



BUREAU BUSINESS BAROMETER – APRIL 2003 SUMMARY RESULTS

INTRODUCTION

On April 22, 2003, IACVB launched an online survey to all 510 member bureaus to obtain a current assessment of how business is doing in their destinations. Questions focused on several areas – meetings market sales activity; impact of key factors on current bureau business; current funding levels compared to last year; changes made or anticipated based on business activity; and an overall outlook for the remainder of the year.

The first group of questions focused on the meetings market to assess both the more immediate sales environment (via leads generated) and the longer term commitments via the conversion to definite bookings. Postponement and cancellation activity for existing events in 2003 was also assessed.

SUMMARY RESULTS

Leads Generated – 1st Quarter 2003 versus 2002

(Leads were defined as an inquiry by a corporation or association which includes a request for at least ten sleeping rooms over a specific set of dates (minimum of one night) or similar information generated by the bureau sales staff that is forwarded to hotels. See other definitions at the end of this summary report.)

- More than 40% of the respondents indicated their sales leads (all types) were about the same comparing first quarter 2003 against first quarter 2002.
- Association leads offered the most positive story with 43% saying they were higher. This is compared to 33% saying citywide leads were higher and 22% for corporate leads. Association leads were higher by 20% (median).
- For those experiencing leads lower than last year, it is bureaus with budgets of \$5 million or more feeling the tighter pinch. Overall, smaller bureaus (with budgets of \$1 million or less) have been better able to maintain the same levels as last year.

Definite Bookings – 1st Quarter 2003 versus 2002

(Definite bookings were defined as future events that are contracted in writing by the event organization with the event facility (convention facility and/or hotel).

- The pattern for definite bookings mirrors the leads description above.

Postponements/Cancellations

- For existing events in calendar year 2003, the majority of respondents did not experience any postponements (81%) or cancellations (67%) of those events.
- For those that did, it averaged 7% for postponements (mostly in the April to June time period) and 5% for cancellations (mostly in the first half of the year).

Factors Impacting Business

- Of the five factors bureaus were asked to rate on the impact it had on their business, “current economic conditions” by far outweighed any other factor. More than three-fifths (62%) said it had a “high” or “very high” impact.
- Overall ratings were as follows (5=very high impact; 1=no impact)

Current economic conditions	3.9
Iraq War	2.7
Effects of terrorism	2.5
Gasoline/petrol prices	2.4
Reduced air flights	2.3
SARS	1.4
- Nine of ten respondents (91%) reported that SARS had “no” (72%) or “low” (19%) impact on their business.
- Smaller destinations were more likely to rate gasoline/petrol prices as having a higher impact on them. This should be expected since these destinations are probably more dependent on the drive markets.

Bureau Funding Levels

- Almost half of the respondents (46%) cited their current funding levels to be flat compared to last year.
- The up and down cycle was equal in that 27% said their funding was up compared to last year and 27% said it was down. For both, there was a 12% change in their funding.
- Larger budget bureaus were more likely to experience a decrease in funding.

Changes Made And Planned

- Based on funding level changes (as noted above), most bureaus did not make any changes to their existing media advertising (print or electronic) or to staffing. The largest change came in stepping up sales efforts (some examples include hiring more sales staff, attending more trade shows, increasing sales calls/trips, targeting productive markets, hiring lead generation firms, etc.).
- Approximately a third (32%) decreased their print advertising and a fourth (26%) increased it. Bureau advertising efforts are now focusing more on the most effective areas – for some bureaus that means the leisure market or the drive market and, for others, it means the meetings market or doing more cooperative ads.
- For electronic advertising, 39% have already increased these efforts. Cited by many were website upgrades and the usage of e-communications (newsletters and/or postcards).
- As far as anticipated changes for the remainder of the year, most are not expecting to make any additional changes. Where increases are anticipated, these fall mainly in the areas of increasing sales efforts and electronic advertising (following similar strategies as noted above). Thirteen percent even indicated increasing staff levels.

When asked about other factors impacting their business, comments ranged from politics and budget cuts to the decline in corporate business travel and the loss of sales staff to weather.

Outlook

- When asked to describe their overall outlook for the remainder of the year, half (55%) said “fair” and 36% said “good.”

BACKGROUND

Of the 510 bureaus that received the survey on April 22nd, a total of 127 responded, for a response rate of 25%. The majority of the responses (97%) were from U.S. bureaus. The breakdown of bureau respondents roughly compares to IACVB’s membership composition although there were slightly more mid-sized and larger bureaus responding to the online survey.

DEFINITIONS

Definitions used for the various meetings-related questions are as follows:

LEAD = An inquiry by a corporation or association which includes a request for at least ten sleeping rooms over a specific set of dates (minimum of one night) or similar information generated by the bureau sales staff that is forwarded to hotels.

DEFINITE BOOKINGS = Future events that are contracted in writing by the event organization with the event facility (convention facility and/or hotel).

CORPORATE = Any meeting sponsored by a private corporation or company, EXCLUDING convention center and multi-hotel corporate business.

ASSOCIATION = Association business of any kind that uses one hotel and DOES NOT use a convention center.

CITYWIDES = Meetings that use a convention center, arena, stadium, etc. and ask for multiple hotels.