

Business Tourism Leads The Way

An overview of Britain's business tourism, highlighting key issues and priority requirements to support and enhance the sector's competitiveness and profitability.

“There is great potential for further expansion in business tourism, bringing in significant numbers of high spending tourists who sustain the upper end of the accommodation sector and businesses in conferencing and exhibitions.”

Tomorrow's Tourism Today
(The Government's Prospectus for
Tourism Development - July 2004)

BUSINESS TOURISM PARTNERSHIP

leading the way

www.businesstourismpartnership.com

BUSINESS TOURISM LEADS THE WAY

A HIGH VALUE SECTOR

Business tourism is worth over **£20 billion** in terms of its wider economic impact (through associated delegate expenditure on travel, entertainment, shopping, pre- and post-conference tours, etc.). These figures take no account of the value of business transacted at trade events, estimated to generate in excess of **£100 billion** a year.

Business tourism includes:

- **Conferences and meetings:** £11.7 billion a year*
- **Exhibitions and trade fairs:** £1.69 billion annually* (this figure only takes account of large exhibitions. If smaller events are added together with the costs that venues charge organisers for tenancies, this figure could rise to £10 billion)
- **Incentive travel:** £165 million plus*
- **Corporate events:** £1 billion per annum*
- **Outdoor events:** £1 billion a year*

* Latest available estimate

These individual segments are also referred to as '**discretionary business tourism**'.

- **Non-discretionary business tourism** (ie. individual business or corporate travel) is additional and is estimated to be worth well in excess of £7 billion per annum.

Over the past ten years, there has been a 53% growth in all business trips, exceeding the overall tourism growth rate. Over 7 million visits are made to the UK each year for business purposes, with international business visitors contributing a massive £3.5 billion to the British economy.

The sector generates 28% of all overseas visitors and 29% of inbound tourism earnings for the UK. Although business visitors have shorter visits than most other travellers, they spend more than twice as much per day, with conference delegates and visitors to trade shows and exhibitions spending even more.

Initial data on **investment in the sector**, captured by the British Association of Conference Destinations, reveals over £5 billion currently being spent on the infrastructure supporting business events by just 25 destinations.

KEY CHARACTERISTICS OF BUSINESS TOURISM

Principal characteristics of business tourism include the following:

- it is at the **high quality, high yield** end of the tourism spectrum
- it is **resilient, sustainable and complements the leisure tourism sector**
- it creates **quality, year-round employment** opportunities, accounting for some 530,000 jobs directly and indirectly
- investments in business tourism facilities lead to the **regeneration** of urban and inner city areas
- business tourism stimulates future **inward investment** as business people see the attractions of a destination while travelling on business or to attend a conference, exhibition or incentive, and then return to establish business operations there
- research suggests that approximately **40% of business travellers will return** with their families or colleagues as leisure visitors to destinations they have enjoyed visiting on business

“I appreciate the very strong contribution that business tourism makes to generating high spending overseas visits and the benefits that this brings to the wider economy.”

James Purnell MP, Minister for Creative Industries and Tourism - June 2005

Over 10 million visitors attend trade and consumer exhibitions ('UK Exhibition Facts, Volume 17').

Around one and a half million meetings and conferences held in the UK each year ('British Conference Venues Survey 2005')

80 million people attend conferences and meetings in the UK every year ('British Conference Venues Survey 2005').

BUSINESS TOURISM COULD DO EVEN BETTER FOR BRITAIN

The business tourism sector operates in an increasingly competitive and challenging market place with many countries investing extensively in their business tourism infrastructure and marketing themselves aggressively. The following will help Britain to become even more successful.

1. Business tourism produces higher visitor spend and greater return on investment. It deserves higher levels of investment in marketing.

Less than 5% of VisitBritain's international marketing budget is spent on business tourism, even though the sector produces 28% of all incoming visitors. The higher business tourism yield would enable VisitBritain to achieve a greater return on investment in overseas markets and address Britain's declining global market share. It would also ensure that opportunities for business tourism are better understood and more effectively exploited abroad.

2. The Department of Trade & Industry and UK Trade & Investment should give greater prominence to the benefits of trade development and export earnings offered by business tourism activity.

Promotional and support programmes for businesses to develop their trade and exports through attendance at exhibitions and conferences should be better co-ordinated by the DTI and UK Trade & Investment. Following the closure of the DTI's Business Services Unit, an alternative support facility is needed. More assistance should also be given to overseas buyers to attend events in Britain. Market intelligence needs to be gathered from overseas posts about potential opportunities for events to be held in Britain.

3. Greater assistance from Government departments and agencies, in the UK and overseas, should be given to the bidding process for international events, as is already being done for major sporting events. This should include proactive and coordinated support by senior Ministers, Ambassadors, Trade Consuls and Commercial Attachés.

The Business Tourism Partnership welcomes the proactive support given to attract major sporting events. It believes that the same support should be offered to even more lucrative business tourism events through an integrated strategy, increased resources and appropriate subvention policies.

4. Higher priority must be given to improved research and data collection for business tourism.

The Tourism Statistics Improvement Initiative findings should be enacted in full, but greater priority must be accorded to its recommendations for business tourism research: developing more consistent research methodologies, establishing a more accurate universe of sector businesses, and by increasing the number of ad hoc surveys, including conference delegate expenditures, incentive travel and corporate hospitality as well as factors influencing purchasing choice. Business trips that qualify as day tourism should be included in UKTS.

5. A Standard Industrial Classification (SIC) for the Business Events Sector is urgently needed to enable more accurate reporting of economic and employment data.

The lettings of conference and exhibition centres and the activities of exhibition, trade fair and conference organisers are currently subsumed within unrelated real estate and other unconnected business activities. The DTI and the Office for National Statistics are urged to raise the status of such a classification either by re-classifying the existing sub-codes or by pressing for a National Accounting Code from Eurostat, which is currently considering a classification to cover Convention and Trade Show Organisers.

6. A more harmonious structure between Regional Development Agencies, Regional Tourist Boards and VisitBritain is necessary in order to achieve greater cohesiveness and a more proactive approach to business tourism in England.

Business tourism contributes to regional and seasonal spread objectives but, while more RDAs are recognising its importance and devoting more resources to it, there is still insufficient liaison between RDAs to create cohesion. At the regional and sub-regional levels, strong and clear national policy guidance, and adequate funding for supporting services, are essential.

7. There is a need to ensure that the economic benefits and positive impacts of business tourism are reflected in local government spending.

Recognition of the economic importance of business tourism by local authorities is patchy, even though it is the most lucrative form of tourism activity. Appropriate levels of funding are required for convention bureaux and for publicly-owned event venues in all areas where business tourism is a significant component of the local economy.

8. There should be further support to improve skill levels and productivity among the business tourism workforce, combined with a 'tax credit' scheme to encourage businesses investing in skills training.

Business tourism and events must be recognised as a discrete competence by Government, to enable the sector to secure funding for training and CPD as well as access to tax credits. Incentives to encourage take-up of national vocational qualifications are needed. The Sector Skills Council, People 1st and the Productivity Forum for Tourism, Leisure and Hospitality, need to focus on events as a dedicated sector.

Business tourism is worth £3.5 billion to the British economy from overseas visitors (VisitBritain - 'International Marketing Opportunities 2005-6')

Nearly 4 million people attend agricultural shows and nearly 2 million visit outdoor exhibitions ('UK Exhibition Facts Volume 17')

Business tourism is the most valuable sector in terms of expenditure

(VisitBritain's guide to worldwide marketing opportunities - 2005)

BUSINESS TOURISM PARTNERSHIP

MEMBERSHIP

Association for Conferences and Events

T: 01480 457595; www.martex.co.uk/ace

Association of British Professional Conference Organisers

T 0121 212 1400; W: www.abpco.org

Association of Exhibition Organisers

T: 01442 873331; W: www.aeo.org.uk

British Association of Conference Destinations

T: 0121 212 1400; W: www.bacd.org.uk

British Hospitality Association

T: 020 7404 7744; W: www.bha-online.org.uk

Exhibition Venues Association

T: 01670 523568; W: www.exhibitionvenues.com

Incentive Travel and Meetings Association (Eventia from 1/1/06)

T: 01737 779928; W: www.itma-online.org

International Congress and Convention Association (UK & Ireland Chapter)

T: 01224 330428

Meeting Professionals International - UK Chapter

T: 01625 504066; W: www.mpiuk.org

Meetings Industry Association

T: 0845 2305508; W: www.mia-uk.org

National Outdoor Events Association

T: 020 8669 8121; W: www.noea.org.uk

Northern Ireland Tourist Board

T: 028 9023 1221; W: www.discovernorthernireland.com/convention

UKinbound

T: 020 7734 9569; W: www.ukinbound.org

Venuemasters

T: 0114 249 3090; W: www.venuemasters.co.uk

VisitBritain

T: 020 8563 3253; W: www.visitbritain.com/business tourism

Visit London

T: 020 7234 5800; W: www.visitlondon.com/business

VisitScotland Business Tourism Unit

T: 0131 472 2355; W: www.conventionscotland.com

Wales Tourist Board

T: 029 2047 5237; W: www.meetings.visitwales.com and www.incentives.visitwales.com

Supporting Organisations

The following organisations contribute to, and support the work of, the Partnership although they do not qualify as Full members:

Department for Culture, Media & Sport

T: 020 7211 6040; W: www.culture.gov.uk

UK Trade & Investment

T: 020 7215 8000; W: www.uktradeinvest.gov.uk

BTP MISSION

The mission of the Business Tourism Partnership is:

'To lead the way in supporting a competitive, high quality and more profitable business tourism sector in Britain'.

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www.businesstourismpartnership.com

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