

Business Tourism

Leads The Way

“Business tourism is one of the most lucrative, yet least well acknowledged components of our tourist industry.”

UK Government's Tourism Strategy -
Tomorrow's Tourism

BUSINESS TOURISM LEADS THE WAY

Business tourism is a clearly defined sector of the wider tourism industry and encompasses:-

- Organisers of and delegates to conferences
- Exhibitors at and visitors to trade fairs & exhibitions
- Incentive travel award winners
- Corporate hospitality
- Individual business travellers

Business tourism is the most lucrative, highest growing, highest quality and highest yielding component of overall tourism. It is worth over £15 billion¹ annually, nearly a quarter of all tourism, of which £4 billion² is inbound and £11 billion domestic.

Business tourism represents 29% of all inbound tourism visits and 32% of inbound expenditures. However, our global market share is declining as international competition grows.

It is resilient, sustainable and creates quality employment opportunities. It regenerates urban and resort areas - 40% of business visitors return with their families on a leisure trip³. It stimulates inward investment and facilitates significant export earnings.

Over the last ten years there has been a 53% growth in all business trips, exceeding the overall tourism growth rate. The conference and incentive travel segments are predicted to grow at a faster rate than any other tourism sector to the year 2010.

Revenues from international business tourism are estimated to account for approximately 36% of total international tourism revenue by 2010⁴.

“I cannot overestimate the importance of business tourism to the economy of Glasgow, Scotland and the United Kingdom. Leisure tourism in Scotland is declining at present whilst business tourism continues to grow. For example, the economic benefit derived from visitors to business events at the Scottish Exhibition and Conference Centre grew by 6.5% in the last year.”

Jenny Salsbury, Director Conferences, Scottish Exhibition and Conference Centre, Scotland.

Business tourism as % of all inbound tourism

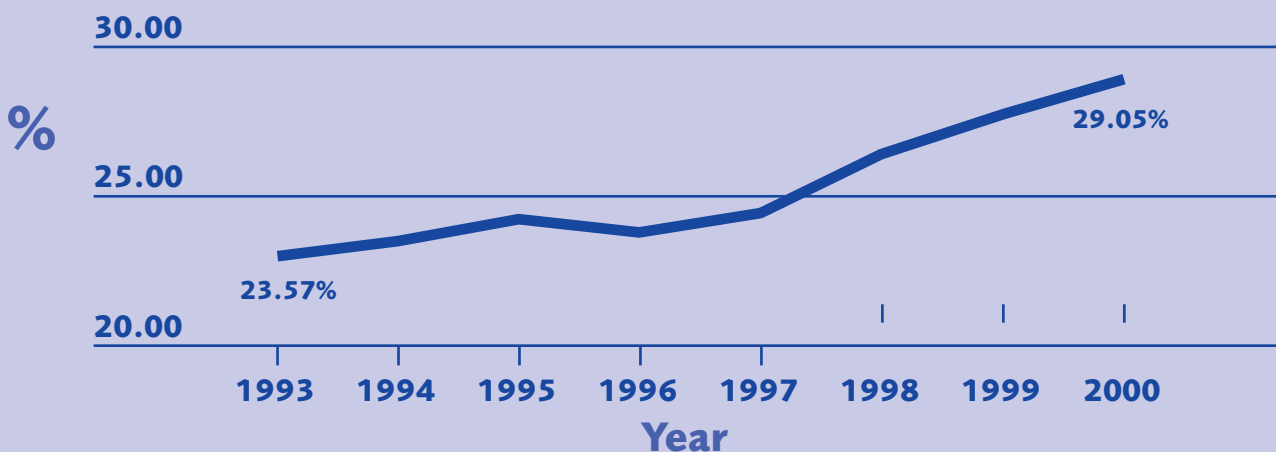


Figure 1: Business Tourism as a Percentage of all Inbound Tourism, Office for National Statistics - International Passenger Survey.

GREAT VALUE FOR BRITAIN

- Congresses and conferences are worth £6.6 billion annually⁵.
- Exhibitions and trade fairs are worth £1.8 billion annually⁶.
- Incentive travel is estimated to be worth £165 million annually⁷.
- Corporate hospitality is estimated to be worth £700 million annually⁸.
- Individual business travel is estimated to be worth £6 billion annually⁹.

SPEND, SPEND, SPEND!

Business travellers spend three times more on average than leisure visitors.

According to the Office for National Statistics International Passenger Survey in 2000, an estimated 851,000 conference visitors from abroad brought £591 million to the UK, spending more per visit (£694) than both the average visitor (£507) and the average business visitor (£554).

On a spend-per-day basis, they spent £177 - almost three times as much as the average for all visitors (£62).

Similarly attendees at a trade fair or exhibition as exhibitor or visitor are extremely important, delivering an average daily yield of £151 which is £89 higher than the average for all visitors.

This does not include the additional expenditure by exhibitors on space hire, stand construction and the purchase of other ancillary services, which multiplies the benefit to the UK economy substantially.

“Business tourism opportunities have been a major driver for much of the regeneration that has gone on in Belfast over recent years. Now with world class facilities we are seeing the investment pay off with some highly profitable and successful international events coming to the city, spending significant sums and employing, directly and indirectly, many hundreds of people.”

Kate Tunney, Manager
Belfast Convention Bureau

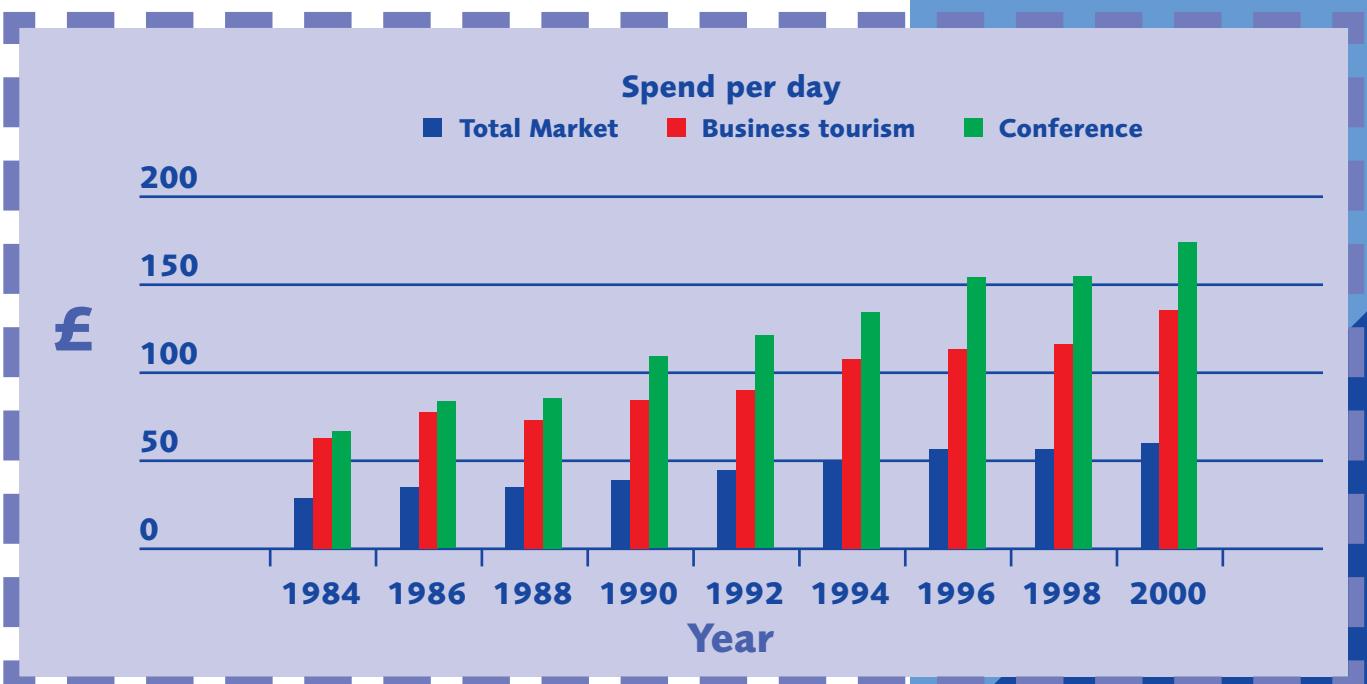


Figure 2: Spend Per Day for Inbound Business and Leisure Tourism, Office for National Statistics - International Passenger Survey.

EMPLOYMENT & A HIGHLY SKILLED WORKFORCE

Business tourism visitors demand very high levels of service and those bringing events to Britain need a degree of expertise and dedication which are specific to the business tourism sector.

Business tourism is year-round, peaking in spring and autumn but still with high levels of activity in the winter months, thus sustaining permanent, full-time jobs.

It is estimated that the sector employs around 530,000 people, both directly and indirectly, and that for every £30,000 of additional business tourism revenue to Britain another job is created¹⁰.

EMPLOYMENT FACTS

There are around 22,000 jobs supported by just 4 event venues in Birmingham.

68% of all tourism jobs in Harrogate are sustained by business tourism.

The extension to the Scottish Exhibition and Conference Centre created over 3,500 jobs in the Glasgow region.

ECONOMIC REGENERATION & SUSTAINABILITY

Business tourism and leisure tourism complement each other, relying on much of the same physical infrastructure and business tourism often provides its facilities for leisure tourism and community use at off-peak prices.

Business tourism brings year-round business to destinations such as seaside resorts and countryside towns, as experienced in resorts such as Blackpool, Brighton, Bournemouth and Scarborough, which would otherwise be dependent upon a relatively short summer season for their economic health and prosperity.

Investments in business tourism facilities support the regeneration of resorts and inner city areas, as evidenced by cities such as Birmingham, Belfast, Brighton, Cardiff, Glasgow, and Manchester.

“Britain always does such a good job of exceeding clients expectations, that for us, it is most definitely a preferred destination.”

Mary L. Liepold, Travel Industry Relations Manager, Carlson Marketing Group, USA.

“In Birmingham the value of business tourism to the local community is estimated to be in the region of £500 million annually.”¹¹

1. Business Tourism Partnership Research Committee
2. Office for National Statistics, International Passenger Survey 2000
3. Conference Delegate Expenditure Survey 1998
4. British Tourist Authority Forecasts
5. British Conference Market Trends Survey 2000
6. UK Exhibition Facts Vol. 13, 2001
7. Incentive Travel Usage and its Impact on the UK and Ireland, publ. 1996
8. Corporate Hospitality Association
9. £2.7bn: UK Tourist Statistics 1999 - £3.3bn: International Passenger Survey 2000
10. British Tourist Authority Research
11. Business Tourism Leads the Way, January 1999.

BUSINESS TOURISM COULD DO EVEN BETTER FOR BRITAIN

- 1. The Department of Trade and Industry (DTI) and Trade Partners UK (TPUK) should give greater prominence to the benefits of trade development and export earnings offered by tourism activity and business tourism in particular, and should develop their current strategic approach to key events.**

The Partnership welcomes the promotional and support programmes for small and medium sized businesses and calls for these to be extended. The Inward Mission Scheme, assisting overseas buyers to attend events in Britain, should be given greater priority and communicated more widely. Market intelligence needs to be gathered from overseas posts about potential opportunities for events which can be held in Britain.

- 2. Greater assistance from Government departments and agencies, in the UK and overseas, should be given to the bidding process for international events. This should include proactive support by senior Ministers, Ambassadors, Trade Consuls and Commercial Attaches.**

Through co-ordination by the BTA, government ministers and their agencies will be asked to support bids for international events, as is common practice in competitor markets. Overseas visits by Ministers and trade delegations should also focus, where possible, on opportunities for business tourism trade promotion.

- 3. Additional resources should be made available to the BTA for business tourism promotion.**

The higher business tourism yield would enable BTA 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.

- 4. The English Tourism Council should be funded sufficiently to include business tourism in its full strategic and research agenda and to also have a domestic marketing function, which would include the promotion of business tourism.**

Presently the ETC does not have sufficient resources to allocate to the development of relevant strategies or for more detailed research into business tourism, despite the fact that the growth in business tourism has exceeded overall tourism growth over the last ten years. Focus by the ETC on business tourism would enable areas of England to substitute robust business tourism revenues for declining tourism markets.

- 5. UK National Tourist Offices, Regional Tourist Boards and Regional Development Agencies should be given responsibility to develop and grow business tourism and be funded sufficiently to enable them to fulfil this objective.**

National and Regional agencies should ensure that policies are included in their development strategies to enable appropriate infrastructure to be provided to allow business tourism to flourish.

- 6. A better understanding and a more supportive attitude are sought from the Department for Education and Skills to support the first ever National Qualification for the Events Industry.**

Encouragement and support for the Travel, Tourism & Events National Training Organisation (TTENTO) and the Events Sector Industry Training Organisation (ESITO) and funding for materials will assist in persuading employers, practitioners and employees to utilise occupational standards, designed to improve quality and competence.

- 7. London needs Government, as well as private sector, support for a world class International Convention Centre capable of holding in excess of 5,000 delegates to secure its share of prestigious International Association Congresses.**

The development of a centre would strengthen the British product and increase its overall appeal, generating an additional 3,000 jobs and £80 million in revenue.

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 intensively. The following will help Britain to become more successful.

THE BUSINESS TOURISM PARTNERSHIP

Association for Conferences and Events
Association of Exhibition Organisers
British Association of Conference Destinations
British Hospitality Association
British Incoming Tour Operators Association
British Tourist Authority
English Tourism Council
Exhibition Venues Association
Incentive Travel and Meetings Association
International Congress and Convention Association (UK)
London Tourist Board and Convention Bureau
Meetings Industry Association
Northern Ireland Tourist Board
Scottish Convention Bureau
Venuemasters
Wales Tourist Board

The Partnership has as its members the leading trade associations and government agencies with an interest in the sector. It exists to lead the way in supporting a competitive, high quality and more profitable business tourism sector in Britain.

The work of the Business Tourism Partnership has the support of the Department for Culture, Media and Sport and the Department of Trade and Industry, however the views expressed in this document are those of the Partnership.

BUSINESS TOURISM PARTNERSHIP
Leading the way

c/o British Tourist Authority
Thames Tower
Black's Road
London W6 9EL
Tel: 020 8563 3250
Fax: 020 8563 3257