local governments and private investors;
- *Illustrates benefits of the industry in terms of jobs created, business sales, and tax revenues; and,
- *Provides a baseline report that can be used to estimate long-term impact.

Due to the broad nature of the industry, data from a number of reputable sources, each specializing in a particular aspect of the industry, was researched, aggregated, and analyzed. CIC and VERIS Consulting wish to thank the following organizations for contributing their research and data to this project:

- * Air Transport Association of America (ATA)
- * American Hotel & Lodging Association (AH&LA)
- * Center for Exhibition Industry Research (CEIR)
- * The Incentive Federation
- * International Association of Convention and Visitor Bureaus (IACVB)
- * Meetings & Conventions Magazine
- * SITE Foundation
- * Travel Industry Association of America (TIA)
- * U.S. Bureau of Labor Statistics
- * U.S. Bureau of Economic Analysis

The Convention Industry Council's 30 member organizations represent more than 100,000 individuals as well as 15,000 firms and properties involved in the meetings, conventions, and exhibitions industry. Formed in 1949 to provide a forum for member organizations seeking to enhance the industry, CIC facilitates the exchange of information and develops programs to promote professionalism within the industry and educates the public on its profound economic impact. In addition to the Economic Impact Study, CIC is responsible for the Certified Meeting Professional (CMP) Program, APEX (Accepted Practices Exchange), and the Hall of Leaders.

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[Click here](#) to view a summary of CIC's 2004 Economic Impact Study.

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Source: CIC, 2005.



Appendix B: APEX Industry Glossary

The glossary shown here is available to anyone seeking definitions of commonly used industry terms.



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APEX Industry Glossary

The glossary of the meetings, conventions and exhibitions industry
Last Updated August 10, 2005

Do you know podium from lectern? Lavaliere microphone from handheld? Search this glossary of almost 4,000 terms, acronyms, and abbreviations and save yourself time, money, and trouble.

This glossary was developed by the meetings, conventions and exhibitions industry through the Accepted Practices Exchange.

<p>Search for a Term</p> <input style="width: 90%;" type="text"/> <input type="button" value="Find"/>	<p>Search for a Word in Terms & Definitions</p> <input style="width: 90%;" type="text"/> <input type="button" value="Find"/>
<p>Type the word or phrase you are looking for and select the "Find" button. If unsure of a term's correct spelling, just type in the first few letters.</p>	<p>Type the word or phrase you are looking for and select the "Find" button. Your results will include terms where your search word(s) appear in either terms or definitions</p>
<p>Browse</p> <p>Browse through the glossary by selecting any of the letters or numbers below.</p> <p>A B C D E F G H I J K L M N O P Q R S</p> <p>T U V W X Y Z</p> <p>1 2 3 4 5 6 7 8 9 0</p>	<p>Choose a Category</p> <p>Accounting <input type="button" value="v"/></p> <input type="button" value="Enter"/>
<p>Show All Terms in the Glossary</p> <p>Warning! This could take some time to download. There are more than 3800 terms and definitions to see!</p>	<p>Make a Request</p> <p>Is there a term missing that you think should be included? Do you disagree with a definition? All recommendations will be reviewed and updates will be made annually.</p>

Holy smokes! What a fabulous wealth of rich information is here!!! If there had been such a resource when I first started in the conference business it would've saved me a great many "baptisms by fire." KUDOS to those involved!
 - Peggy Kilburn, President, Peggy Kilburn Conferences & Events, Inc., Valley Stream, NY

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