

# The history and origins of conference industry



This chapter assumes a literature review of the conference industry. It begins by establishing the scene of conference through the history and origins of industry, and a reflection about industry structure. Furthermore a review the industry growth is taken into consideration. It follows with a close examination of conference impacts such as economic, environmental, technological, social and cultural, also a consideration on employment generation. Finally, it analysis the future challenges of the conference industry.

## **2. 2 The history and origins of Conference Industry**

Conference has been existed for a long time as there have been people, the meeting has been happening. Researches and investigations of ancient cultures, archaeologists have found evidences of primitive ruins that has been used by people to meet and to discuss interests, or either celebrations (Spiller, 2002 p. 3).

A launch event of contemporary conference was held from June 1814 to September 1814, called Congress the Vienna. The purpose of Congress de Vienna was to establish the territorial divisions of Europe at the end of the Napoleonic Wars, and representatives included all of the major world powers of the day (Rogers, 2008; Davidson and Cope, 2003). Industrialisation spread throughout the Western Europe and America during the late nineteenth and early twentieth. The development of industry and commerce increases the need of meeting between businesspeople and professionals, aimed to discuss and exchange ideas (Spiller, 2002 p. 5-6).

The origin of the conference industry is very recent, hardly 50 years of age in North America and Europe, in addition in the most rest of the world still very younger. However, conference and meetings of people have happened since early days of civilisation progress (Rogers, 2003). Nowadays, conference sector is believed to be one of the most lucrative and attractive sector of tourism industry, despite partly to the high economic benefits for the hosting community (Crouch and Louviere, 2004). The conference sector of the business industry is valued in a hundreds of billions of pounds per year on a global scale (Rogers, 2003).

Since earlier 60's, conference sector has been supported by investments received in the whole infrastructure, helping to a steadily growth during the 90's, which was a decade with one of the highest sustained investments recorded. Even if the industry is maturing fast, due to its vigorous, a lack of some necessary description needs to be more established, such as appropriate training and education structure, and well-defined terminology. The conference industry has to address these weakness to claim a deserve position (Rogers, 2003).

## **2. 3 The Suppliers**

In response to an extensive and diverse demand for meetings and conferences of all kinds, suppliers have to offer a wide variety of services, facilities and infrastructures to attend the great variety of events (Davidson and Cope, 2003). These have augmented in diversity and quantity, at the same speed the industry has grown over the past 50 years (Rogers, 2003). However, quite few of these suppliers are committed to the conference industry only (Rogers, 2003; Leask and Spiller, 2002). Rogers (2003) has <https://assignbuster.com/the-history-and-origins-of-conference-industry/>

separated the industry's supply into three leading type of venue as subsequent.

### **2. 3. 1 The Venues**

Venues are the places where business tourism events take place, in theory almost any type of building could be promoted as a conference venue (Swarbrooke and Horner, 2001). Additionally in Britain there are over 3500 venues supported as suitable for meetings and conferences (Rogers 2008).

However, according to Leask and Spiller (2002), for venues develop an input of the conference industry, they should have certain characteristics, such as offers a purpose-built facilities that present multiple usages, flexibility in their design and having suitable lighting system and breakout space.

Nevertheless, Rogers, 1998 and Leask and Spiller, 2002 emphasis that many venues such as hotels, academic venue and unusual venues do not focus on the conference segment entirely. The figure below represents an analysis of the different types of conference venues in the UK.

### **Figure 2. 1 Analysis of the UK's conference venues and type**

Source: Adapted from British Association of Conference Destinations (BACD) in Rogers, 2008.

#### **2. 3. 1. 1 Hotels**

Despite the increase of many different forms of venue, hotels are predominantly vital to the corporate market sector, creating around two-thirds of all conference venues (Rogers, 2003; Davidson and Cope, 2003).

The advantages of holding an event in a hotel are that guests can easily walk to the meeting rooms, which costs for transportation can be avoided (Allen,

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2000). A vast range of hotels can both offer accommodation and quite a few conference and meeting-style facilities (McCabe et al., 2000). Rogers (2003) come across that hotel represents two third of all conference venues, being mainly significant to the corporate market sector and the main types of hotel active in the conference market are showed in the table below.

## **Table 2. 1 Main types of hotel active in the conference market**

### **Hotel**

#### **Characteristics**

##### **Central business district hotels**

A hotel located in the central business district of the town tends to be business-oriented, provides quality conference and meeting facilities and capable to handle corporate business. Additionally, hotels located close to large conference centres are also able to provide delegate accommodation whilst major conferences are hold. For several companies, the central location of venues is very attractive, as they comprise an effortlessly access to business offices, restaurants and entertainment.

##### **Resort hotels**

These types of hotels are liable to be popular for the reason that they are situated in advantageous locations with both recreational and sporting facilities in close proximity, therefore to provide an opportunity for delegates to include extra pre-and- post conference activities. In many resort hotels, the conference sector recompense the seasonality of the leisure tourism, and is acknowledged as a high-spend and high-yield business.

## **Airport hotels**

Airport hotels have the prospective contribution of an additional time-saving advantage, were originally most has been built to lodge clients staying for a night, who those having a stop before, after, or in between flights. However, many companies are increasingly use them as a cost-effective way of provide a meeting for delegates travelling from between state. Also airport hotels are growing in popularity for the reason that many people are using low-cost airlines. Despite from the benefits of competitive price, convenience, and location they also provide excellent choices of meetings and conference rooms and supporting business services.

Source: Adapted from McCabe et al., 2000; Rogers, 2008; Davidson, 1994; Lawson, 2000; Gosling, 2003.

### **2. 3. 1. 3 Purpose-built conference centres**

Purpose-built conference centres can be residential and non-residential, usually provides designed areas to host meetings and conferences of large numbers of people, sometimes including an exhibition. In additionally, they normally provide halls with appropriate infrastructure to hold exhibitions and trade shows, some large rooms for plenary sessions, variety of meeting rooms, breakout areas, banqueting facilities, a business centre, offices and administration space. They also provide catering facilities simultaneously with a trained professional meetings and conference team to hold the event (McCabe et al., 2000; Davidson and Cope, 2003).

Furthermore, it is argued that the future for purpose conference venues is bright (Whitfield 2007; Lau et al., 2005; Litvin, 2003), in addition, a

conference venue plays an important responsibility in recovering the destination's economy as well as recuperating its neglected areas (Lawson, 2000; Laslo and Judd, 2004; McNeill and Evans, 2004; Clark, 2004; Fenich, 1992).

It become visible the reason why many destinations around the world are investing in the expansion or development of their convention facilities (Laslo and Judd, 2004), and it is identify that the conference industry offers a variety of opportunities at all possible levels, national, as well as organisational or individual (Getz 2005).

### **2. 3. 1. 4 Academic and civic venues**

An increase number of academic venues, such as universities, colleges and public schools, which are investing in the construction of quality conference facilities and accommodations, are available throughout the year during the students holiday, (Walker, 2004; Rogers, 2008). Although Rogers (2008) complete saying that many of those accommodations are equivalent to considerable 3-star hotel standards.

As can be seen in McCabe et al. (2000) the cost of accommodation in academics venues are liable to be inferior than in hotels, and consequently they tend to be mostly attractive to some non-profit organisations and associations that have limited budgets. In many places civic venues include council chambers and committee rooms, town halls and other civic facilities are also available for external hire (Rogers, 2003).

In UK, academic venues particularly universities are playing a considerable responsibility in both responding and stimulating to the growth of the

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conference and meetings market, despite the fact that earning income for educational establishments (Davidson and Cope, 2003).

### **2.3.1.5 Unusual venues**

Unusual venues have been characterized as involving an ample range of facilities that are used for conference and meetings, including art galleries, museums, historical houses (Leask and Hood, 2000 in Davidson and Cope, 2003). In addition, cultural and entertainment venues, such as theatres, sporting venues, television studios; tourist attractions, such as historical sites, theme parks, castles and heritage centres as well as transport venues, including cruise ships, ferries, steam trains and canal barges can also be included as an unusual venue (Rogers, 2003).

The attraction of those venues is that they can provide an event with a special appeal, which can create a memorable experience for delegates. Although some venues have high-quality conference and meeting facilities, others can be more limited in this aspect, however the setting in which the event is being organized tends to recompense for such limitation (Rogers, 2008; Davidson and Cope, 2003).

As far as most of venue types has been highlighted. The table below compares the advantages and disadvantages of those venues. Different factors regarding the conference and meetings are held in a high quality from the corporate sector's point of view and better value for money from the association's points.



### **3. 1 Advantages and disadvantages of venues**

#### **Type of venue**

#### **Advantages**

#### **Disadvantages**

##### Hotels

Everything under on roof All inclusive quotes Airport hotel: time saving

Mixing leisure and business guest Can appear to frivolous Unsuitable for large events Lack of flexibility with syndicate rooms, etc.

##### Purpose built-conference centres

Space for large events Extensive range of technology available, plus technical know-how Many offer exhibition space

May not always be suitable for the growing number of smaller events No on-site accommodation

##### Universities

Good value for money Learning ambience Everything on site Ancient/modern styles Range of sizes of meeting rooms

Lack of comfort and facilities May be limited to holiday periods Large sites - problems of orientation between buildings

##### Unusual venues

Memorable, novelty value Cruise ships: all-in prices

Limited by design restrictions due to primary function Unlike to be used several times by same client - novelty value fades No on-site accommodations

### **Source: Davidson and Cope, 2003**

## **2. 4 The Growth of conference industry**

The industry has experienced outstanding growth from 1960's due to a number of features from the demand and supplier sides. Regards a larger demand for conferences and meetings, various specific aspects has contributed to the industry development. Such as the growth of multinational corporations, expansion of government and quasi-governmental organization has brought the need for meetings in a public and private sector (Spiller, 2002 p. 5-6; Lawson, 2000; Davidson and Rogers, 2006).

The conference industry is growing and maturing very fast, it is youthful and vibrant. In America and Europe it is hardly 50 years old and even younger in the most part of the world. Nowadays the industry itself claims to be the world's largest, helped with international investments in large scale infrastructure projects have been undertaken all through Asia and Pacific, East European countries such as Czech Republic and Hungary, in a number of African countries, in the Middle East (Rogers, 2008).

The growth of the industry is demonstrated in Rogers (2008), the evaluation of the industry's major trade shows, which is held in Barcelona. The European Incentive and Business Travel and Meeting Exhibition (EIBTM) shows that in 1988, 54 countries were represented as exhibitors, the exhibition was held in Geneva; in 2005 the numbers has doubled to 95

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countries held in Barcelona. Although, the number of visitors in the same period increased from 2850 in 1988 to 5689 in 2005.

## **2. 5 Impacts of conference events**

Positive and negative impacts can be generated by the conference industry. The conference sector has been generally accepted for it is high-yield, year-round market and the possibility of gathered substantial economic gains that characterize the main motivation for many destinations to follow the conference market (Davidson and Rogers, 2006).

Employment Generation

Stimulation of Investment

Contribution to Government Revenue

Foreign Exchange Earnings

Positive Impacts According to McCabe et al (2000) the conference sector is an important generator of tourism expenditure, foreign exchange earnings, investment and employment. The figures below show the positive and the negative impacts of the conference industry.

### **Figure 2. 1 – Positive impacts of the conference industry**

**Source: Adapted from Davidson and Rogers, 2006**

The figure above reviews some of positive impacts that conference industry can generate to the community development. In additionally, it can be see that conference sector is well accepted for a high-yield year around market boosting substantial economic gains (Davidson and Rogers, 2006).

However, while the positive impacts of conference are normally noticeable and progressively more claimed by the conference industry itself, a number of unfavourable effects related to hidden cost of developing and operating conference industry and affects the host community (Rogers, 2008). The diagram below represents the negative impacts of the conference industry.

## **Negative**

## **Impacts**

### **Infrastructure**

### **Costs**

### **Promotional**

### **Costs**

## **Leakage**

### **Figure 2. 2 – Negative impacts of the conference industry**

**Source: Source: Adapted from Davidson and Rogers, 2006**

### **2. 5. 1 Economic impacts**

The conference industry has been considered as the healthiest and well growth-orientated segment of the tourism industry. Business people and professional travel all throughout the year to attend conferences and meetings, affecting considerably in particularly tourism and hospitality industry. The reason is the need of those participants to meet, eat and sleep. However, many other direct impacts can be seen, such as cultural and sporting activities place, tourism attractions, restaurants, local shops and transport facilities (McCabe et all, 2000).

The conference market is critically in nature and vulnerable to change in the business environment. The current slow-down in the global economy and recession can decrease numbers of conference and meeting activity (Weber and Chon, 2002).

## **2. 5. 2 Environmental impacts**

The value of the environment is vital to the successful performance of the conference and business industry (Rogers 2008). Constructive environmental impacts at basic levels, towns and cities hosting conferences need to ensure that the physical environment is maintained in a clean, tidy and healthy condition. Delegates will be expecting to find conference localities at least clean and attractive, and this is particularly when there is a motivational component to the conference (Davison and Rogers 2006).

Davison and Cope (2003) say that customer concern in excess of possible and actual unconstructive impacts of mass tourism ahead the natural, built and human environments of purpose is achieving importance. Business Travel have an effect on towns and cities where conventions and exhibitions take place, open the city's potential for professional and business location and development. These are the causes why almost all big cities have situated convention centres in close combination to a high-amenity, creating a good impression to delegates. However, awareness groups are placing increasing force for conference industry to bring in more environmental consciousness.

Moreover, Swarbrooke and Honer (2001) say that there are important certifies that conventions and exhibitions centres are functioning in an environmentally friendly approach, and supporting environmental schemes.

### **2. 5. 3 Technological impacts**

The future of the conference industry has a midpoint on the technology issues; the concern is if the advantage technology such as videoconferencing, virtual trade shows and webcasting will replace the need of face-to-face meetings (Weber and Chon, 2002).

However studies suggest that has been a slow reluctance to establish state-of-the-arte technologies, simply because it often comes without adequate training staff and suitable backup support by the IT providers in difficult circumstances (Weber and Ladkin, 2001 in Weber and Chon, 2002).

Thus, according to McCabe et al. (2000), the significant communication services that are available to organisers and participants of conference events are showed in the table below.

### **Table 2. 2 Communication services**

SERVICE

CHARACTERISTICS

#### **videoconferencing**

an electronic medium that transmits the picture of the speaker, product, or explanatory graphics

**teleconferencing**

enables sharing of ideas in real time with enhanced audio and graphics

**electronic data transfer**

allows transfer of large amounts of data between computers separated by long distances

**Facsimile**

enables quick and accurate transmission of large documents

**virtual exhibitions**

computer simulations and human computer interfacing, this takes place through a combination of visual, audio and kinetic effects

**Source: Adapted from McCabe et al., 2000; Medlik, 2003; Rogers, 2008.**

Furthermore, it is clear that information technology (IT) can be generate massive benefit for those who operating function of conference organiser and the conference venue itself, also can be noticed at operational, tactical and strategic level, Consequently, it appear that the technology, predominantly the Internet, have substituted the traditional conference diaries or filing and paper trail systems (McCabe et al., 2000).

**2. 5. 4 Social and cultural impacts**

Different generation are emerging into the conference industry, those who having grow up and spending much time on the PC and using email. They are bringing very different approach to communication and require a different learning style (Weber and Chon, 2002).

Another issue related to social impacts are the trend toward an aging population. An increase number of people are chosen to retired early; also many of those may decide to engage in associations (Weber and Chon, 2002).

### **2. 5. 5 Employment**

The industry creates an increase level of business and improvement of employment opportunities. It is seen as an attractive employment area for those who may become employees for the first time or a looking for a carrier change. It is view as dynamic industry and one that offer many career opportunities and the expectation for fast career development. The industry is responsible for a significant part of the jobs found in the transport and hotels sector, such as specialist conference professions related to the suppliers (McCabe et all, 2000; Davidson and Rogers, 2006). However the industry is not resistant to the high staff turnover and shortages in labour supply found within the tourism and hospitality industry (McCabe et all, 2000).

Fenich (2005) claims the employment benefits of conference industry can stimulate construction or renovations of hotels, restaurants, retail units and entertainment facilities. Because of the stimulus a range of skilled and unskilled job opportunities are created For example, these would include meeting planners and marketers, hotel and convention sales, and promotion staff, secretarial and business services, catering staff, retail clerks, taxi drivers and security staff etc. The impact of employment may vary between cities, town and countries due to the structure of the economy.



## **2. 6 The future of the conference industry**

Predictably, many people outside and inside the conference industry attempt to forecast the industry' growth, and whether in the years it will experience growth or decline, even through many issues can be come across due to unpredicted circumstance those can affect conference industry (Rogers, 2008; Swarbrooke and Horner, 2001).

The present slow-down in the global economy and recession has the potential to diminish conference and meetings activity in the future. Many others factors impact the current growth and health development of the segment such as social, economic, technological and environmental trends (Rogers, 2008; Weber and Chon, 2002).

### **2. 6. 2 Social trends**

In terms of social trends, changes happen into the work population, including an increasing number of women's conference delegates, older delegates or coming from diverse cultural, ethnic and religious backgrounds. Additionally, many employers are developing a wide range of work-life options, for example tele-working or taking portfolio careers (Rogers and Davidson, 2006)

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these social trends are going to have several implications for the conference industry (Weber and Chon, 2002; Rogers and Davidson, 2006).

### **2. 6. 3 Economic trends**

Despite on-going divergences and continuous intimidation of terrorist attacks worldwide, the global economy should continue to recover over the next five years, which is excellent news for the conference industry as it clearly depends on the worldwide economic situation (Davidson, 2004). In addition, the economies of Central Europe maintain expanding; Western European countries will fairly certainly experience an augment in business travel from the new EU member countries (Rogers, 2008).

The expenditure on business travel and tourism in Europe, according to the World Travel & Tourism Council reached \$190 billion in 2003, representing 39% of the worldwide total of \$488. 8 billion. Although, is expecting an increase spending on business travel in Europe by approximately 75% over the next 10 years, reaching by 2013 roughly \$ 330 billion (Intel, 2003).

### **2. 6. 4 Technological trends**

The 21st century is involved especially about Information and Communications Technology (ICT) Buhalis (2008). Technological trends will continue to develop at the remarkable speed. It will contribute to the industry offering important prospective and benefits to buyers, suppliers and intermediaries (Rogers, 2008)

However, the industry has been using ICT for many years, with e-mail and the Internet. Conferences organisers can take advantage to reach potential delegates by using email addresses or to set a web site related to the event, <https://assignbuster.com/the-history-and-origins-of-conference-industry/>

conference or exhibition. Nowadays, registration for various events can be possible done on-line, permitting the organisers to be and keep the web information up-to-date, also contact any delegate by their email addresses (Davidson et al, 2002; Buhalis, 2008).

By the end of this decade, the conscientious for cost saving and efficiency in distribution will affect the industry (Davidson and Rogers 2006). The preferred distribution channel for making reservations, check in, registration to a conference also many other forms of business travel will be done by the internet (Cline, 2001). A report from IBM business consulting service, forecasted that on-line travel bookings would roughly double between 2004 and 2007 (O'Connor and Piccoli, 2003).

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condition. Delegates will be expecting to find conference localities at least clean and attractive, and this is particularly when there is a motivational component to the conference (Davison and Rogers 2006).

Firstly, considering the damage of environmental issues like global warming, carbon emissions and others cause to the planet. Swarbrooke and Horner (2001) criticized negative impact on the environment, particularly in terms of transport sector. For example, pollution and fuel costs of air travel and the use of private car to take the business traveller from one destination to another. Regarding International legislation, airlines have already done a lot to reduce their environmental impacts.

Davison and Cope (2003) argument saying it is obvious that the majority international business journeys are made by air, the extremely polluting form of transportation. Aviation is identified to be the highest increasing source of greenhouse gas emissions and key donor to climate change. They also criticize the police of aircraft and aviation fuel an airline tickets are zero rated for value-added tax (VAT), this means that society contribute is subsidizing air transport.

It should be discuss how those issues are becoming usual worries and challenges inside conference and convention industry (Rogers, 2008). Cassar (1995) mention the environmental concern will continues indoors the conference venues. It is essentially how about venues can congregate their responsibilities to anxiety for conferences and exhibitions.

The positive environmental impacts generate the desires for municipalities to preserve eminence of their built and natural environment, the conference

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industry in addition has the potential to produce beneficial results on the environment of destination by contributing to environmental development and conservation. The conference industry has as well added large appraise to urban conservations programme, particularly during the replacing into conference centres of buildings that perhaps have been destroyed.

Innumerable examples of architecturally precious buildings have been saved by their renovation into conference amenities (Davison and Rogers 2006).