

## **Annex 27. Measuring expenditure from the perspective of demand in meetings and conventions tourism. The experience of Andalusia**

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*Statistics and Market Research Area, Public Company for the Management of Tourism and Sport of Andalusia, Regional Ministry of Tourism and Trade, 2013.*

Decision-making in any activity requires having an information system that allows an approximation of the reality of such activity and which helps establish the strategies suited to the needs and opportunities detected in its analysis. This is a long-standing demand of the meetings and conventions sector in Andalusia, and since 2009 the Regional Ministry of Tourism and Trade has been addressing it through a specific project of a statistical nature with annual periodicity, which in its current state of development is limited to these two types of events.

The experience gained in these four years makes it possible to gauge the additional complexity that would be entailed by tackling, as recommended by the UNWTO, another set of events that are part of the Meetings Industry, such as the fairs and incentive travel segments; both are organized in very different ways, and presumably, their expenditure structures would require ad hoc research.

According to the latest estimates for 2012, Andalusia received a total of 1.76 million participants in meetings and conventions, of which 602,000 were tourists with total tourism expenditure of 282 million euros. This represents a share of total tourism demand in the region of 2.8%. It should be pointed out that the definition of tourists conforms to that given by INRouTe for regional tourism and therefore includes three subsets of tourists: residents from countries other than the country of reference (inbound visitors to the country as a whole), residents from another region of the country of reference, and residents in the region of reference (with their usual environment being located in such region)

The holding of meetings and conventions generate tourism activity of great interest to any destination, not only due to its economic impact, but also because of its deseasonalizing capability.

In Andalusia, specifically, meetings and convention tourism takes place mainly from March to June and from October to November, thus covering the low season.

This segment also stands out owing to its effect of generating additional visits compared to other segments (sun and beach, golf, etc.) by extending the stay of this type of tourists. This makes complementary offerings a basic pillar as they not only help to increase tourism spending during the holding of these events but also allow the creation of additional tourists to the same destination where the event is held or in other destinations of the territory of reference. (It is different from the regional perspective).

The project carried out in Andalusia responds to an observation that can probably be generalized to any region where business tourism is substantial: There is an entire series of characteristics of this segment that complicate its measurement and analysis and therefore it requires its specific treatment relative to the methods used for the tourists in general for the purposes of estimating their associated expenditure. Specifically, the following are worth noting:

- The destination is not chosen by the participant or attendee but rather by the company, association or organizer of the event.
- There are no secondary motivations, because 100% choose the destination only for the

purpose of attending the meeting or convention.

- Attendees and participants do not have all the expenditure data, as part of the disbursement may be carried out by the company or organization they belong to.
- It is common for there to be a registration fee whose itemized breakdown is not known by the participant or attendee.
- There is a range of specific cases that hinder the measurement of expenditure, such as different registration fees by type of participant and date of payment, whether or not there are pre-negotiated prices for accommodation, whether or not there are social programmes for participants and accompanying persons, etc.

Due to these characteristics, the measurement of associated tourism expenditure requires the parallel implementation of two investigations: a survey of the organizers and another of the participants. This is a statistical approach that differs from the general case in which only one survey is used among tourists for the purposes of estimating the corresponding characteristics of the trip and the traveller.

The experience gained in these years leaves no doubt—both surveys are essential and complementary for the following:

- Carrying out proper filtering of the records deriving from one source or another referring to the same event, with the objective of avoiding overlapping information on expenditure items that are common between the organizers and the participants

The structure of these expenditures is strictly consistent with that used by the regional statistical body in other statistical operations (specifically, the survey on the tourism situation in Andalusia):

- Accommodation. The information provided by the participant or conventioner is combined with that obtained from the organizer when there are pre-negotiated hotel prices;
- Board. The expenditure made in the destination by the participant or attendee and by the organizers during the course of the meeting (coffee breaks, lunches and dinners) are included, as well as hosted meals;
- Transport at the destination. The expenditure in the destination by attendees and participants is included as well as that by the organizer for transfers or shuttles.
- Fuel. The fuel expenditure by attendees and participants who used their own car or a rental car for transport at the destination is included;
- Leisure. Expenditures made directly by attendees and participants (out-of-pocket expenditure) during organized visits or excursions are included as well as the expenditure per participant of the social programme included in the convention and applied only to those who chose to avail of them according to the information of the organizers;
- Shopping. The expenditure on this item by attendees and participants;
- Other expenditure. The expenditure by attendees and participants not included under the headings above.
- Obtaining a rigorous estimation of aggregate tourism expenditure: expenditure by organizers, collaborating institutions, as well as by the attendees themselves during their stay
- Establishing a typology of those attendees who can be categorized as tourists, in relation with the structure and level of such expenditure
- Once established, it will be possible to tackle—at a later stage of the project—the modelling of part of the statistical work done today with the aim of expanding the analytical use of the information generated in order to undertake economic impact studies in relation to employment associated with such events, the production structure of this part of the Meetings Industry, etc.

This experience has required, in the case of Andalusia, previously carrying out research to identify the universe of the three types of establishments where the vast majority of these events are held: hotels, convention centres and unique buildings. This made it possible to design a survey by random sampling of both attendees (through a system of quotas and personal interviews in situ using a questionnaire of 11 questions) and the corresponding organizers (these may be carried out by personal or telephone interviews and/or by e-mail).

The importance of this second type of surveys of event organizers in order to get information on expenditure and its breakdown should be underlined because, without it, it would not be possible to calculate the actual average daily expenditure per attendee, its breakdown or the tourism income generated by this segment of the Meetings Industry.

More specifically, good note should be taken of the difficulty involved in gaining the trust of the managers of the establishments in which these events take place and of the organizers themselves, probably motivated by two types of reservations: the special care they take in treating their clients and/or the high level of competition in the segment. Therefore, it is essential to pay special attention to improving communication processes and the transfer of information on the number and characteristics of meetings and conventions as well as on the quality and coverage of information on the expenditure generated by holding them, as the availability of reliable statistics depend heavily on this aspect.

As recommended by the UNWTO (“Governance for the Tourism Sector and its Measurement”), this project would not have been possible without the design and development of a system of governance, which made the viability of regularly providing useful information a credible proposition for all parties involved (organizers, establishments where these events are held, collaborating entities and the regional tourism administration itself).

The development of this project includes as a priority carrying out in a new phase an estimation of the expenditure by accompanying persons, as recommended by the UNWTO.

It is also necessary to understand that this is a continuously evolving project, in which any improvement in definitions, statistics, records, etc. will be incorporated and where the collaboration of industry actors is essential in order to improve the analysis and its approximation of reality.

#### **Further links**

Questionnaires used in the project:

Request by e-mail to: [igallego@andalucia.org](mailto:igallego@andalucia.org)

#### **References**

Duran, C (2013), Governance for the Tourism Sector and its Measurement, UNWTO Statistics and TSA Issue Paper Series STSA/IP/2013/01 (Online), available: <http://statistics.unwto.org/content/papers>

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