

# Cases for Event Management and Event Tourism

## Questions and answers for analysis

### Chapter 12

Q1. What are the current challenges for DMOs in terms of attracting MICE tourism?

*General knowledge answers:*

The global reaction to the Covid19 pandemic has led to an ongoing reluctance to travel (particularly internationally) even as the world recovers. There is evidence to show some preferences for virtual events for many reasons including greater flexibility for delegates, environmental factors (limiting air travel) and lowering costs (no venue hire, no travel costs). The use of virtual events during the pandemic has led to a confidence in using technology by both delegates and event organisers.

*Established or inferred within the case study:*

For many destinations, branding is still a challenge and a poor or unknown destination brand is a barrier to attracting the attention of MICE event organisers. Despite the above points, evidence suggests the sector is still growing and thus competition between first and second tier destinations is increasing and has been described as 'fierce'.

For many destinations, MICE tourism is discretionary (as with Brighton and Eastbourne) and this means that for council operated DMOs there may be very limited funding and support for DMOs. This also means that funding may fluctuate making it difficult for DMOs to plan for the future.

*Additional points that can be established through the extended reading list:*

For destinations such as Brighton and Eastbourne, there are fewer businesses based in these locations, thereby limiting the opportunity for organic business events to take place. For example, many banks have their headquarter in a city such as London, which will naturally lead to major company events, including an annual conference taking place in the headquarter location.

Pre Covid, competition for MICE tourism was high and post Covid, research strongly indicates that the sector will recover and thus, it will remain a competitive sector.

There are many 'new' destinations joining the sector and competing to host MICE events. Many such destinations are strongly supported by governments who want to quickly capitalise on the socioeconomic benefits of MICE tourism and will fund DMOs in order to do this. Thus the sector is likely to become even more competitive in the future. Brexit, Covid-19, and high accommodation costs in the UK are just some of the reasons as to why the UK may not appeal to international event organisers.

There is evidence of growing disintermediation, meaning a reduction in the demand for DMO support from professional conference organisers. As delegates and conference organisers can conduct so much of their research online, this has reduced their dependence on DMOs to source venues and accommodation for example. Evidence strongly suggests that experienced professional conference organisers value the time and money saving benefits of working with DMOs but disintermediation remains a threat to DMOs.

### Q2. What opportunities does DMO collaboration offer destinations?

*Established or inferred within the case study:*

- ◆ DMOs will be able to share market insights, research, knowledge and best practice.

Insights could be the result of analysis of their own data (number of conference bookings, number of delegates, number of enquiries etc.). Research could be paid research that they have commissioned or further collection of data themselves (e.g. economic value of booked conferences, occupancy rates of hotels, data from their social media accounts). Knowledge and best practice could reflect their accumulated professional experience. The VisitBrighton and VisitEastbourne websites profile some staff and it is clear that there are multiple personnel working within these council tourism departments and these organisations have been operational for many years. The websites also give details of accolades, milestones and achievements of these two DMOs.

- ◆ DMOs will be able to work more strategically and not duplicate work.

Work that is likely to be duplicated across neighbouring DMOs may include liaising with the same stakeholders such as regional transport providers and organisations such as VisitBritain and VisitEngland. DMOs may all apply for grants from these and similar organisations, lobby central government and attend industry events such as Tourism South East networking and training events to keep abreast of industry trends. Council tourism departments tend to be underfunded and run by a small team which can mean not having the money, time or personnel to do many of the above. Thus being a part of a collaborative initiative could mean sharing the time and expense across a wider team and sharing the outcome or output. As DMOs face ongoing funding issues, and many devote much time to seeking funding and chasing memberships, collaboration could be an efficient way to ensure that other work (research etc.) is still carried out, and even if not by an individual DMO, they will still have access to it and benefit from it.

- ◆ Pooling of resources (especially marketing resources).

DMOs' primary expense is marketing and due to underfunding, it can be a challenge to afford to attend trade shows (particularly international ones) in terms of paying for an exhibitor stand and having staff away from the office for several days. Advertising can also be very costly thus sharing of these expenses may be practical and may extend the promotional reach of all collaborating destinations.

- ◆ Improvements for the local community in the destination such as sustained employment.

Seaside locations that are reliant on leisure tourism can struggle to offer year-round employment to residents. This can be overcome through MICE tourism as association conferences in particular are typically held in spring and autumn which enables attractions, restaurants, hotels, transport providers, etc. to hire permanent staff and offer them career development opportunities. Additionally, governments invest in MICE facilities, such as purpose-built venues, and this can attract further inward investment and ensure the location thrives all year round. All of this can benefit residents through employment, available activities, and an improved quality of life. Both Brighton and Eastbourne have received

government investment in the development of their facilities. (See: <https://www.visiteastbourne.com/conferences/information/latest-news/2019/3/25/curtain-rises-on-stunning-congress-theatre-a2562> )

- ◆ Destinations with a poor image may overcome this through partnership with a stronger brand.

One of the challenges of marketing Eastbourne as a conference destination is its poor image. However, Brighton has a very different image, and it is more well known internationally. Thus, Eastbourne may benefit from being marketed with Brighton. For example, an international conference organiser may have heard of Brighton, show interest in the city's facilities, and look through the Sussex Initiative marketing. They may then discover Eastbourne and realise that the town is a better match for certain events they are planning.

### **Q3.** What are the potential challenges of such collaboration?

*Established or inferred within the case study:*

DMOs are likely to vary in terms of size, funding and structure. This may lead to complications in terms of agreeing on how collaborations should operate (e.g., how much time and money DMOs should contribute to collaboration). Smaller DMOs may struggle to contribute financially towards operational costs and they may not be able to spare staff to attend meetings. Larger DMOs might feel unduly expected to make up for this and as a larger DMO is likely to represent a more affluent or well-known destination, they may feel that they have less to gain from the collaboration than their smaller counterparts.

DMOs are essentially competitors and this may lead to friction within the collaboration, e.g., multiple DMOs in the same geographic area may be invited to bid for an association conference. Only one destination will ultimately win the bid which may lead to tension between them and the other bid hopefuls. DMOs may be sceptical of working closely with a competitor and sharing insight and knowledge with an organisation that historically they have viewed as a competitor.

It is estimated that one third of UK DMOs are council operated and many of these councils regard tourism as discretionary. Budgets for tourism departments will be set annually by the council and changes in council leadership may lead to substantial changes in how budgets are awarded and what priorities the council sets for the year. This can mean an uncertain future for DMOs and it can make strategic planning a challenge. Fluctuating financial support and changing council views on how important tourism is makes future planning complex.

*Additional points that can be established through the extended reading list:*

Different DMOs may have different priorities. For example, they may place a greater or lesser importance on MICE tourism, compared to leisure tourism. DMOs may have different views on how to brand a region (rather than individual destinations) and which segment to target.

### Q4. How can such challenges be overcome?

*Points that can be established through the extended reading list:*

As with any business collaboration, flexibility and openness will help smooth out problems. Agreeing and setting up a governance structure to manage and direct the operations of the collaboration. Having a clear mission statement, strategy, goals and priorities will help ensure that the collaborators have a shared understanding of what they aim to achieve. The Sussex Visitor Economy Initiative (2022) is an example of a document aiming to do this.

A sliding membership scheme may ensure that DMOs make a contribution that is proportionate to their size. For example, a large DMO team that receives substantial annual funding may contribute more to the collaboration than a smaller DMO. It may be a challenge for larger contributors to receive more of the benefits of collaboration in recognition of their input. How this can be calculated and managed may be complex and getting all partners to agree to the scheme may not be straightforward.

### Q5. Based on your answers to questions 2 and 4, create a strategic plan for DMO collaboration.

This can be done by outlining the initial actions needed to create a strategy and developing key goals and actions within the strategy (NB examples can be found in The Sussex Visitor Economy Initiative (2022)).

#### ◆ Initial actions

- ◇ Agree a governance structure to manage and direct the operations of the collaboration.
- ◇ Write a clear mission statement, strategy, goals and priorities for the collaboration to work towards.

#### ◆ Strategy goals:

- ◇ To work more strategically and not duplicate work.
- ◇ To share knowledge and best practice.
- ◇ To increase marketing reach through pooling of resources.

#### ◆ Strategy actions:

- ◇ Combine research data collected by collaborating DMOs for greater insight (number of conference bookings, number of delegates, number of enquiries, economic value of booked conferences, occupancy rates of hotels, data from their social media accounts).
- ◇ Streamline attendance at events with stakeholders and communicate the outcome of events across the collaboration (e.g. meetings with regional transport providers, networking and training events with VisitBritain and VisitEngland)
- ◇ Combine marketing budgets and agree marketing goals that benefit collaborators (e.g. attendance at trade shows, print advertising).