



Estimating the Direct Expenditure Benefits of Conferences to a Local Area

An Advisory Note from the UK National Tourist Boards

2001 Update

1. INTRODUCTION

Conference and meetings business are key tourism market segments for many areas of the UK. They tend to offer high daily yield business, which is more evenly spread throughout the year than most leisure tourism business, and can be a key element in the overall business and economic development of a town or region. Many towns and venues involved in the conference and meetings sector are keen to estimate the value of events taking place in their destination. In 1997 the National Tourist Boards of England, Northern Ireland, Scotland and Wales, with the support of the British Association of Conference Destinations, commissioned System Three to conduct a study to help provide inputs to evaluate these market segments. The 1997 data has been updated to 2001 prices by Bournemouth University.

Some 48 conference venues throughout the UK were recruited to take part in the study, and over 4,200 face-to-face interviews with delegates were undertaken in these venues. In addition 1,800 post event questionnaires were also completed along with 116 questionnaires from conference organisers.

This note highlights some of the key findings from the study on delegate spend, and provides advice on how best to use the data to estimate expenditure by conference delegates in a local area.

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2. DELEGATE SPEND – KEY RESULTS

A summary of the average expenditure per delegate by type of conference is detailed below. For the purpose of this study, conferences and meetings were divided into the following categories:

- Association: Professional and trade groups, societies, clubs
- Corporate: Company meetings, training courses, sales meetings, board meetings, product launches, etc.
- Academic: Academic or technical meetings, seminars or symposia. (NB it should be noted that if a conference took place in an academic institution it was not necessarily classified as an academic conference). The definition relates to the organisers of the event, not the venue.
- Other: Public sector and government bodies, charities, voluntary organisations, religious organisations, political parties and trade unions.

For the purpose of this study, a conference was defined as an out of office meeting of at least 6 hours, involving a minimum of 15 people.

Where there was any ambiguity in defining the type of conference, it was left to the organiser to select the appropriate category.

Table 1: Average Expenditure by Delegate per Trip (and per Day)

Expenditure Category	Corporate	Association	Academic	Other
Registration fee	£333	£159	£201	£133
Overnight accommodation at the conference	£226 (£105)	£155 (£58)	£151 (£57)	£128 (£47)
Overnight accommodation before or after the conference	£174 (£86)	£116 (£44)	£88 (£46)	£113 (£45)
Travel to UK	£511	£489	£574	£455
Travel in UK to conference	£72	£46	£73	£36
Local travel at destination	£6	£4	£3	£3
Food and drink	£39 (£20)	£40 (£15)	£40 (£13)	£33 (£13)
Evening events and entertainment	£4 (£2)	£9 (£3)	£18 (£13)	£7 (£3)
Shopping and gifts	£18 (£7)	£34 (£12)	£28 (£6)	£24 (£9)
Day trips and/or pre/post conference tours	£3	£2	£3	£1
TOTAL EXPENDITURE/TRIP (Excluding travel to and from destination)	£355	£400	£548	£354
TOTAL EXPENDITURE/DAY (Excluding travel to and from destination)	£140	£136	£201	£128

Notes

- i. The above total expenditure figures exclude spend on travel to and from the conference destination, but do include local travel within the destination.
- ii. The Total Expenditure/Trip and Total Expenditure/Day estimates for corporate conferences are based on median as opposed to average figures to avoid undue influence of a few extremely high spend corporate events included in the sample.
- iii. All data have been inflated to 2001 prices and differ from the original report which had a 1997 price base.
- iv. The figures include estimates of spend paid direct by conference organisers on behalf of delegates and any money spent by delegates on behalf of accompanying persons.
- v. The sum of the individual expenditure categories does not add up to the overall totals, as they are based on average expenditure for each category.

Table 2: Additional Expenditure by Accompanying person per Trip

Type of Conference	Corporate	Association	Academic	Other
Expenditure/Trip	£44	£48	£56	£70

Notes

- i. The above figures are additional spending by the accompanying person during the trip. Spending undertaken on their behalf by the delegate is included in Table 1.
- ii. All data has been inflated to 2001 prices.

Table 3: Percentage Expenditure by Category of Spend

Expenditure Category	Corporate	Association	Academic	Other
Registration fee	41%	31%	38%	30%
Overnight accommodation at the conference	28%	30%	28%	29%
Overnight accommodation before or after the conference	22%	22%	16%	26%
Local travel	1%	1%	1%	1%
Food and drink	5%	8%	7%	7%
Evening events and entertainment	1%	2%	3%	2%
Shopping and gifts	2%	7%	5%	5%
Day trips and/or pre/post conference tours	1%	1%	1%	1%

3. APPLYING THE FIGURES TO LOCAL EVENTS

The above figures provide a good basis for estimating the direct benefit of conference spend to an area and some examples of how to apply the figures are given below. The figures do not include any multiplier effects which may arise from any direct and indirect delegate spend. A few general points are worth noting:

- i. All figures are at 2001 prices. It is recommended that these figures be applied to all events no matter how far in the future they are scheduled, but that a note is made to advise that figures are on a 2001 base.
- ii. Some areas may have detailed local expenditure survey studies which provide more robust information for their local area. If no such studies exist, however, the National Tourist Boards would recommend the use of the expenditure estimates in this note.
- iii. If the categorisation of a specific event is unclear, it is suggested the event is placed within whichever category offers the best fit, and this is again noted.
- iv. The study did not specifically identify the spend by delegates on one day events with no or limited overnight accommodation. For such events, the following approach is suggested:
- If the one day event is a full day and organisers believe many of the delegates will stay overnight then the above daily delegate spend figures should be applied.
 - If a one day event is either part or full day, but organisers

believe few if any delegates will stay overnight then an estimate should be made in each local area of the average day delegate rate via a quick telephone survey of venues and this rate applied to the event.

- v. The study indicates that delegates stay in the meeting destination for between 0.8 of a day to 1.3 days pre or post the event. It is suggested, therefore, that in all multi-day conferences an additional one day is added to the conference days to reflect this additional stay.
- vi. Table 3 provides good information on the mix of activities delegates spend money on, and can be a useful tool to stress to accommodation providers, retailers or restaurateurs the expected benefit of conferences to their specific sector. If using these figures then they should only be applied to estimated total value of a local event.
- vii. If no information is available on the estimated level of accompanying persons to a specific event, but it is expected that an event will include such an element, then it is suggested the overall average from the study is applied. This assumes that 15% of delegates were accompanied for all, or most, of a conference.

4. EXAMPLES

i) A 45 delegate corporate meeting lasts 2 days, with an estimated 10% of delegates with accompanying persons:

$$\begin{aligned} \text{Delegate spend benefit} &= \text{conference days (2) x corporate daily} \\ &+ \text{delegate spend (£140) x 45 delegates} \\ &+ \text{pre/post days (1) x corporate daily} \\ &+ \text{delegate spend (£140) x 45 delegates} \\ &+ \text{additional accompanying person} \\ &+ \text{spend per visit (£44) x 4.5 accompanying} \\ &+ \text{persons} \\ &\text{i.e. } (2 \times £140 \times 45) + (1 \times £140 \times 45) + (£44 \times 4.5) \end{aligned}$$

Total local direct expenditure is £12,600 + £6,300 + £198 = £19,098.

ii) A 150 delegate government meeting for 3 days with no accompanying persons:

$$\begin{aligned} \text{Delegate spend benefit} &= \text{conference days (3) x other type daily} \\ &+ \text{delegate spend (£128) x 150 delegates} \\ &+ \text{pre/post days (1) x other type daily} \\ &+ \text{delegate spend (£128) x 150 delegates} \\ &\text{i.e. } (3 \times £128 \times 150) + (1 \times £128 \times 150) \end{aligned}$$

Total local direct expenditure is £57,600 + £19,200 = £76,800.

iii) A 900 delegate academic/technical meeting lasting 5 days. No specific estimate available on accompanying persons, but this element is definitely expected, therefore assume study average of 15%:

$$\begin{aligned} \text{Delegate spend benefit} &= \text{conference days (5) x academic daily} \\ &+ \text{delegate spend (£201) x 900 delegates} \\ &+ \text{pre/post days (1) x academic daily} \\ &+ \text{delegate spend (£201) x 900 delegates} \\ &+ \text{additional accompanying person} \\ &+ \text{spend per visit (£56) x 135 (15% of 900)} \\ &+ \text{accompanying persons} \\ &\text{i.e. } (5 \times £201 \times 900) + (1 \times £201 \times 900) + (£56 \times 135) \end{aligned}$$

Total local direct expenditure is £904,500 + £180,900 + £7,560 = £1,092,960.

5. FURTHER INFORMATION

Further information on this and other research as well as advice and promotion opportunities can be obtained by contacting the business tourism teams at the sponsoring organisations listed below.



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