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## Chapter 2

# The Marketing Environment for Destinations

### Summary of Chapter Contents

This chapter looks at a number of key issues and current trends impacting the marketing of conference and convention destinations.

The chapter covers:

- Disintermediation
- Destination marketing or destination management?
- Product development and investment
- Funding
- Accessibility and disability
- Crisis communications and issues management

It includes case studies on:

- Kent Conference Bureau and Venuedirectory.com
- Liverpool City Region's Destination Management Plan for 2005–2008
- Perth Convention Bureau's 'Beyond Compliance' Programme
- Toronto's crisis management strategy in response to the threats posed by the 'SARS' outbreak

### Learning Outcomes

On completion of this chapter, you should be able to:

- explain the concept of disintermediation and its impact on the conference and business events sector
- discuss the evolving role of DMOs and their responsibilities for destination marketing and destination management

- appreciate the need for, and the issues associated with, investments in a destination's conference and convention 'product'
- understand the financial and commercial pressures faced by DMOs
- comment on the ethics and opportunities of a positive approach to disability and accessibility issues
- define the characteristics of an effective crisis management strategy

## Introduction

While it may be true to say that the broad principles of marketing remain more or less constant, apart from fine tuning and some changes given to the priorities attached to them, it is certainly the case that their practical application is extremely dynamic. It has to take account of the impacts of new legislation, for example those affecting customer relationship management and client database development (examined in more detail in Chapter 5). It must be sensitive and respond effectively to a plethora of political, social and technological developments. And, of course, it must highlight innovations and enhancements to the product or service, which is the focus of the marketing activity.

Some of these factors may be less critical if the 'product' to be marketed is a washing machine, a retail outlet, or the latest home insurance package, for example, where the product is clearly defined and relatively static. Yet they are all extremely pertinent when it comes to the marketing of a destination, a living and continuously changing entity. There are many issues, challenges and opportunities confronting those tasked with the promotion of a destination in the conference and business events sector, most of which have a universal resonance: no matter whether the destination is in the northern or southern hemisphere, or in a developed or newly developing country, the same types of issues apply and must be understood and addressed. And there is a sense in which such issues gain further importance simply because of the growing number of conference destinations joining the market. There are now more than two hundred countries world wide competing for their share of conventions and business events, and new destinations are now forcing their way up the rankings of the most successful cities. Statistics published by the Union of International Associations (UIA) and the International Congress and Convention Association (ICCA) (see Chapter 11) clearly reveal the emergence of new destinations, such as Cape Town, Shanghai and Santiago de Chile, a trend that seems likely to continue for some years to come.

This chapter, therefore, examines a number of the most important contemporary issues and trends confronting destinations that are marketing themselves to attract conferences (although discussion of the very topical issue of destination branding has been left until Chapter 4), issues and trends that confront them no matter whether they are established destinations or one of the more recent arrivals on the destination scene. Chapter 3 will then analyse the current marketing environment for conference venues.

# Disintermediation

Disintermediation is very much a 21st century term; quite simply, it means 'cutting out the middleman (or intermediary)'. It is a phenomenon that has been especially noticeable when consumers are making travel arrangements or booking holidays, as they are now able to do much of this work for themselves from the comfort of their home or office via the Internet. The traditional role of high street travel agents has been reduced or certainly changed, as they have been to some extent taken out of the booking process, or disintermediated, with customers able to make immediate bookings and commercial transactions through appropriate websites. Business travel agencies have been required to review their operations and client services in the light of the impact of the Internet in order to turn this potentially negative development into a positive one for themselves and their clients. Davidson and Cope (2003: 62) state:

*It would, of course, be a mistake to regard e-commerce and business travel agencies as two separate and incompatible intermediaries in the business travel distribution chain. The larger agencies, in particular, have embraced the technology and put it to use to enhance the service they provide to their clients.*

In a similar way to travel agencies, destination marketing organizations (DMOs), such as convention and visitor bureaux (CVBs) and conference desks, also play a role as intermediaries or middlemen. They act as brokers of business, seeking to bring together those who want services from a destination (such as a making a convention centre booking, obtaining local information and advice, negotiating civic support for an event from the municipality) with the suppliers of such services, e.g. the members of a convention bureau or destination marketing organization. This has been the role of the DMO, to act as an intermediary, to serve as a custodian of the destination's information, to be the official voice of the destination and the guarantor of impartial, high quality information on the destination's facilities, services and overall 'product'. But technology is changing much of this by enabling others to replicate what DMOs have been providing, and sometimes doing so more effectively and more efficiently. As a result, the DMO is increasingly at risk of being disintermediated.

The impact of technology is well illustrated in the provision of venue-finding services. Many DMOs base their core business on handling and converting enquiries, acting as the middleman or intermediary between the client (buyer) and the venue (supplier), brokering information and relationships to find a suitable match. While there may continue to be a need for such intermediary services in respect of large and complex events requiring a destination-level response, the demand will certainly reduce for the smaller meetings and events, which technology can handle with minimal human input (see Chapter 9 reference to systems in use by Boston Convention Bureau and Edinburgh Convention Bureau). Those DMOs that only provide this kind of service are likely to face disintermediation and their very survival will be under threat.

However, it is also possible for DMOs to collaborate with potential technology disintermediators for mutual benefit, as demonstrated by the partnership developed between England's Kent Conference Bureau and Venuedirectory.com (see case study).

Disintermediation is something that DMOs will face continually, not just through the impact of technology but also through the actions of those in the private sector

## Case Study

### Kent Conference Bureau and Venuedirectory.com

Kent Conference Bureau ([www.conferencekent.co.uk](http://www.conferencekent.co.uk)) represents some 55 conference and meeting venues throughout the county of Kent in South-East England. Venuedirectory.com is an online venue search facility that holds perhaps the most comprehensive range of meeting facility data on hotels/venues around the world. With nearly 400 fields on which to search, browsers are able to look for a venue in a particular location with very specific and detailed requirements. In addition to its main website, Venuedirectory.com has established customized 'private label' websites for a number of destinations, hotel groups and conference industry suppliers.

Kent Conference Bureau is the first destination marketing organization in the UK to have a fully customized private label web link arrangement with Venuedirectory.com, to whom it pays an annual fee for this service. By integrating Kent Conference Bureau's website with the excellent operating benefits of Venuedirectory.com's data distribution technology, the Bureau offers browsers the ability to use a truly professional search facility covering its member venues. The search process was customized to fit with the personality of the Kent venues – for example, instead of searching in the 'South East' and selecting 'Kent', the customized process allows browsers to select a town or location within Kent. They can search not only by capacity but by a multitude of criteria.

The collaboration provides many benefits to Kent Conference Bureau. As a membership organization, the Bureau's 55-plus venue members gain from the entitlement to have their venue data stored and presented on the Kent Conference Bureau website in the same way as a full subscriber on the Venuedirectory.com website. The venues can also change and update their information online at any time and add special offers. If they choose, they can also subscribe to the full Venuedirectory.com service, but this is not mandatory. They also receive enquiries (requests for proposals or RFPs – see Chapter 9) from conference organizers via the website.

Kent Conference Bureau itself benefits from its ability to act as the group manager to overview site activity. It also eases the pressure on Bureau staff resources by placing the onus of responsibility on the venues to update their information and add their own special offers. Another benefit is the ability to access the full site operating statistics, including 0870 telephone numbers which track and report on calls made to members from the Kent Conference Bureau site link.

who develop the capacity to undertake, in a commercially viable way, services that have traditionally been the role of the DMO. In doing so, they often catch the eye of elected officials who are looking to make savings on public budgets, perhaps buying services that were previously subsidized to the local DMO but now can be outsourced more effectively or bought more affordably from elsewhere. Such services could include accommodation or housing reservations; the production of marketing collateral and destination guides; or the development of competing websites.

Rick Antonson, President and CEO of Tourism Vancouver, speaking at the annual convention of the British Association of Conference Destinations in 2003, said:

*One could say that the greatest threat to the roles of the bureau, in the future, comes to those bureaux that try to hold onto things the way they were, because they are not that way any longer. Not just technology but entrepreneurial approaches from many people have replaced the traditional mindset of what makes a bureau of value to its community.*

# Destination marketing or destination management?

One of the growing roles for DMOs is an increased responsibility for destination development and management. While there is still an important focus on destination promotion and on selling the destination product, this in itself is no longer sufficient. DMOs need to take a role in defining what that product is and what it will become, a role not only in marketing but also in managing the destination, in helping to develop new destination products and features to ensure that the destination is offering what the consumer needs. The DMO has to take to the marketplace what the client will want to buy, taking the destination's personality and products onto the national or world stage.

In the UK during the 1960s, 1970s and 1980s, many of the leading conference destinations were seaside resorts, often with convention halls and facilities built during the heyday of the Victorian era in the 19th century. During the 1990s and the early years of the 21st century, a number of these destinations pulled out of the conference market because they had failed to attract investment in their destination's hotels, attractions and general infrastructure to make sure that it kept pace with trends in the market and the changing demands and higher expectations of the consumer. They had lost substantial market share because of a failure to manage their destination and keep abreast of the market. Their destination product was no longer what the customer wanted to buy.

Destination management is not just a case of managing the physical product (i.e. the venues, hotels, transport systems, visitor attractions) but is also very much to do with building partnerships and collaboration across the destination (see Chapter 10). It is also to do with developing the education and training of the destination's workforce, equipping them with the skills and knowledge needed to service the business events visitor effectively and professionally. Destination management also has an important part to play in creating understanding and recognition across the community for the economic importance of the convention and business events sector. It can entail looking at local planning regulations to ensure that they facilitate rather than hinder appropriate product investment, as well as approaching proactively potential investors in order to stimulate and attract new investments. Management of the destination also means protecting the product and developing sustainable policies that balance visitor experiences with the need to minimize damage to the environment. Such policies often focus on transport issues, for example the promotion of 'park and ride' schemes which encourage visitors and local residents to park in specially designated car parks on the outskirts of cities and use public transport to transfer into the city centre. But this could equally embrace policies to encourage major event venues to introduce waste management and recycling initiatives. For example:

In Harrogate, England, the Harrogate International Centre (HIC) has introduced training programmes for front line staff, covering such issues as waste reduction, recycling and offering free advice to exhibition contractors and exhibitors. The Centre has also teamed up with a local waste management company, to explore recycling of waste. As a result, the volume of waste has been reduced and the Centre claims that now 95% is sent for recycling. A large amount of cardboard and paper is compacted on-site and then sent to Scotland for use in the manufacture of plasterboards. In November 2003 HIC received an accreditation award from The Institute of Energy for achievements in

Energy Efficiency. The award recognizes the excellent work undertaken by HIC staff in reducing energy consumption and the introduction of energy efficient systems.

Again in his speech to the BACD Convention in 2003, Rick Antonson gave the following practical example of destination management in Vancouver:

*We at Tourism Vancouver, a number of years ago, decided that our taxi service was not anywhere near what it should be. If any of you have had the pleasure of riding in a taxi in North America, you cannot leave the ride without a story! And they are not always good stories. And much like a wonderful meal that ends with a cold cup of coffee, you go away and you tend to remember the cold cup of coffee – a visitor experience is very similar: people can have a tremendous time in your destination and, on leaving, have a poor taxi ride to the airport and their visitor experience is marked by their final experience. The equivalent of a cold cup of coffee. We cannot afford to have any element of the visitor experience in our destination, nor can you in yours, sub-par. So we as the bureau got quite involved in what is now a programme called 'Taxi Host', that's had some 7,000 drivers through it. It has three levels: the second level as a minimum is required to be able to pick up at the airport in Vancouver. It was tough when we got involved in doing that because many people said: 'That's destination management, that's not the role of the bureau.' We looked around and no-one else was doing it. They were our visitors that were having disappointing experiences, so we inserted ourselves into destination management.*

The role of a DMO can no longer be solely in the rather narrow field of sales and marketing. That role now needs to be, more than ever before, in ensuring that the product is relevant, that new products are coming on-line, that the destination is being managed and that anything which visitors say has spoiled their visitor experience is addressed and remedied. The initials DMO increasingly stand for 'destination management organization' as much as 'destination marketing organization'.

Case Study 2.1 (presented at the end of the chapter) shows the Destination Management Plan 2005–2008 for the Liverpool (England) City Region, and outlines how this destination is addressing its management and marketing needs. The Plan serves as an example of what all destinations could be doing in developing a longer-term strategy.

## Product development and investment

The previous section referred to the importance of ongoing investment in a destination's physical product and infrastructure in order to keep pace with changing market trends and to retain and, hopefully, increase market share. For all destinations this poses a constant challenge, both in attracting appropriate investment and then in meeting the increased expectations for a return on their investment from investors.

Investment patterns and trends differ from country to country. In the UK over the past twenty years or so, much of the investment in the conventions and business events sector has gone to cities as they have worked to diversify their economies away from manufacturing and into the service sector.

Birmingham is now well established as one of the UK's top conference and business tourism destinations. The city's first major steps into the conference and business events market were taken in 1976 with the opening of the National Exhibition Centre adjacent to Birmingham's 'Elmdon Airport', now re-named 'Birmingham International Airport'. The change of airport name itself epitomizes the transformation

and diversification of the city's economy, fully embracing the service sector, with business tourism acting as the catalyst for much of the investment in new hotels, visitor attractions, restaurants, retail, transport infrastructure, and other regeneration projects.

There is a delicate balancing act for all destinations in attracting the right kind of investment, in the right location, investment which is not only suitable for contemporary needs but which will also anticipate future market trends. Few countries, if any, have in place a national investment plan for the conventions sector to provide intelligence and direction for future investment projects. It is still left to individual destinations and the investment community to determine where money is spent and new facilities are developed. This can mean, and often does mean, that new venues are constructed that are not appropriate, or compete with existing local facilities in ways which create difficulties for both, displacing business rather than creating additional new business for the destination (see also Rogers, 2003: 72). Tress and Sacks (2004), referring to convention facilities built in a number of smaller US cities, state:

*These smaller cities are spending millions of dollars on new and expanded convention centres in a bid to reap the economic benefit from the national meetings market, but they are not meeting attendance targets. This is mostly because they have developed the centres in the belief that they will be an economic panacea rather than just a piece in the city's overall visitor package. They have often failed to consider that meeting planners don't merely want a large hall in which to hold their event; they also prefer that the host city offers desirable hotels, accessible restaurants and cultural facilities, plentiful transportation to and within the city, and even good weather. In short, a convention centre should be part of a city that is a legitimate destination for both business and leisure travellers, and one that will attract people because there are things to do there in addition to attending a meeting. Cities that build convention centres in the belief that they will be the foundation of economic prosperity are likely to be disappointed unless those facilities are part of a broader system to draw people to the city.*

Destinations need to develop a balanced convention product, in line with the market segments being targeted for their main business. If the destination has a major purpose-built convention centre, say with a capacity of 2500 theatre-style seating in its main auditorium, it is likely to need a bedstock (assuming an average occupancy rate of 70% year-round) of around 8000 rooms as a minimum to provide sufficient availability for those events which will fill the centre. However, the quality and standard of accommodation also needs to be considered because some conventions will need budget-style accommodation (guesthouses, 2-star hotels, for example) whereas others will demand higher quality 3-star, 4-star and perhaps even 5-star hotels. Location of bedstock is also a factor, with proximity to the centre being advantageous from a delegate and organizer perspective, minimizing the time and costs of transfers between hotels and the centre itself.

In recent years there have been some suggestions of an over-supply of convention facilities, particularly in the United States, with convention and exhibition halls failing to attract sufficient business and, in effect, becoming 'white elephants'. Tress and Sacks (2004) quote the example of one city which:

*with a recently expanded convention centre, is expected to attract only 23 conventions this year – about 30 per cent fewer than in 2003 – with little improvement foreseen in 2005. Despite the US\$75 million expansion, which was officially opened in May 2003, fewer than 10 per cent of last year's events were classified as conventions; the rest included consumer shows and cultural and sporting events, none of which generate as much fiscal and economic impact as a major meeting with its hundreds or thousands of overnight guests.*

Tress and Sacks provide figures illustrating the growth in supply, quoting research from Tradeshow Week Research Inc.:

*In 2003, the industry added 68 new or expanded venues in North America, down from 87 in 2002 and 96 in 2001, but still supplying the market with more than 9 million square feet of new exhibition space, or about 12 per cent of the total. By the end of 2003 there were 414 convention centres and exhibition halls in the United States and Canada. Meanwhile, demand has been slowing. The total number of US trade shows in 2003 was 3754, a slight increase from 2002 but about 7 per cent lower than in 2000. The average number of exhibiting companies dropped by almost 16 per cent over the same period, while the average number of attendees fell by nearly a quarter to 7099.*

A similar over-supply phenomenon has sometimes been apparent with cities that have hosted the Olympic Games or other major sporting events such as the Football World Cup. Once the event is over, the facilities themselves can remain little used and then become an expensive burden on the local community. An article by Philip Hersch in the *Chicago Tribune* on 13 August 2005, one year after the Olympic Games held in Athens, stated:

*The Greek government finally has put out tenders for lease offers on many of the [Olympic] venues, now white elephants that will cost more than US\$100 million a year to maintain.*

It is extremely difficult to measure whether there is a surfeit of convention centres because the market is constantly changing, and also experiences cyclical growth and decline, linked with economic, political and social factors. However, this issue does underline the need for a destination management plan that can take a longer-term perspective, and that includes an investment programme to ensure that the destination's product offering remains in tune with market demands. Tress and Sacks give an example of a US city that has successfully invested in its convention product and reaped the benefits:

*San Antonio (Texas) has achieved a success with its Henry B. Gonzalez Convention Center, which was expanded in 2001 at a cost of US\$200 million to cover a total of 1.3 million square feet, more than double the previous area. The Center complements the city's other well-known visitor assets such as The Alamo and the city-centre River Walk, a promenade lined with shops and restaurants, to offer an attractive package for meeting planners. Additionally, there are a number of quality hotels within a short walking distance, and the city is planning a headquarters hotel to accommodate the larger events in a single hotel. The number of attendees at San Antonio's CVB-hosted conventions rose to 424,951 in 2003 from 419,970 in 2001. Estimated total delegate expenditure in 2003 rose to US\$382.8 million from US\$378.3 million in 2001, and city-wide hotel occupancy increased to 64.6 per cent over the same period compared with the 2003 nationwide average of 59.2 per cent.*

## Funding

Most, if not all, destination marketing organizations are established as not-for-profit entities. While they are required to trade profitably in order to survive, their primary *raison d'être* is service to their local community rather than maximization of profits. This inevitably means that, for many DMOs, the generation of funding and income streams to finance their destination marketing and management activities is a



**Table 2.1** Funding sources for British DMOs in 2005

<i>Source</i>	<i>Average % of total funding from this source</i>
European funding	10
Local authority/municipality	47
Central government	5
Regional government/agency	5
Membership fees	9
Commercial activities	16
Private sector sponsorship	3
Other	4

Source: British Association of Conference Destinations 2005

constant challenge. A survey of British DMOs undertaken in 2005 by the British Association of Conference Destinations (BACD Membership Survey 2005) identified 'inadequate public sector funding' as the number one threat they faced. Funding is derived from a variety of sources, in both the public and private sectors. The BACD 2005 survey found, for example, seven different funding streams (see Table 2.1), although almost 70% of funding comes from the public sector in one form or another. Other international surveys of both national and city CVBs have also consistently shown that CVBs receive between 60 and 70% of their funding from public bodies (i.e. local and central government).

Those destinations that are particularly reliant on funding from their local municipality or other public sector agency may find that this helps them in their longer-term planning. Public bodies can commit to a strategy for the destination that will be implemented over a period of years, and they do not necessarily seek immediate returns and 'bottom line' benefits (i.e. specific business won) from their financial support. The downside, however, can be that tourism and business tourism are not necessarily statutory responsibilities (unlike education, housing, social services, for example) for a municipality and, if budgets need to be reduced, they are one of the easier targets for cost savings.

Some countries, led by the United States, have introduced a system of local tourist taxation. The Transient Visitor Tax (also referred to as a 'bed tax') is a system that surcharges the tourist directly at the point of consumption – their hotel bill. The tourist pays the tax to the hotel, which collects the tax and pays it to the local authority/municipality, which then uses it for tourism promotion and for capital projects. In theory, such investments should result in more tourists, who pay more tax revenues, thus funding more promotion and investment and in turn producing more tourists – a truly virtuous circle. While the tourist industry in some countries may be starved of funds for destination marketing, the Transient Visitor Tax provides American cities and regions with finance, not just for tourism marketing but for the cost of constructing conference centres and arenas. However, the logic of this argument is sometimes undermined when cities do not ring-fence this tax income for ongoing investment in their tourism industry but opt to spend the money on what

may be seen as more socially worthwhile (and politically beneficial) projects (such as education, health services, community housing).

Taxation is also, inevitably, a two-edged sword: its very existence may serve as a deterrent to visitors who, faced with many other destinations from which to choose, select one offering similar attractions and amenities but at a lower cost. McMahon and Sophister (1998) quote the following examples:

*The experience of New York in 1990–94 should give cause for caution. In 1990 the state legislature brought into effect a 5% bedroom tax on hotel rooms costing over US\$100 per night. An econometric study commissioned by New York State Hospitality and Tourism Association concluded that, by imposing the tax, New York gave up US\$2 in related taxes for every US\$1 it took in from the occupancy tax. In August 1994 the tax was repealed following a three-year battle by New York hoteliers.*

*In the early 1980s the Irish Government increased Value Added Tax (VAT) on hotel accommodation to 23%. The effect of this was that more than 10% of hotels closed their doors. In 1985 the Irish Hotels Federation persuaded the Irish Government to cut VAT on room sales from 23% to 12.5%. In the period that followed, Irish tourism grew dramatically.*

Yet there is some evidence to suggest that bed taxes do not lead to major competitive disadvantage. The City of Vienna (Austria) has levied a bed tax of 2.8% since 1987, but still succeeds in regularly occupying a top-five place in the UIA (Union of International Associations) and ICCA (International Congress and Convention Association) rankings of international convention cities.

Destinations need constantly to be exploring new income streams, actively seeking new business partnerships and opportunities. At the same time, however, they must stay close to their local membership base and local tourism industry. They must avoid weakening such local community and local business links because this could lead to a loss of political sway. Local politicians can make a huge difference, not just to investment but also to public policy and support for the bureau or DMO. This reinforces the importance of effective lobbying by DMOs to their different constituencies and stakeholders, an activity which is explored more fully in Chapter 10.

## Accessibility and disability

The past decade or so has seen a much greater public awareness of the needs of people with disabilities, combined with a growing recognition by governments that public policies and the infrastructure of our towns and cities should cater much more effectively for the 1 in 10 citizens possessing some form of physical, mental or emotional disability. In some countries legislation has been placed on the statute book to guarantee the rights of disabled people and give them proper access to events and to buildings.

Within the convention and business events field, much of the activity in the area of accessibility is at the level of the individual event venue. Venues are encouraged, as a matter of best practice, and required, by legislation, to provide appropriate signage, meeting space, bedrooms, equipment to ensure full accessibility for those with disabilities. Training courses are also being developed for event organizers to

demonstrate what they need to do both to support and encourage disabled delegate participation in their events, and to minimize discriminatory practices.

To date, however, few initiatives have come forward at a destination level to maximize accessibility. There is great scope for destinations to address this gap, both as a moral imperative and also as a potentially lucrative market opportunity. The Australian city of Perth has led the way in this area, with its pioneering and innovative 'Beyond Compliance' programme (described fully in Case Study 2.2, presented at the end of the chapter), which serves as a model for other destinations to follow.

## Crisis communications and issues management

One of the most important strategic decisions that communications professionals must make is how to handle an issue or a crisis. It is in the nature of DMOs that issues can arise regularly, and how they are handled will have a positive or negative effect on both the organization and the destination itself. Some of the common crises DMOs deal with are natural disasters as well as man-made occurrences such as violence against a visitor, terrorism and defective products. The first few years of the 21st century have already witnessed a number of major crises which, because of the immediacy of global communications and media coverage, have attracted the attention of the world community. Examples of such incidents include:

- The events of 9/11 in the United States
- The foot and mouth epidemic in the UK
- The SARS outbreak in Asia and elsewhere
- The Asian tsunami of 2004
- The war in Iraq
- Terrorist bombings in destinations such as Bali, Madrid, Casablanca, London
- The impact of Hurricane Katrina on the Gulf Coast of the USA.

The worst mistake is to think that 'it won't happen here'. Destinations should develop a crisis plan that covers the operations, communications and back-up systems, no matter how simple or complex. Once the plan has been prepared, it is advisable for it to be reviewed by an expert or an outside entity to make sure that it is complete and accurate. There will also need to be training sessions for the DMO team to ensure that the implementation of procedures is fully understood. Figure 2.1 summarizes advice on crisis management which has been produced by the media relations team of VisitBritain, the UK's national tourism organization, for use by tourism businesses.

The Canadian city of Toronto was faced with a major crisis in 2002/3 when cases of the SARS (Severe Acute Respiratory Syndrome) epidemic were experienced, leading to a sudden closedown in travel to and from the city, with a potentially catastrophic impact on conferences and business events. Toronto's response to the crisis demonstrated a highly professional and effective crisis management strategy, and is described in Case Study 2.3, which is presented at the end of the chapter.

The last few years have brought a number of crises in the tourism industry, from flooding to the foot-and-mouth outbreaks. Often such crises occur with little or no warning and many businesses can find themselves unprepared – not only for the incident itself, but also for media reaction. The media love nothing better than a crisis – often devoting acres of column-inches and hours of air-time to the issue. By keeping abreast of trends within the industry and economic and political factors, much can be done to identify potential crisis situations in advance and prepare yourself and your staff to deal with the resulting media attention.

#### **Crisis checklist**

##### **Issues monitoring**

- Identify the issues that could develop into a crisis as early as possible
- Attempt to diffuse situations before they develop into a crisis

##### **Establish a crisis management team**

- Select key members/staff
- Meet regularly
- Share information and ideas

##### **Assess the crisis**

- Gather relevant information
- Assess the type, extent and ramifications of the crisis
- Be aware of rumour and plan to counter it with fact

##### **Choose a spokesperson**

- Must be articulate, well briefed, confident
- Must appeal on a humanistic level, be compassionate and caring
- Chief executive/owner is preferable
- Must be available

##### **Message delivery**

- Media release
- Media conference
- Individual interviews

##### **Dummy run**

- Anticipate likely questions
- Draft responses
- Conduct a dummy run interview with your spokesperson

##### **Dealing with the media**

- Be available
- Be open
- Keep your cool
- Provide honest, factual comment, remember the truth always gets out!
- Establish who in your organisation is allowed to talk to the media and brief everyone accordingly

##### **Log calls**

- Log all media calls (useful for follow-up later)
- Record what was requested and the action taken

##### **Cover all audiences**

- Establish key audiences
- Allocate team member responsibility for each audience
- Keep your own staff well briefed

##### **Post-crisis follow-up**

- Assess what went wrong and why
- Formulate steps to prevent similar crises
- Assess the handling of the crisis
- Devise follow-up strategies

**Figure 2.1** VisitBritain's guidelines on crisis communications and issues management.

# Summary

It is clear that, over recent years, the marketing environment for destinations has undergone radical change. Coping effectively with rapid and constant change seems likely to be one of the major challenges facing DMOs in the years to come. No longer do DMOs carry out the relatively straightforward task of destination promotion but increasingly their role is one of managing the overall development of their destination to ensure that its product offering is one that is appropriate to the present and future needs of conference and convention organizers. DMOs need an awareness and understanding of the political, social and technological developments affecting the industry and wider society if they are to be successful in their endeavours. Such an understanding will inform their marketing strategies and activities, based on the models and examples of best practice outlined in later chapters of this book.

## Case Study 2.1

### **Liverpool City Region's Destination Management Plan for 2005–2008**

Liverpool (on Merseyside) is located in North-West England, and is famous in more recent times as the home of the Beatles (and other popular music bands) and of football teams Liverpool FC and Everton FC. In 2008, Liverpool will be European City of Culture, and huge investment is taking place in the city's tourism infrastructure.

The Destination Management Plan for the Liverpool City Region 2005–2008 runs to over 40 pages of text and covers both leisure and business tourism. This summary focuses on the structure of the Plan and its content specific to the convention and business events sector.

The structure of the Plan is as follows:

- 1 Preface
  - What is a Destination Management Plan (DMP)?
  - Why is the DMP important?
- 2 The Process and the Partnership
  - How the DMP has been developed
  - The Planning and Advisory Group
  - The Partnership
- 3 Strategic Context
  - Strategic framework
  - The tourism vision
  - Aims
  - Targets
  - Objectives
- 4 Industry Performance
  - The national context
  - The regional context
  - Sub-regional performance, trends and context
  - Destination performance indicators

- 5 The Merseyside Tourism Offer
  - Core products and experiences
  - Tourism resources
  - Major investment proposals
- 6 Merseyside – Priority Activity 2005–2008
  - The Four Year Plan – Focus 2008
- 7 Criteria for Appraisal and Prioritization of Proposals
- 8 Programme Summary
- Case Studies
- Appendices
  - 1 District Destination Support Activity
  - 2 Destination Performance Indicators – definitions and rationale
- Useful Web Links

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## **1.1 What is a DMP?**

The DMP is an action plan for the whole partnership of organizations involved in developing Liverpool and Merseyside<sup>a</sup> as an internationally important tourism destination. It is a key instrument to identify the actions and strategic relationships that will deliver the sub-regional tourism strategy. While it seeks to provide a context for decision-making regarding priority investments necessary to deliver the strategy, it should nevertheless be viewed as a distinct document from the business plan of The Mersey Partnership or the other partner organizations in Merseyside.

<sup>a</sup>Merseyside in this context includes Wirral, Sefton (including Southport), Knowsley, St Helens and Halton.

## **1.2 Why the DMP is important**

The DMP is important because it provides a framework and rationale for investment in tourism, which is one of the major, growing sectors of Merseyside's and the North-West's economy. It provides the mechanism to reinforce existing partnerships as well as developing new relationships. It seeks to build commitment to a common goal based on a clear, shared understanding of the opportunities that exist, the resources that are available and the basis for the prioritization of the actions identified in the Plan.

## **3.2 The Tourism Vision for the Liverpool City Region – a Winning Brand for Tourism in England's North-West**

The Shared Vision for 2015 places the Liverpool City Region amongst the top 20 European City Region Destinations, with an annual visitor spend of £2 billion supporting 30 000 jobs in the local economy. By 2015 the City of Liverpool has become a truly international destination for conference and leisure travel. The whole sub-region has benefited from increased tourism in the slipstream as a result of a sustained programme of tourism development based on a clear strategy of investing in specific opportunities for growth. The City Region is making a substantial contribution towards the tourism account for England's North-West – a key attractor of international and UK visitors.

### 3.5 Strategic Objectives

The Strategic Objectives for this Destination Management Plan are developed from Merseyside Tourism Sector Implementation Plan (February 2004) and are built around Liverpool's designation as European Capital of Culture in 2008 and the opportunities and challenges this provides over the next four years.

There are four key strategic objectives:

- To develop a class destination for conferences and business visits
- To promote the Liverpool City Region as a world-class destination for leisure tourism
- To develop the sub-region as a major events destination of international repute
- To deliver a warm Liverpool Welcome throughout the City Region

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## 4 Destination Performance Indicators

Destination Performance Indicators for Case Study 2.1

Performance Measure	Performance in...					Target in 2008
	2003 (base)	2004	2005	2006	2007	
Core Measures						
1 No. of staying nights	9.7 m	9.3 m	9.1 m	9.4 m	10.2 m	11.0 m
2 No. of overseas visitor nights	2.4 m	2.4 m	2.4 m	2.5 m	2.7 m	3.05 m
3 Total staying tourism spend	£413 m	£415 m	£427 m	£463 m	£528 m	£598 m
4 Tourism-related employment	19 998	20 305	20 939	21 907	23 454	26 440
5 Average spend per staying night	£42.58	£44.62	£46.92	£49.26	£51.76	£54.34
6 Index of attractions	100	101	102	104	108	110
7 Room occupancy:						
Liverpool	70%	70%	70%	70%	72%	73%
Merseyside	60%	60%	60%	60%	62%	63%
8 % accommodation in QA	47%	47%	53%	65%	70%	75%
9 Bed spaces	22 517	21 517	21 177	21 877	22 977	24 377
Possible Additional Indicators						
10 No. of day visits	53.10 m	54.3 m	55.9 m	57.8 m	59.7 m	62 m
11 Total day visit spend	£448.98 m	£477.69 m	£506.39 m	£527.97 m	£570.97 m	£592.50 m

12	Nights spent in serviced accommodation	3.13 m	2.98 m	2.91 m	3.01 m	3.26 m	3.52 m
13	Total room nights sold in Liverpool	1.45 m	1.37 m	1.34 m	1.38 m	1.53 m	1.69 m
14	Index of customer contacts	100	105	110	115	120	125
15	No. of 250-delegate events held: Liverpool	N/A	110	135	170	218	280
16	No. of 250-delegate events held: Southport	25	42	40 (YTD)	24	24	24
17	No. of nationally accredited conference venues	10	12	15	18	21	25
18	No. of overnight study visits held	0	2	2	6	8	10
19	Position of Liverpool in top UK towns for international visitors	9	9	9	9	8	8
20	Destination benchmarking score for Liverpool: overall enjoyment/likelihood of recommending		4.28/4.60		4.40/4.65		4.59/4.77

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## 6.1 The Four Year Plan – Focus 2008

As outlined in 3.5 Objectives, Merseyside's tourism priorities are closely linked to making the most of, and spreading the benefits of, Liverpool's Capital of Culture title. This gives a clear sense of focus to all partners.

### Priority 1 To develop a class destination for conferences and business visits

Objectives	<ul style="list-style-type: none"> <li>To position Liverpool as a premier city conference destination for top tier associations, national and international MICE events and to secure 280 events of 250 delegates or more per annum by 2008</li> <li>To further develop Southport as a premier resort conference destination for trade associations and events, in keeping with the coastal offer and to attract 24 events of 250 delegates or more per annum</li> <li>To promote professionalism amongst conference venues in the Liverpool City Region to enhance reputation of the sub-region as a great place to hold meetings and to give Merseyside venues a competitive advantage</li> <li>To promote the Liverpool City Region as an excellent best practice destination for study visits and to attract at least 8 overnight study visits per annum by 2008</li> </ul>
Required Actions	<ul style="list-style-type: none"> <li>Develop a purpose-built conference/exhibition centre in Liverpool City Centre together with a robust subvention policy</li> </ul>



	<ul style="list-style-type: none"> <li>• Build further on Liverpool's academic, medical, cultural, maritime and other key sector strengths to position the City as a premier conference destination</li> <li>• Enhance Southport's conference product through additional exhibition and hotel space and a suitable subvention policy</li> <li>• Secure further European funding for Southport and The Mersey Partnership to continue conference marketing campaign and sales activity building on successful track records</li> <li>• Continue to improve conference venue quality and services throughout the sub-region to achieve more nationally accredited venues through Meetings Industry Association Hospitality Assured standard</li> <li>• Ensure appropriate food, drink and hotel offering to support market growth</li> <li>• Work with partners across the destination to develop and promote the market for education study visits</li> </ul>
Rationale	<ul style="list-style-type: none"> <li>• Business and conference tourism has accounted for much of the recent growth in UK tourism and is responsible for some 29.6m trips and £9249m spend in England. Conference delegates spend on average 2.5 times as much as leisure visitors and 40% indicate that they will return to a destination as a leisure visitor if an area has appealed to them. Approximately 49% of 4-star Liverpool city centre hotel trade is driven by the business market and 11% by residential conferences and meetings. The Liverpool City Region has over 50 conference venues catering for up to 1650 delegates in its largest venue (Southport Floral Hall) in a range of hotel and non-residential venues including some unusual venues</li> </ul>
Regional Strategy Linkages	<ul style="list-style-type: none"> <li>• A Region for Business/Celebrating Excellence/Make It Easy/Fantastic Food</li> </ul>

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## 8.0 Programme Summary

The programme summary is an outline of key strategic activity designed to prioritize work programmes and ensure a joined-up approach across Merseyside. It excludes capital investment in tourism facilities (major investments are included in 5.3 and a full schedule of proposed tourism developments is available as a separate annex from The Mersey Partnership – TMP). These priority work programmes are underpinned by a raft of support activity undertaken by local authorities and other agencies.

Priority 1: Class conferences: Year 1 (April 05–March 06)

<i>Year 1 Activity</i>	<i>Lead Agency</i>	<i>Total Activity Cost Year 1</i>	<i>Tourist Board Funds</i>	<i>Other Public Funds</i>	<i>Other Funding/ Income</i>	<i>Notes</i>
<b>Product Development</b>						
Quality Assured Venues	TMP	£20 000	£10 000		£10 000	Continuation of existing quality/skills activities
Subvention Policy: Liverpool	Liverpool City Council	£50 000				New for 2005 – not including any Kings Dock Conference Centre provision
<b>Promotional Activity</b>						
Conference Marketing Campaigns: city and coast themes to appropriate markets	TMP/Sefton	£205 000	£75 000	£35 000 NWDA £30 000 Sefton	£65 000 (TMP private destination support programme) £25 000	Step up from previous years' DSP – TMP's destination support packages
Study Visit Programme development	TMP	£15 000				New revenue-earning activity
<b>Total Year 1 Spend</b>		<b>£290 000</b>	<b>£85 000</b>	<b>£95 000</b>		
<b>Years 2,3,4 (April 06–March 09)</b>						
<b>Product Development</b>						
Quality Assured Venues	TMP	£60 000	£30 000		£30 000	Ongoing
Subvention Policy: Liverpool	LCC	£1.2m		£1m	£200 000	Not including Kings Dock subvented events
<b>Promotional Activity</b>						
Conference Marketing Campaigns: city and coast themes to appropriate markets	TMP	£1.09m	£400 000	£300 000 NWDA £90 000 Sefton	£300 000 DSP	
Study Visit Programme	TMP	£45 000			£75 000	
<b>Total Year 2, 3, 4 Spend</b>		<b>£2.395m</b>	<b>£430 000</b>	<b>£1.390m</b>	<b>£605 000</b>	

## Case Study 2.2

### Perth Convention Bureau's 'Beyond Compliance' Programme

Perth Convention Bureau (PCB) in Western Australia has pioneered an initiative with the State's Disability Services Commission and a local university that aims to see Western Australia become the nation's leading convention destination for people with disabilities. Known as 'Beyond Compliance', the project seeks to bring about social change by rewarding tourism industry operators who are proactive in improving their accessibility.

It is a best practice example of how a convention bureau can partner with local organizations to help them achieve their objectives and, by so doing, directly stimulate more conference activity in their destination.

Perth is one of the most geographically isolated destinations in the world, and one of the last Australian cities to build a dedicated convention and exhibition centre. With the opening of the AU\$220 million Perth Centre in August 2004, the city effectively doubled its meeting capacity but not its marketing budget. PCB continues to invest its limited marketing funding at home by developing a pool of committed local association executives and motivating them to develop or bid for meetings to be held in Perth (see also Chapter 7 for the Case Study on Edinburgh's Ambassador Programme).



Figure 2.2 The Perth skyline.

'Beyond Compliance' has developed as a component of the PCB's Customer Relationship Management Programme. Each of the PCB's 14 staff members, from the accountant to the managing director, is allocated a specific industry portfolio and charged with the responsibility of developing convention leads from that sector as part of their role. They also become experts in that field and follow trends, innovations, research grants and findings, and trade deals, as well as developing a network of industry relationships in the sector for which they are responsible.

When Scott Campbell, PCB's Research Manager, took on the disability sector portfolio in 2003, he was amazed at the sector's receptiveness and willingness to work in partnership with PCB. Initially, the programme involved researching the potential size and value of the disability sector and obtaining statistics demonstrating its impact on the State economy. This work was done in association with Curtin University (Perth) and undertaken by students as part of their curriculum training at no cost to PCB.

From this initial research it became clear that the disability sector organizations were quick to respond to new opportunities and, by facilitating business links between PCB's members (the tourism suppliers) and the State Government agency charged with representing the needs of the sector, the programme grew to the point where the State tourism body and Disability Services Commission formed a joint venture to work co-operatively in order to achieve social change.

## Objectives

The objectives of the 'Beyond Compliance' programme are to:

- 1 Promote Western Australia as a leading tourism destination for people with disabilities
- 2 Improve accessibility and facilities for disabled visitors
- 3 Secure or create disability sector conferences to be held in Western Australia.

While objectives 1 and 2 are broader than PCB's business tourism charter, they form the methodology by which objective three, the Bureau's objective, is achieved.

PCB's primary target audience was the 96 associations within the sector that were represented in Western Australia and had possible links to national and international conferences. The initial objective was to create awareness of the project and motivate these associations to consider bidding or to create new meetings.

The method chosen to reach them was in association with their major funding source, the Disability Services Commission, utilizing strategic customer relationship management (CRM) techniques. In identifying its key partners, PCB researched the organization to determine its objectives and then the key contact or person responsible for running the organization, in order to ascertain their personal objectives and aspirations.

Curtin University's key objective is meeting the educational needs of its students. The key contact, Ruth Taylor, was also keen to establish industry connections and develop unique material for international presentations. She has subsequently presented on this project at conferences in Hong Kong and Boston.

To engage the lynchpin organization, the Disability Services Commission, PCB needed to develop a connection and it started by offering to circulate a new manual, created by the Commission for servicing the tourism sector, to PCB's 300 industry members, ensuring it was

received and acknowledged. By demonstrating PCB's understanding of the Commission's objective to improve facilities within the tourism industry in order better to meet the needs of people with disabilities, the synergy came in jointly agreeing to use the conference sector as the catalyst for achieving change by:

- 1 Motivating the disability sector to pursue conferences and to encourage tourism operators to use part of the profits from the subsequent events to improve facilities.
- 2 Motivate the tourism industry to 'court' rather than simply 'cater' for the disability sector.

The initial sales target was to generate five convention bid leads from the disability sector and convert at least two of them for the destination within 12 months.

## **Campaign**

Phase One of the campaign was undertaken over a 9-month period from November 2003 to June 2004 and consisted of the following elements:

### **1 Research and data preparation**

Research findings on the extent and potential value of the sector were surprising, including the fact that in Australia:

- One in every five people has a disability.
- One in every ten people is a carer of someone with a disability.
- 70% of all assistance required by people with disabilities is provided by the informal network.
- 93% of people with a disability live in the community, either independently or with family or friends.

An average of 5–10% of people attending disability-related conferences actually have a disability requiring special facilities. The majority of attendees are able-bodied people.

The sector has traditionally been serviced rather than sought after and so is not used to being viewed or courted as a resource and opportunity. The association network, therefore, responded enthusiastically to the new opportunities presented to them and were keen to participate.

### **2 Direct mail campaign**

A brochure outlining the programme was produced and an invitation to attend a launch function was distributed to 98 associations with links to the Disability Services portfolio.

The campaign achieved a remarkable 45% positive response rate to the launch event and 9% response requesting an immediate meeting to discuss a convention bidding opportunity.

### **3 Hosting a campaign launch function**

The project was officially launched in February 2004 in front of 45 local associations within the disability sector, including representatives from Government and academia. The breakfast forum aimed to encourage support from the disability sector for the project and to motivate organizations to bid for their national and international conferences. Five of the organizations present made immediate requests for meetings after hearing about how the project was achieving social change, improving facilities and financially rewarding those in the tourism industry that were supporting the project.

## Campaign budget

Funding and in-kind support for the programme was generated with the support of industry members. Event Edge, a professional conference management company, and the Esplanade Hotel, Fremantle, a newly expanded convention venue, each contributed as founding partners of the programme in return for marketing exposure to the meeting organizers. Curtin University provided in-kind support for the research programme. Marketing expenses included:

<i>Date</i>	<i>Activity</i>	<i>Cost (Australian dollars)</i>
November 2003 to February 2004	Research and data preparation in association with Curtin University	\$5000
February 2004	Direct Mail Campaign	\$950
14 February 2004	Campaign Launch	\$2100
Ongoing	Media and public relations campaign	Nil
February–June 2004	Meetings with organizations and development of bids	\$41 500
Total		\$49,550

## Results

By the end of 2004 PCB had sourced three international and seven national convention bidding opportunities in the disability sector, of which six were secured for Western Australia, one elected not to proceed to bid, and three were at the bid development stage.

Among those secured were the Disabled Artists International Conference, which was expected to attract 500 delegates in 2005, and the Congress of the International Federation of Disability Sailing with an estimated 700 delegates in 2006. These two conventions would generate AU\$3.07 million in direct delegate expenditure. Together with the national conferences, the programme had so far generated in excess of 2800 delegates who would inject an estimated AU\$5.36 million in direct delegate expenditure to the State economy.

## The future

Phase 1 of the programme was such an outstanding success that the programme has received a funding boost and will be profiled internationally with the objective of generating international conference business from within Europe. Scott Campbell presented the campaign to an invited audience of disability organizations in London and Paris in November 2004. An alliance has been formed with the British equivalent (Disability Rights Commission) of the Disability Services Commission to encourage more conferences to consider Western Australia.

Disability awareness training programmes have been initiated for tourism employees, generating very positive publicity for PCB. PCB is also planning a 'Night of Recognition' for those tourism organizations that have improved their facilities and for those disability organizations that have undertaken to bid for a conference to be held in Perth.

The 'Beyond Compliance' programme won the Best Marketing Award at the International Congress and Convention Association's congress held in Cape Town in October 2004.

## Case Study 2.3

### Toronto's crisis management strategy in response to the threats posed by the SARS outbreak

This Case Study examines how one destination, Toronto, responded rapidly and effectively to a major crisis and, by so doing, successfully minimized its potential negative impacts and used the crisis as a platform for future growth.

#### Background on Toronto

Toronto is Canada's largest city, with a population of 4.7 million (in Greater Toronto), spanning more than 100 cultures. Its cultural diversity is reflected in the fact that, apart from the two official languages of English and French, other languages commonly spoken in the city include Chinese, Italian, Tamil, Portuguese and Spanish. Toronto's skyline incorporates CN Tower, one of the 'Modern Wonders of the World', together with miles of waterfront, beaches (on Lake Ontario) and a bustling central downtown. It can offer more than 35 000 hotel rooms in over 120 hotels, and has Canada's largest convention centre, which ranks among the top ten largest continuous space facilities in North America.

#### The economic impact of SARS

Severe Acute Respiratory Syndrome (SARS) originated in China. It has symptoms similar to a cold/flu, with most patients developing pneumonia. It is a very contagious disease but the full recovery rate from SARS in the world averages 85%. The case fatality rate varies by age group: for patients above 65 years of age, the death rate is over 50%, while the rate for those younger than 24 years of age is about 1%. The overall estimate of case fatality is 14–15% (*World Health Organisation Global SARS Conference, Malaysia, June 2003*).

The outbreak of SARS in Canada at the end of 2002 and through the first nine months of 2003 resulted in significant damage to the travel and tourism industry, especially in the Toronto area. The Conference Board of Canada's Canadian Tourism Research Institute (CTRI) analysed the economic impact of SARS on all aspects of business and leisure travel, and estimated a loss in economic activity for the City of Toronto of about \$570 million in 2003 (a reduction of 0.5% in Gross Domestic Product). A more detailed breakdown of the impact is shown in Tables 2.2 and 2.3. However, it is important to note that, at this same time, the travel and tourism sector in Toronto was already suffering from fears and uncertainty surrounding the war in Iraq, making it difficult to identify precisely what percentage of the downturn in tourism business was due to SARS and how much to other factors.

In 2002 (pre-SARS year), convention business was estimated to have had an economic impact of \$369 393 454 on the Greater Toronto area, and \$136 057 175 on the rest of Ontario. By comparison, in 2003 convention business had an estimated economic impact of \$231 241 717 on Greater Toronto, and of \$89 970 252 on the rest of Ontario. In terms of employment, in 2003 convention business created a total of 4472 jobs in Greater Toronto, and another 1308 in the rest of Ontario. In 2002, convention business created 7449 jobs in Greater Toronto and 2031 in the rest of Ontario. These impacts are summarized in Table 2.4. In specific terms, nine city-wide conventions were lost in 2003, and some 307 000 convention- and meetings-related room nights.

It can be seen that a substantial decline in convention revenues and employment was experienced in 2003. However, a rapid improvement was achieved by 2004, when a total of 18.5 million visitors came to Toronto, 691 000 of whom were convention attendees. In 2003, 16.9 million people had visited Toronto, 606 000 of whom were attending a convention. These

**Table 2.2** Impact of SARS on travel to Toronto

	Percentage change Q2 2003*	Percentage change overall 2003*
<i>Overnight travel to Toronto (by market)</i>		
Domestic	[–]15	[–]4.8
United States	[–]20	[–]9.1
Overseas	[–]40	[–]16.7
<i>Same day travel to Toronto</i>		
All markets	[–]25	[–]11.4

\*Percentage change in real expenditures compared with previous year.

Source: The Conference Board of Canada

**Table 2.3** Impact on economic activity at Toronto's Pearson International Airport and on the Toronto tourism industry due to SARS (\$m)

	Q1 2003	Q2 2003	Q3 2003	Q4 2003	2003 overall
Impact	–40.5	–403.7	–203.6	79.2	–568.7

Source: The Conference Board of Canada

**Table 2.4** Business convention economic impact in Greater Toronto

	2002	2003	% change
Total economic impact	\$369 393 454	\$231 241 717	[–]37
Employment	7449	4472	[–]40

Source: Statistics Canada and Ministry of Tourism (TREIM model)

figures suggest a stronger year-on-year recovery in convention business (14%) compared with total visitors (11%).

### Toronto's Recovery Strategy

In order to counteract the negative publicity and damaging economic impacts of SARS, Tourism Toronto (the city DMO, [www.torontotourism.com](http://www.torontotourism.com)) put together a 'Recovery Strategy' in 2003 with the following aims:

- Reassure/demonstrate that Toronto is a safe travel destination
  - Primary Key: Rebuild local and global confidence immediately and sustain a programme of aggressive communication for the next 24 months. Generate 'grassroots' community enthusiasm, pride and engagement in *Toronto Campaign*



**Table 2.5** Toronto's 'Recovery Roadmap'

<i>1 May 2003 till all-clear</i>	<i>Mid-May till 30 July 2003</i>	<i>Post all-clear and beyond</i>
<b>Phase 1: Grassroots engagement and assurance</b>	<b>Phase 2: Rally Toronto events and festival support</b>	<b>Phase 3: Marketplace outreach</b>
Assurance advertising	Festival/event support advertising and retail packaging	Recovery advertising
Convention damage control	Rally Toronto events	Convention sales development
Strategic media/trade relations focus groups	Trade relations/fam. trips/sales missions	Strategic media relations
Lifting the travel ban imposed by the World Health Organization (WHO)	Celebrity influencers' campaign and spokespeople	Media tours
Corporate outreach to key global organizations with Toronto offices	Lifting the travel ban imposed by the World Health Organization	Joint Marketing Agreements with trade partners
ALL CLEAR by WHO – announce Rally Toronto events	Trade development initiatives	Online marketing campaign
Ongoing research for travel attitudes and intentions	Ongoing research for travel attitudes and intentions	Fam. trips for all travel sectors
Corporate outreach to key global organizations with Toronto offices	Celebrity influencers' campaign	Ongoing research for travel attitudes and intentions

- Engage all stakeholders to support and drive the *Toronto Campaign* through a single, focused Plan.
- Preserve existing 2003 meetings/conference/incentive and leisure business to avoid a 'tourism meltdown'
- Position Toronto to recover lost market share in 2004 and use resulting marketplace momentum to springboard growth into 2005 and beyond.

The detailed implementation of the Recovery Strategy comprised a three-phase 'Recovery Roadmap', summarized in Table 2.5.

### **Crisis management and damage limitation**

Toronto Tourism learned a number of key lessons from its experience of handling SARS, lessons that are applicable to other destinations facing a health-related crisis (many of which will be equally relevant to other forms of crises). These lessons may be summarized as follows:

#### **Be prepared in advance: Educate yourself and become an expert by**

- Working closely with local public health officials
- Liaising with embassies and consulates to ensure immediate access to their global communication networks

- Working with third party health organizations, such as national health bodies, the centre for disease control and the World Health Organization.

**Educate your constituents and have a communication plan by:**

- Identifying an accessible 'expert' health professional to work with and to use to support key tourism messages
- Appointing one designated tourism industry spokesperson and information channel for your enterprise, and make use of communication tools such as:
  - website
  - newsletters
  - conference calls/web casts.

**Meeting planners/suppliers protect your meetings business**

- Check your meeting plan
  - Financial sensitivity
  - On-site crisis response plan
  - Medical evacuation plan
  - First aid training for venue staff
- Check your contracts
  - *Force majeure* clause
- Check your relocation options
- Check insurance
  - Cancellation insurance
  - Liability insurance
  - Local health insurance
- Check your attitude
  - In a crisis, it is not about allocating blame or finding winners and losers. Work together to find solutions.

**Damage control exercise**

- Make sure you have a crisis before you engage in crisis management
- Assemble an information network and use it
- Prepare relevant and accurate information on a timely basis
- Identify high-impact stakeholders and cultivate those relationships throughout
  - Members
  - Host venue/community
  - Suppliers/sponsors
  - Media
- Define key messages
- Over-communicate
- Move to recovery fast: damage control is exhausting.

**Summary: Guiding principles for success**

Toronto Tourism recommends that destinations confronted by a major health scare or crisis should adhere to a number of guiding principles to steer them through it successfully. These are:

- FOLLOW public health officials' lead
  - Focus the crisis on the facts of the crisis – *not* on speculation about what might happen

- GET THE BEST
  - Get professional communication resources in place
- MOVE FAST – the crisis moves faster than you can imagine
  - Develop key messages and stick to them
  - Damage control
  - Recovery planning
- CHANNEL stakeholder energy
  - People will want to help. Find a way to use this interest rather than ignore it
- ONE SPOKESPERSON
- MOBILIZE networks
  - You will never be able to reach everyone who needs to know your messages as quickly as you need to
- RESEARCH aggressively
  - It is a fluid marketplace and you need to stay connected and current
- OVER-COMMUNICATE
  - Members
  - Clients/partner.

## Review and Discussion Questions

- 1 Compare and contrast, from a customer or client perspective, the impacts of disintermediation on the conference and business events sector with its impacts on another service-based industry.
- 2 Examine two conference destinations: one enjoying a growing market share and one whose market share has declined. What have been the key factors in the marketing and management of these two destinations which have led to their relative success or failure over recent years?
- 3 'Public funding in support of conference destination marketing should only be provided to match contributions made by the private sector'. Discuss and illustrate with examples of:
  - (a) publicly funded DMOs
  - (b) public-private partnerships
  - (c) fully private sector initiativesincluding return on investment (ROI) criteria.
- 4 Examine the response of a city conference destination to a major crisis, e.g. a natural disaster, terrorism or other violent disturbances, infrastructure failure, or other man-made crisis (but not healthcare-related). How successful has the city been in managing the crisis and recovering its market position? What lessons can be learned from the destination's response?

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