

Convention Delegate Survey

Year ending June 2010

Prepared for

Conventions and Incentives New Zealand
Tourism Strategy Group, MED
Convention Bureaux New Zealand

Authorship

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1 Executive Summary

This report presents data from the first year of the Convention Delegate Survey (CDS) which collects expenditure data from multi-day convention delegates through an online survey. The CDS is the 'demand-side' component of the Convention Research Programme (CRP).

The CRP was established in 2009 through a partnership between Conventions and Incentives New Zealand (CINZ), the Tourism Strategy Group, MED (previously Ministry of Tourism) and Convention Bureaux New Zealand. The objectives of the CRP are to monitor convention activity in New Zealand; and estimate the contribution multi-day conventions make to the economy.

Activity levels are monitored through the Convention Activity Survey (CAS) which is an online benchmarking programme involving more than 100 professional conferencing venues. The CAS is the 'supply-side' component of the CRP. Venues enter their own information and can then view summary statistics for their region including aggregate number of events, delegates, and delegate days hosted.

The economic contribution of multi-day conventions is estimated by combining expenditure data from the CDS with activity data from the CAS. A web link to the CDS is emailed to conference delegates by conference organisers.

The results in this report apply to the 10 regions that participate in the CAS, and will therefore understate national totals by a small amount. The expenditure estimates are based on a CDS sample of 1,621 multi-day convention delegates.

The key results of the CDS for the year ending June 2010 are outlined below.

- A total of 2,741 multi-day conventions were hosted in CAS regions in the year ending 30 June 2010. These events hosted 281,094 delegates, including 27,525 international visitors (10%).
- These delegates generated 708,190 visitor nights in New Zealand. Around 76% (536,067) of these nights were spent in the region that hosted the event, with the remaining 24% (172,123) spent in other regions.
- Domestic delegates generated an average of 3.3 visitor nights (2.8 in the host region and 0.6 in other regions), while international delegates spend an average of 8.4 nights in New Zealand (5.1 in the host region and 3.4 in other regions).
- Multi-day convention delegates spent a total of \$395 million in the New Zealand economy, including GST. Domestic delegates accounted for \$202 million (51%) of this total, local delegates \$81 million (20%) and international visitors \$112 million (28%).
- On average each international delegate spent a total of \$4,079 in New Zealand, compared with \$1,419 for domestic delegates and \$725 for locals.

- International delegates spent an average of \$424 per night in New Zealand (excluding international airfares), compared with \$117 by all international visitors in the year ending June 2010 (IVS).
- Domestic delegates also spent an average of \$424 per night, compared with \$118 by all domestic travellers in the year ending June 2010 (DTS).
- The \$395 million of expenditure by multi-day convention delegates on all goods and services in New Zealand contributed around \$398 million to national GDP in the year ending June 2010, comprising a direct impact of \$157 million and an indirect/induced impact of \$241 million.

2 Introduction

The Convention Research Programme (CRP) was established in 2009 through a partnership between Conventions and Incentives New Zealand (CINZ), the Tourism Strategy (previously Ministry of Tourism) and Convention Bureaux New Zealand. The objectives of the CRP are to monitor convention activity in New Zealand; and estimate the contribution multi-day conventions make to the New Zealand economy.

Activity levels are monitored through the Convention Activity Survey (CAS), which is an online benchmarking programme involving more than 100 professional convention venues in the following 10 regions:

- Auckland
- Rotorua
- Taupo
- Hawke's Bay
- Manawatu
- Wellington
- Nelson
- Canterbury
- Queenstown
- Dunedin

Venues enter their own information and can then view summary statistics for their region including aggregate number of events, delegates, and delegate days hosted.

The economic contribution of multi-day conventions is estimated by combining expenditure data from an ongoing survey of convention delegates called the Convention Delegate Survey (CDS) with activity data from the CAS.

The CDS collects profile and expenditure data from a sample of local, domestic and international multi-day convention delegates through a customised online survey. A link to the survey is emailed to delegates post-event by the event organiser.

The survey has been aligned as closely as possible with existing tourism surveys such as the International Visitor Survey (IVS) and the Domestic Travel Survey (DTS).

A total of 1,621 delegates who attended a multi-day convention between 1 July 2009 and 30 June 2010 completed the CDS. The statistics from this sample have been scaled up to population using estimates of aggregate activity taken from the CAS.

The CDS results have therefore been scaled up to the population of the 10 CAS regions, not the national total. The results in this report will therefore understate the national totals by a small amount.

This report presents the results of the CDS for the year ending June 2010.

2.1 Consistency with DTS and IVS

The Domestic Travel Survey (DTS) is a telephone survey that captures information about the travel and expenditure patterns of around 15,000 New Zealand residents each year. The equivalent survey for international visitors is the International Visitor Survey (IVS). The IVS involves around 5,000 face-to-face interviews with departing visitors each year at the three major airports.

Around 100 respondents to each of these surveys cited attending a conference or convention as the main reason for their trip in the year ending June 2010. It is therefore possible to generate estimates of delegate days and expenditure from the DTS and IVS. However, these estimates are not directly comparable to those presented in this report because:

- This report focuses on multi-day conventions only, whereas the DTS and IVS include single day events.
- The DTS and IVS weighting methodologies are not designed to produce refined estimates of convention activity.
- Expenditure figures are imputed in the DTS and IVS which could bias the conference/convention expenditure estimates.
- The samples achieved in the DTS and IVS are much smaller than those achieved in the CDS; hence the error margins on the DTS and IVS estimates are likely to be much larger.

The DTS and IVS are both designed to produce robust national level estimates of tourism activity and expenditure; hence it is unreasonable to expect these surveys to produce accurate estimates of national level conference/convention activity.

The results presented in this document have been derived using data and methods designed for the sole purpose of estimating convention activity and expenditure in New Zealand. The figures presented herein therefore represent the most accurate measures of convention activity and expenditure currently available in New Zealand.

3 Summary of Results

3.1 Delegate Activity

According to the CAS, a total of 2,741 multi-day conventions were hosted in CAS regions in the year ending 30 June 2010. This included 1,446 corporate events, 777 association events, 384 government events and 134 private events. Only 50 (2%) of the 2,741 multi-day conventions involved more than 500 delegates.

Table 1 Number of multi-day conventions in CAS regions

Customer Type	Conference Size (number of delegates)				Total	Share
	<=100	101-250	251-500	501+		
Association	458	217	71	30	777	28%
Corporate	1,087	271	77	10	1,446	53%
Government	298	65	13	8	384	14%
Private	93	33	6	2	134	5%
Total	1,937	587	168	50	2,741	100%
Share	71%	21%	6%	2%	100%	

Source: Convention Activity Survey

These events involved 281,094 delegates comprising 111,225 (40%) who travelled less than 40km to attend the event (local), 142,344 (51%) who travelled more than 40km within New Zealand (domestic) and 27,525 (10%) who travelled from overseas (international).

Table 2 Number of delegates attending multi-day conventions in CAS regions

Customer Type	Origin of delegates			Total	Share
	Local	Domestic	International		
Association	38,650	59,652	13,299	111,602	40%
Corporate	50,111	59,712	11,558	121,381	43%
Government	14,089	16,980	2,105	33,174	12%
Private	8,375	6,000	562	14,937	5%
Total	111,225	142,344	27,525	281,094	100%
Share	40%	51%	10%	100%	

Source: Convention Activity Survey

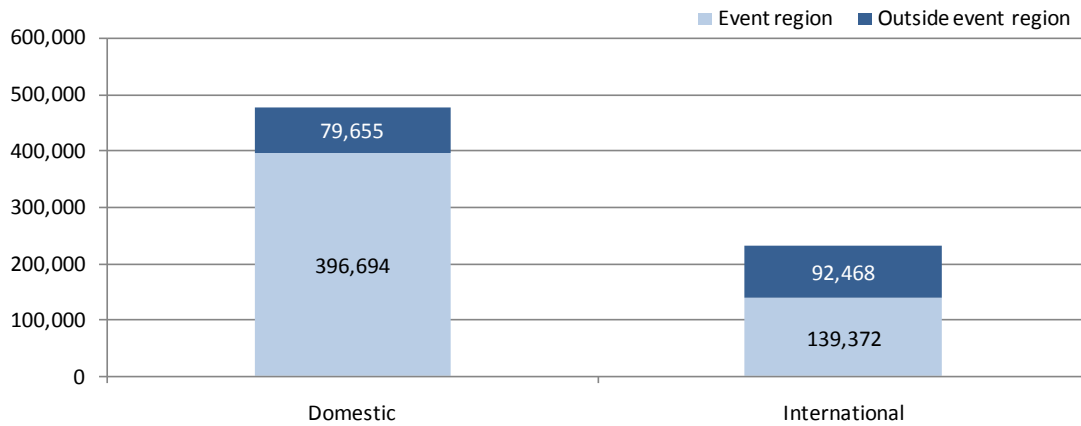
Delegates who attended multi-day conventions in CAS regions generated 708,190 visitor nights in New Zealand, comprising 476,349 (67%) by domestic visitors and 231,841 (33%) by international visitors. Around 76% (536,067) of these visitor nights were spent in the region hosting the event, with the remaining 24% (172,123) spent in other regions.

Table 3 Visitor nights generated by CAS multi-day convention delegates

	Origin of delegates			Total	Share
	Local	Domestic	International		
Event Region	-	396,694	139,372	536,067	76%
Outside Event Region	-	79,655	92,468	172,123	24%
Total	-	476,349	231,841	708,190	100%
Share	-	67%	33%	100%	

Source: Convention Activity Survey & Convention Delegate Survey

Figure 1 Visitor nights generated by CAS multi-day convention delegates



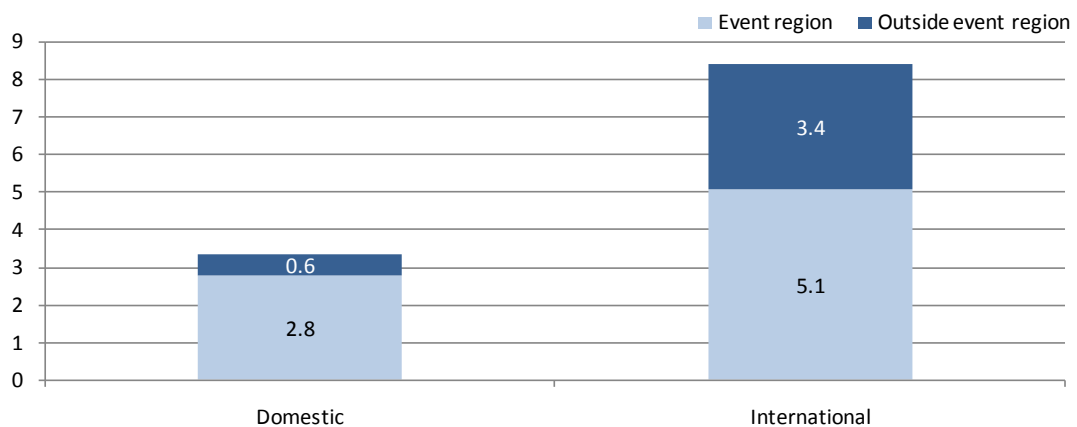
Domestic delegates who travelled more than 40km to attend a multi-day convention in a CAS region generated an average of 3.3 visitor nights (2.8 in the host region and 0.6 in other regions), while international delegates spend an average of 8.4 nights in New Zealand (5.1 in the host region and 3.4 in other regions).

Table 4 Average number of visitor nights generated by CAS multi-day convention delegates

	Origin of delegates		
	Local	Domestic	International
Event Region	0	2.8	5.1
Outside Event Region	0	0.6	3.4
Total	0	3.3	8.4

Source: Convention Delegate Survey

Figure 2 Average number of visitor nights generated by CAS multi-day convention delegates



3.2 Delegate Expenditure

Delegates who attended multi-day conventions in CAS regions in the year ending June 2010 spent a total of \$395 million in the New Zealand economy, including GST. The main components of this expenditure were:

- \$194 million on registration fees, the majority of which is likely to accrue to the host region.
- \$127 million by delegates on goods & services in the host region, including \$78 million by domestic visitors and \$43 million by international visitors.
- \$35 million of tourism expenditure by delegates in other regions before or after the event, including \$11 million by domestic visitors and \$25 million by international visitors.
- \$24 million on domestic airfares, and \$14 million on international airfares that accrue to New Zealand.

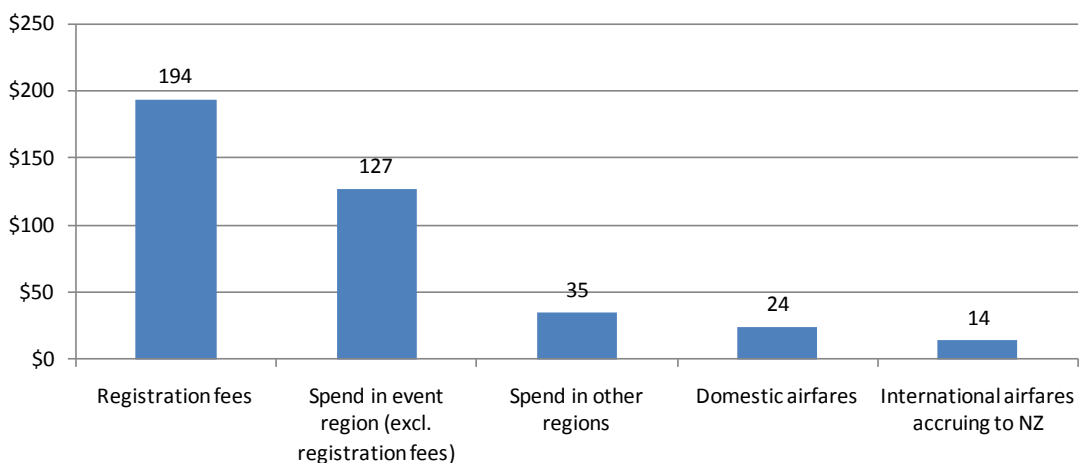
Table 5 Total Spend in NZ by CAS multi-day convention delegates (\$NZm, including GST)

	Origin of delegates			Total	Share
	Local	Domestic	International		
Delegate spend in host region	\$80.65	\$172.34	\$68.32	\$321.31	81%
Registration fees	\$74.52	\$94.20	\$25.34	\$194.06	49%
Accommodation	-	\$35.62	\$16.75	\$52.37	13%
Food & beverage	\$1.94	\$16.38	\$8.47	\$26.80	7%
Retail purchases	\$0.50	\$12.63	\$8.71	\$21.85	6%
Entertainment & activities	\$0.27	\$6.43	\$4.76	\$11.46	3%
Ground transport	\$3.18	\$6.73	\$3.72	\$13.64	3%
Other spend	\$0.23	\$0.35	\$0.57	\$1.14	0%
Other spend by delegates	\$0.00	\$29.66	\$43.95	\$73.61	19%
Tourism spend in other regions	-	\$10.62	\$24.60	\$35.22	9%
Domestic airfares	-	\$19.04	\$5.27	\$24.32	6%
International airfares*	-	-	\$14.07	\$14.07	4%
Total delegate spend	\$80.65	\$202.01	\$112.27	\$394.92	100%
Share	20%	51%	28%	100%	

Source: Convention Activity Survey & Convention Delegate Survey

* Only includes expenditure on airfares that is likely to have accrued to the New Zealand economy

Figure 3 Total spend in NZ by CAS multi-day convention delegates (\$NZm, incl. GST)



On average each delegate attending a multi-day convention in a CAS region spent the following amount in New Zealand:

- Locals - \$725
- Domestic visitors - \$1,419
- International visitors - \$4,079

Note that average spend on international airfares is calculated as expenditure that is likely to have accrued to New Zealand divided by total international delegates. If the expenditure accruing to all countries is included the average spend on international airfares is \$1,461 per delegate.

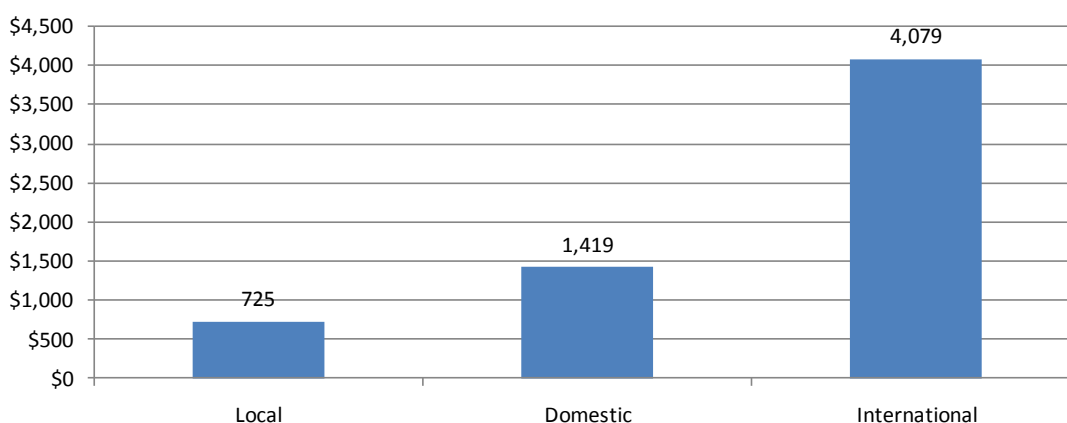
Table 6 Average spend in NZ per CAS multi-day convention delegate (incl. GST)

	Origin of delegates		
	Local	Domestic	International
Delegate spend in host region	\$725.08	\$1,210.73	\$2,482.30
Registration fees	\$670.00	\$661.75	\$920.63
Accommodation	-	\$250.26	\$608.54
Food & beverage	\$17.44	\$115.10	\$307.79
Retail purchases	\$4.53	\$88.72	\$316.62
Entertainment & activities	\$2.47	\$45.15	\$172.88
Ground transport	\$28.62	\$47.31	\$135.13
Other spend	\$2.02	\$2.44	\$20.71
Other spend by delegates	\$0.00	\$208.40	\$1,596.72
Tourism spend in other regions	-	\$74.61	\$893.89
Domestic airfares	-	\$133.79	\$191.52
International airfares*	-	-	\$511.30
Total delegate spend	\$725.08	\$1,419.13	\$4,079.01

Source: Convention Delegate Survey

* Only includes expenditure on airfares that is likely to have accrued to the New Zealand economy

Figure 4 Average spend in NZ per CAS multi-day convention delegate (incl. GST)



On average delegates attending multi-day conventions in CAS regions spent the following amounts per night, excluding international airfares (which are generally excluded from average spend calculations):

- Domestic visitors - \$434 in the host region; \$133 in other regions visited during their trip; \$40 on domestic airfares; \$424 across their entire trip
- International visitors - \$490 in the host region; \$266 in other regions visited during their trip; \$23 on domestic airfares; \$424 across their entire trip

Note that average spend on domestic airfares is calculated as total expenditure on domestic airfares divided by total delegates. Not all delegates consume domestic flights; hence the average spend on domestic airfares is lower than the average amount spent by delegates who consume flights.

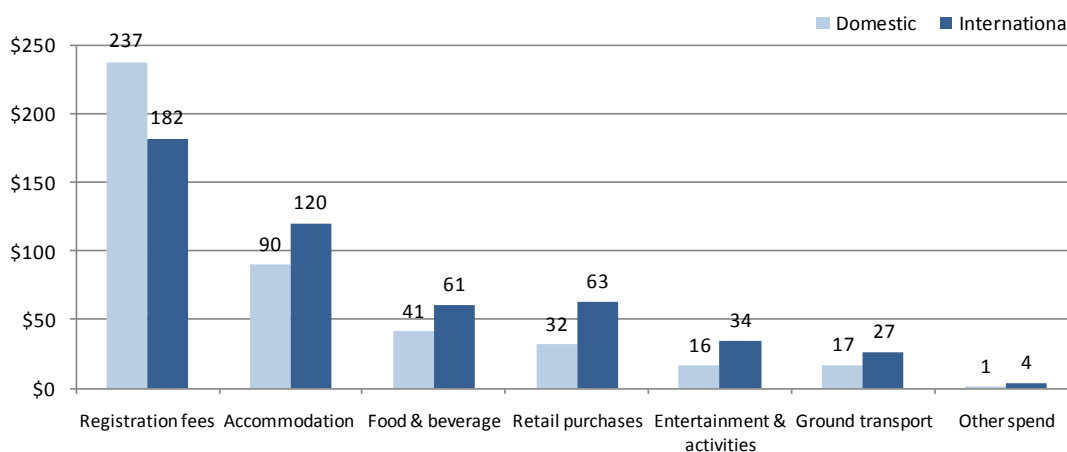
Locals do not generate additional visitor nights and are therefore excluded from this measure.

Table 7 Average spend in NZ per night by CAS multi-day convention delegates (incl. GST)

	Origin of delegates	
	Domestic	International
Delegate spend in host region	\$434.44	\$490.22
Registration fees	\$237.45	\$181.81
Accommodation	\$89.80	\$120.18
Food & beverage	\$41.30	\$60.78
Retail purchases	\$31.84	\$62.53
Entertainment & activities	\$16.20	\$34.14
Ground transport	\$16.98	\$26.69
Other spend	\$0.87	\$4.09
Delegate spend in other regions	\$133.33	\$266.07
Spend on domestic airfares	\$39.98	\$22.74
Total delegate spend	\$424.07	\$423.56

Source: Convention Delegate Survey

Figure 5 Average spend per night in host region by CAS multi-day convention delegates (incl. GST)



3.3 Contribution to GDP

The economic contribution of multi-day conventions hosted in CAS regions has been estimated by applying direct, indirect and induced GDP multipliers to the delegate spend estimates presented above. Note that the delegate spend figures include GST (this is consistent with the reporting of expenditure data in the DTS and IVS); hence the GDP multipliers have been reduced by 12.5% to account for this.

More information on GDP calculation process is contained in Appendix 1, including a description of the direct, indirect and induced impacts.

Based on this analysis it is estimated that the \$395 million of expenditure by multi-day convention delegates in New Zealand contributed around \$398 million to national GDP in the year ending June 2010, comprising a direct impact of \$157 million, and an indirect/induced impact of \$241 million.

Table 8 Contribution of CAS multi-day conventions to national GDP in the year ending June 2010

	\$NZm
Total delegate spend (incl. GST)	\$394.9
Contribution to GDP	\$398.4
Direct	\$157.3
Indirect & induced	\$241.0

Source: Convention Delegate Survey & Covec

Appendix 1

The table below details how the GDP estimates have been derived. The direct, indirect and induced multipliers have been sourced from tables provided by Butcher and Associates, and have been adjusted downwards to account for the fact that they're being applied to expenditure figures that include GST.

Table 9 Calculation of GDP generated by multi-day conventions hosted in CAS regions

	Delegate Spend (\$NZm)	GDP Multipliers		Contribution to GDP (\$NZm)		
		Direct	Indirect & Induced	Direct	Indirect & Induced	Total
Delegate Spend in Event Region	\$321.31	0.41	0.63	\$132.47	\$202.98	\$335.44
Registration fees	\$194.06	0.44	0.65	\$84.52	\$125.92	\$210.44
Accommodation	\$52.37	0.39	0.56	\$20.48	\$29.33	\$49.81
Food & beverage	\$26.80	0.29	0.69	\$7.86	\$18.58	\$26.44
Retail purchases	\$21.85	0.44	0.60	\$9.52	\$13.01	\$22.53
Entertainment & activities	\$11.46	0.33	0.64	\$3.77	\$7.33	\$11.10
Ground transport	\$13.64	0.43	0.60	\$5.82	\$8.12	\$13.94
Other spend	\$1.14	0.44	0.60	\$0.50	\$0.68	\$1.18
Other spend by Delegates	\$73.61	0.34	0.52	\$24.87	\$38.05	\$62.92
Tourism spend in other regions	\$35.22	0.38	0.61	\$13.27	\$21.33	\$34.60
Domestic airfares	\$24.32	0.30	0.44	\$7.35	\$10.59	\$17.94
International airfares*	\$14.07	0.30	0.44	\$4.25	\$6.13	\$10.38
Total	\$394.92	\$0.40	\$0.61	\$157.34	\$241.02	\$398.36

* Only includes expenditure on airfares that is likely to have accrued to the New Zealand economy

Note on direct, indirect and induced impacts

Industries that produce goods and services for consumer consumption must purchase products, raw materials, and services from other companies to create their product. These vendors must also procure goods and services; hence the initial transaction generates subsequent transactions that may affect many different industries.

There are three types of effects measured with a multiplier: the direct, the indirect, and the induced effects. The direct effect is the known or predicted change in the local economy that is to be studied. The indirect effect is the business to business transactions required to satisfy the direct effect. Finally, the induced effect is derived from local spending on goods and services by people working to satisfy the direct and indirect effects.

Direct effects take place only in the industry immediately affected e.g. if a hotel sells \$100,000 worth of accommodation the direct impact is the value that is added to the economy by that hotel i.e. \$100,000 less the purchases of goods and services required to meet that demand.

Indirect effects concern inter-industry transactions - to service an additional \$100,000 of demand the hotel must purchase goods and services from other businesses e.g. cleaning and laundry services (assuming these services are not provided in-house), utilities, commissions etc. These suppliers may in turn need to purchase goods and services from other businesses; hence the initial transaction may result in quite a large number of transactions back through the supply chain.

Induced effects measure the effects of the changes in household income caused by the direct and indirect effects. For example, the increase in demand for hotel rooms is likely to lead to growth in household income due to new employees being hired to meet the demand and/or existing employees working longer hours. The resulting increase in income is likely to stimulate an increase in household expenditure, which would start another chain of direct, indirect and induced effects through the businesses that households purchase goods and services from.