Global Meetings Initiative / volume 1

Basic concepts and definitions

Revised draft

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UNWTO Department of Statistics and Tourism Satellite Account
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Introduction

The present document is a revised version of a previous draft presented for discussion at the UNWTO Steering Committee meeting held in Madrid, 25 April 2008.

It contains a basic set of concepts and definitions which are of key significance for the economic evaluation of the Meetings Industry, and has been drafted with a double purpose:

- To provide support for the work of the consultants in the implementation of the case studies, in each one of the pilot countries, and
- To provide guidance and support for the compilation of statistical data at country level by the Meetings Industry associations that will work in cooperation with the Initiative management and the case study consultants.

Some of the concepts and definitions presented in this document have already been adopted or formally proposed in prior work carried out in this area\(^1\). In other cases, they consist of proposals by the Initiative management or have been proposed on the basis of existing documentation on the matter\(^2\).

The document is organized in two main sections: the first one deals with concepts and definitions from a demand-side perspective, and the second one deals with them from a supply-side perspective.

Within each main section, concepts are listed and details provided as to their proposed or adopted definitions, scope, and category breakdowns.

An annex specifies how the Meetings Industry is viewed from the perspective of tourism statistics.

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\(^1\) See the document *Measuring the economic contribution of the Meetings Industry: a TSA Extension*, published jointly by UNWTO/MPI/ICCA/Reed Travel Exhibitions, which serves as the basis for the present Global Meetings Initiative.

\(^2\) See, for example, Eurostat, 2000, *Methodological manual for statistics on congresses and conferences*. 
1. Demand – side perspective

1.1. Meeting

A common definition of meetings, based on its aims, has been adopted and proposed in the document *Measuring the Economic Importance of the Meetings Industry*, jointly published by the UNWTO, Reed Travel Exhibitions, ICCA and MPI (see section 2.3.2.1.):

*A meeting is a general term indicating the coming together of a number of people in one place, to confer or carry out a particular activity. The key purposes of meetings are to motivate participants and to conduct business. Frequency can be on an ad-hoc basis or according to a set pattern, as for instance annual general meetings, committee meetings, etc.*

1.2. Meeting aim

Attendance must be for a common purpose with a number of other participants with whom to conduct business, share ideas, learn, and hold discussions on professional, scientific or business matters.

The concept of meeting, as far as the Global Meetings Initiative and the term “Meetings Industry” are concerned, excludes social and economic activities such as permanently established, formal educational activities (primary, secondary or university level education), purely recreational activities (such as concerts and shows of any kind) or those of a political nature such as campaign rallies, or gathering of consumers or would-be customers by a company for the purpose of presenting specific goods or services for sale, which would rather fall under the scope of retail or wholesale trade.

1.3. Meeting type

The term “meeting” must be understood to encompass the three major areas of activity included in the scope of the industry under consideration, which are the following:

- Congresses, conventions, conferences, seminars
- Trade fairs and exhibitions
- Incentive activities

Because of its experimental orientation, the Global Meetings Initiative will only cover, in its first phase, congresses, conventions, conferences and seminars.

Regarding this scope, and adapting from Eurostat criteria\(^3\), a further distinction can be made according to the type of institution that hosts or promotes the meeting, between:

- *Corporate meeting* (business-oriented meetings usually hosted by a corporation, in which participants represent the same company, corporate group or client/provider relationships);

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\(^3\) See Eurostat, op.cit.
• **Congresses and conferences**: a general term covering all non business-oriented gatherings of participants at a predetermined site and time to attend an organised meeting in which they have *an interactive, debating and/or competitive role*, and of which the theme or purpose may be of any nature.

Meetings covered under the term *congresses and conferences* are also referred to frequently as *association* or *government meetings*, which relates directly to the nature of the organization that hosts the meeting.

Congresses and conferences can be further broken down into different categories. Although there are no generally accepted criteria, the following list, on the basis of the Eurostat methodology\(^4\), is proposed as a further classification:

- **Public conference or lecture**: basically unidirectional meetings where the audience adopts a predominantly passive role and specialized knowledge is not required;
- **Governmental conference**: technical or political meetings between governments or governments and private agents, with the aim of discussing topics or reaching agreements;
- **General assembly**: meetings limited to the members of an organization, of an internal nature;
- **Convention**: general and formal meeting of a legislative body, social or economic group in order to provide information, deliberate or establish consent or policies among participants. In the United States the term is used to describe large, usually national meetings of business circles, for discussion and/or commercial exhibition;
- **Scientific congress** (forum, colloquium, seminar, symposium): specialized meetings of a technical and academic nature whose objective is to make a profound study of several matters, and whose treatment requires interactive dialogue between participants.

### 1.4. Meeting venue

For the first phase of the project, it has been agreed that only meetings that take place in contracted venues, where payment has been made (including payment in-kind) for the use of the facilities, will be considered. As a consequence, will be excluded events such as those organized by the United Nations, the European Union and many other international organizations that often are held on their own venues.

The venues that are included are those offered commercially for hosting activities as well as universities’ meeting facilities and corporate or association facilities, insofar as they are offered against payment of a fee. Venues that are used for in-house meetings, however, should be excluded from measurement due to the difficulties in data compilation and the absence of an explicit payment.

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\(^4\) See Eurostat, op.cit.
A basic classification of meeting venues would include:

- Congress hall
  - Congress and convention centres
  - Congress and convention centres with hotel accommodation
- Hotel or resort with meeting facilities
- University
- Other venues, not specifically built for meetings, which have facilities that are used for meetings

1.5. Meeting size and duration

It is recommended that data be collected on all meetings with at least 10 participants, and that last for a minimum of four hours or half a day.

1.6. Meeting participant

In principle, any person who attends a meeting for any given purpose is treated as a meeting participant. However, a distinction should be made between meeting participants in a strict sense, or meeting delegates, and persons who may attend a meeting for different purposes, such as meeting exhibitors or representatives of exhibiting firms, who play a distinct, supply-related role in the organization of a trade exhibition.

For the purposes of the Global Meetings Initiative, it is proposed to adopt the strict definition of meeting participant as a standard for data compilation, a definition that is closely related to a demand-side perspective. It must be noted that this concept of meeting participant includes trade visitors, meaning those commercial representatives who visit a trade exhibition for professional purposes.

Additionally to meeting participants themselves, some aggregates also refer to persons that travel with the meeting participant and constitute a unique expenditure unit: the accompanying party. Some of the statistics that will be collected will also refer to participants and their accompanying parties.

Regarding categories of meeting participants, the fundamental distinction that must be made for purposes of data analysis and compilation in the context of the Global Meetings Initiative is that between forms of tourism, as defined in the international recommendations on tourism statistics and non-visitors.

Accordingly, meeting participants shall be broken down according to the following categories:

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5 See Eurostat, op.cit.
• Inbound visitors – foreign residents who visit the reporting country for the purpose of attending a meeting, and optionally, persons who form part of the same travel party.

• Domestic visitors – residents in the reporting country who attend a meeting outside of their usual environment, and optionally those who form part of the same travel party.

• Non visitors – local area residents: i.e. persons who attend a meeting within their usual environment as well as non-residents that are in the place visited in order to perform some work and being paid locally for that, without having become an usual resident.

Beyond the distinction according to the forms of tourism, other characteristics may be used to classify meeting participants, such as basic demographic characterization, country of residence, status in employment or occupation, in accordance with the relevant international standard classifications.

1.7. International meeting

An international meeting is defined as a meeting in which a minimum of 20% of participants are residents of at least one country other than the meeting’s host country.

1.8. Summary

Summarizing, the meetings that will be the object of the present first phase of the Global Meeting Initiative research, will have the following characteristics:

• They will correspond to congresses, conventions, conferences and seminars;
• They will be held in contracted venues;
• They will be attended by a least 10 participants;
• Their minimum duration will be four hours or half a day.

2. Supply-side perspective

2.1. Entities that take part in the organization of a meeting

The following categories of entities that can take part in holding and/or organizing meetings are described: meeting host, trade fair/exhibition exhibitor, sponsor, and supply-side entities, which are described in detail in the corresponding paragraphs.

2.2. Meeting host (or convener)

A meeting host is an association, organization, public or private entity where the decision to organize a meeting originates, in other words, the entity that makes the initial decision to hold or convene a meeting.
The organization of the meeting itself may then be carried out entirely by a specialized organizer, by the host itself, or in a combination of outsourced and host’s own resources. In coherence with the scope of the adopted definition of a meeting, meetings that are held in the host’s own premises will initially not be considered in the first phase of the project.

A meeting host may respond, in more concrete terms, to any of the following types:

- A government or public service organization; this class includes international governmental organizations;
- A business or corporate organization;
- An association, meaning an organized group of individuals that serves a given purpose, usually cultural, scientific, or professional, and that is usually non-profit oriented. This class also includes any non-profit, non-governmental organization of national or international scope.

### 2.3. Trade fair exhibitor

Trade exhibition or trade fair exhibitors are businesses and other types of entities that rent exhibition space at trade fairs with the purpose of displaying or promoting their services, goods, role or objectives to the public, client firm representatives, and other fair participants.

Although usually of a corporate nature, they can reflect the same typology of entities as those described above:

- Government/public service organization
- Business
- Association

Given the restrictive scope that has been chosen for the first phase of the project, trade fair exhibitors will not be considered.

### 2.4. Meeting sponsor

A sponsor is an entity that provides funding toward the cost of holding or organizing a meeting or trade exhibition, usually in compensation for the display of its corporate image or outstanding participation in special events during the meeting or trade fair. As for the above categories of entities, it can be of a private or public nature.

### 2.5. Supply-side entities

Supply side entities that take part in the organization of meetings in different ways include specialized meeting organizers, venue owners or managers, auxiliary service providers and other agents. These entities are treated in detail in the paragraphs below.
2.6. Scope of the Meetings Industry and meetings-characteristic products

The term “Meetings Industry” has been generally accepted as the standard denomination for the sector. In a broad sense, the scope of the Meetings Industry includes the establishments engaged, either as a principal or as a secondary economic activity, in:

- The organization, promotion, marketing and selling of congresses, conferences, conventions, seminars, trade exhibitions and fairs, and incentive activities, whether as packages or bundles of services or consisting of specific services, including intermediation or the management of reservations for any particular meetings-related services;

- The commercial provision of meeting facilities or accommodation for meeting participants or exhibitors; and

- Auxiliary services which are typical or necessary for the hosting or organisation of meetings, such as personnel, technical equipment, catering and other materials.

Such services may be offered by a specialized meeting organizer or other types of establishments included within the scope of the Meetings Industry, to a variety of business units or persons, i.e. a hosting corporation, association or government, a trade fair exhibitor, a meeting participant, or another establishment belonging to the Meetings Industry.

A first step in delimitating the industries included within the scope of the Meetings Industry is adopting a definition of the services and products that typically enter into the organization of a meeting, and that at the same time can be identified as specific items within international and national standard product classifications.

In this light, a list of products that are typical, closely connected and necessary for the hosting and organization of meetings, is proposed below. They are already identified as items or part of items within the standard international classification of products, specifically the CPC Version 2 (draft). As an indicative approach, and for ease of reference, the denomination **Meetings-characteristic products** is proposed:

1. Convention assistance and organization services. These correspond to CPC class 8596, subclass 85961; they include the organization and management of conventions and congresses and provision of convention assistance and support services, with or without own staff, including, among others, components such as:
   a. advice and consultancy services with respect to all aspects of the organization of conventions
   b. assistance in choosing and locating space
   c. marketing and public relations
   d. provision of secretariat services, equipment and other auxiliary services
   e. provision of accommodation booking as well as on-site and delegate transfer services

2. Trade show assistance and organization services. This service item corresponds to CPC class 8596, subclass 85962; it includes the organization and management of trade shows and trade fairs and provision of assistance and support services, including services which are analogous to the subclass 85961 above.
3. Rental or leasing services involving own or leased non-residential property. This corresponds to CPC subclass 72112, and it includes rental or leasing services concerning industrial, commercial or other non-residential buildings or property by owners or leaseholders. Within the list of examples of activities covered in this subclass, CPC specifically refers to “convention centres, exhibition halls and multiple-use buildings that are primarily non-residential”. This item is therefore suitable for the classification of meetings-characteristic services of rental of facilities for meetings and trade exhibitions, whether by convention centres, exhibition halls, meeting hotels, universities or other providers of such a service.

4. Reservation services for convention centres, congress centres and exhibit halls. This corresponds to CPC subclass 85531, and includes the arrangement of reservations for the use of such facilities. From a Meetings Industry viewpoint, these services may be offered by the management of the facilities themselves, by specialized meetings organizers, or by establishments such as Convention Bureaux.

5. Tour operator services. This service item, which corresponds to CPC class 8554, subclass 85540, includes the arrangement, assembling and marketing of custom package tours for groups of domestic or international travellers. From the viewpoint of the Meetings Industry, this item in the CPC classification can be used for identifying services offered by establishments such as destination management companies and incentive houses. Such package tours may be offered generally to hosting corporations, associations or other Meetings industry establishments such as specialized meeting organizers or Convention Bureaux.

In order to adequately reflect the nature of the types of establishments operating under the scope of the Meetings Industry, and to facilitate the design of a methodological framework for evaluating their economic contribution, it is important to distinguish, within the industry, between a concept of core Meetings Industry and an extended approach that would include a broader array of businesses.

Thus the core Meetings Industry can be defined to include all business units in the reporting economy that specialize in the production of typically meetings-related services, as their principal economic activity, in particular, businesses whose principal economic activity consists of the production and supply of services included in the list of meetings-characteristic products proposed above. Using an analogy with the concept of tourism characteristic activities established by the TSA, these could be labelled as meetings-characteristic industries.

Such activities would include the following, all of which correspond to specific 3- and 4-digit codes of the ISIC Rev.4 international classification, as is set out in detail below:

1. **Specialized meeting organizers**: business establishments that fall within the boundary of the national equivalents of code ISIC\(^7\) 823: Organization of conventions and trade shows. Following the ISIC official definition, these businesses engage in the “organization, promotion and/or management of events, such as business and trade shows, conventions, conferences and meetings, whether or not including the management and provision of the staff to operate the facilities in which these events take place”;

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\(^7\) References to ISIC are to be understood as referring to ISIC Rev.4 (draft)
2. **Convention Centres, Congress and Exhibition Halls**: other than the above code, these establishments may be registered under the national equivalents of ISIC 6810: *Real estate activities with own or leased property*, which includes businesses engaging in buying, selling, renting and operating of self-owned or leased real estate; specifically non-residential buildings, including exhibition halls;

3. **Incentive houses and destination management companies**: these establishments may be classified, among others, under the national equivalents of codes ISIC 7911: *Travel agency activities*, or even ISIC 7912: *Tour operator activities*. Code ISIC 7911 includes the activities of agencies primarily engaged in selling travel, tour, transportation and accommodation services to the general public and commercial clients. Code 7912 refers to tour operator activities, and includes arranging and assembling tours that may include items such as transportation, accommodation, food and recreational or sporting activities;

4. **Convention and Visitor Bureaux**: these units specialize in the provision of information, reservation services or in the promotion of meetings activity in a specific destination. In some countries, they may act as a private business offering packages of meetings services. Depending on the nature of their legal status and of their activities, these establishments may be registered under different codes, including in particular the national equivalents of ISIC 823, ISIC 7911, ISIC 7990: *Other reservation service and related activities*, which specifically includes *Tourism promotion activities*, or those corresponding to public administration establishments.

An **extended approach of the concept of Meetings Industry** would include all businesses in the reporting economy, other than those described above, that engage in the production of services that intervene directly or are connected to the participation in or organization of meetings, including services provided to meeting participants, exhibitors and hosting entities.

In particular, this approach would require considering the meetings-related activity generated by the accommodation industry; indeed, this industry, which is defined by the TSA:RMF\(^8\) as a Tourism characteristic industry, produces both a meetings-characteristic product (rental of meeting venues), as well as accommodation services for meeting participants, which are therefore closely connected to the hosting of meetings.

Aside from providers of accommodation services, there exist a host of other economic activities that provide auxiliary services, equipment, and personnel that are used intensively in organizing or attending meetings; these would include activities such as:

- transportation,
- technical equipment (audio/video/interpretation systems)
- secretarial support services,
- catering, food and restaurant services,
- speakers’ representation services, or
- stand construction.

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\(^8\) Tourism Satellite Account: Recommended Methodological Framework 2008
Annex: Understanding the activity of the Meetings Industry in the general context of Tourism Statistics\(^9\)

One of the purposes for which persons travel is to attend different type of meetings, such as congresses, conferences, conventions, trade fairs, exhibition, and others. This has become an increasingly important purpose of travel.

Meetings, conferences and conventions are held by businesses across the spectrum of the economy. Businesses may hold them for their own employees. Membership organizations, professional organizations, political organizations may hold them for their members, educational institutions may hold them, private and public institutions may hold them for their own employees or for others, so it is an activity of any business, in any sector of the economy.

Till recently no special attempt was made to isolate the phenomenon or to estimate the revenues and costs associated with the activity of holding meetings, conferences and conventions. Organizing meetings, conferences and conventions has now become important and the number of businesses who specialize in this activity has increased. Enquiry into the activity of holding such events is of interest to tourism, because attending conferences is a purpose of visit of tourists.

These specialized businesses render a support service to companies and to government, to professional and membership organizations and any organization that holds meetings, conferences and conventions. They also render a service to those whose facilities and services are used when conferences and conventions are held. Conferences and conventions are held in hotels with convention centers, in independent convention and congress centers and also on university campuses both during and outside the academic year. The growth of the activity of holding conferences and conventions has also spawned the need for technical and support services to set up and conduct a conference or convention.

It has become necessary one, to recognize and delineate a place for their activity in the international classifications of products and activities and second to determine the nature of the services they provide and how they should be measured. The activity is now recognized as ISIC 8230 Organization of conventions and trade shows of which 8231 is Organization of conventions. It is a service regarded as an administrative and support service to business. The service provided is classified as CPC 855961 Convention assistance and organization services. It is also the case that some businesses that are covered under the general terminology of Meetings, Incentives, Conferences and Exhibitions (MICE) provide other specialized services that would be identified as other ISIC activities (rental of space, other types of intermediation, etc.).

Regarding these improvements in international classifications, it should also be noted that the organization of a meeting and all the other services that are necessary for the meeting to be held might be either imported or locally produced: consequently, the production of the service might be provided by a resident or a non-resident. This fact as well as the increasing importance of the Meeting Industry production as an internationally traded service, explains

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\(^9\) From *International Recommendations on Tourism Statistics 2008 Compilation Guide* (work in progress)
the fact that the future Extended Balance of Payment Services Classification (EBOPS 2009) will include as a memorandum item “Convention, trade-fair and exhibition organization services” –identified as such in Eurostat CPC 8597-.

The businesses included cover a great variety of different specialized activities, some of which can overlap with previously enumerated tourism characteristic activities (when they also cater directly to visitors), such as: Congress Travel agencies and Destination Management Companies, but others would belong to the newly expanded ISIC activity of Convention and Trade show organizers e.g. Professional Congress Organizers, Convention Bureaus and yet others might belong to other ISIC categories depending on their principal activity. e.g. tourism boards, meetings information and technical specialists, meetings hotels, convention and exhibition centers, etc.

Generally these specialized organizations provide the services of organizing conferences and conventions on a fee or contract basis for those who want to hold a conference or convention. Sometimes they might both initiate and organize the conference.

In the first case their income would consist of remuneration paid to them for their services by the sponsoring organization and commissions from the suppliers of the services that they bring together. Often the overall contract price may include the total cost of some or all of the services provided as well as their own commissions and fees.

In the second case, their income and costs would be the same as that of any business holding a conference or convention.

Holding a conference or convention requires financial resources. These are raised through admission or convention fees, through contributions made by the business or organization holding the conference, through income from rental of space from display booths, through sponsorship revenues and the like. In turn there are the costs of administration, rental of space for the convention and rental of all technical services required. Around a convention there are a number of other events that are organized, such as dinners and special tours. Participants might be asked to pay additional fees to attend these events.

Till now, no attempt has been made to gather together the revenues and costs associated with the organization of conferences and conventions because it has been treated as an in-house activity of the organization holding the conference or convention. Hotels with convention centers and specialized congress centers have provided various forms of assistance to those wishing to hold conventions and the fees for technical support have usually been included in their rental fees for the convention space. Sometimes this assistance has been provided by convention bureaus that is, associations of owners of convention facilities, who also promote venue in their jurisdiction. In some countries tourism authorities promote convention centers and provide assistance in obtaining the necessary technical services. Hotels provide accommodation with congress facilities to those wishing to hold conferences and make the necessary arrangements including for food and entertainment. Hotels would recover their organizational costs from their revenues for accommodation, food and rental of convention facilities.

The traditional way in which the direct and indirect impact of a productive activity is measured is in terms of the direct and indirect value added generated by the activity. If the expenditure of persons whose purpose of travel is to attend meetings, conferences and
conventions is to be the starting point, it has to be attributed first to the entire activity of organizing such events by businesses who sponsor such events, not only to those who assist them in the organization of the events such as the Meetings Industry. The participants who attend these events contribute only a small fraction of the total resources required to hold these events. Identifying the activities and gathering all the information about the services directly and indirectly involved in bringing about these events is as yet in its preliminary stages.