Shaping Destinations with Business Events: Insights into Ecosystem Dynamics

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Innovation, Knowledge Transfer, International Understanding, Sustainable Environment

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Industry Viewpoint

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ABSTRACT

Moments when something new arises. Conferences, congresses, and events serve as platforms for exchanging experiences and ideas. They promote innovation, facilitate knowledge transfer, and further education and training. They foster international understanding. They reflect both international and national society and provide impetus for political, economic, scientific, and social processes. The event ecosystem also undergoes sustainable changes in response to global shifts that influence the conditions within which the industry operates. The innovation network Future Meeting Space (FMS) has been examining and discussing this continuous transformation since 2015. Based on this research, as well as other sources, the present white paper, considering all stakeholders in the event ecosystem, illustrates what a sustainable environment for business events might look like and the importance of these events for the development of regions and cities. It also analyzes the demands that business events place on destinations, locations, and the stakeholders involved today and even more so in the future, as well as the necessary conditions.

Megatrends and Influencing Factors

The sustainable transformation of the event market is set against global megatrends deeply influencing our environment. Advancing globalization, technologization, shifting mobility expectations, and sustainability are swiftly reshaping the landscape for business events. Other key trends include demographic shifts, urbanization, resource scarcity, and the quest for security.

These megatrends present both challenges and opportunities for business events. The Future Meeting Space research has identified several areas of action about these megatrends, especially focusing on mobility, living space, sustainability, new technologies, and event formats, which will significantly impact the perception, implementation, and role of business events.

1. **Mobility:** Our understanding of mobility is evolving, emphasizing flexibility, efficiency, and individual availability. New technologies are fusing different mobility avenues into a cohesive network.

2. **Living Space:** There is a juxtaposition between a regional focus and burgeoning urban spaces. Urbanization contrasts with city flight, autonomous living, and regional economic spaces, with events like the COVID-19 pandemic and climate-related disasters influencing urban developments.

3. **Sustainability:** Sustainability, as a global theme, has become a guiding principle for both political and personal decisions. Key factors include environmental awareness, ecological principles, climate change repercussions, green technologies, and the younger generations championing the sustainability movement.

4. **New Technologies:** The digital era has enabled event formats detached from physical locations. The pandemic has solidified the place of virtual and hybrid events in the industry. Technologies like AI and Open Data are becoming crucial in event planning.

5. **New Event Formats:** Networking, knowledge transfer, and unique experiences are what participants seek from events. The future of business events requires novel formats, with attendees making more discerning choices about participation. Especially in virtual contexts, creativity and innovation are paramount. Strategies like gamification and participatory formats are essential to engage participants, especially online ones.

Possible Future Scenarios for Business Events

Given these and other megatrends and influencing factors, what future scenarios emerge for Business Events that reflect the changing needs of participants due to new lifestyles and work styles? The Future Meeting Space research phase of 2021 (Dienes et al., 2021) has outlined three scenarios and analyzed their impact on the ecosystem of conferences and congresses. They illustrate how much our environment changes due to different influencing factors and enable the derivation of recommendations for action for all stakeholders in the industry.

SCENARIO 1	SCENARIO 2	SCENARIO 3
Title		
"Tried and Trusted - Renaissance of the Real"	"Diverse and Flexible - The Global Community"	"Green and Aware - The Net Zero Society"
Key Description		
Traditional values determine our behaviour. People rely more on well-tried patterns and classic lifestyles.	Flexibility regarding time and spatial rules is paramount.	Health consciousness and ecological actions determine consumption behaviour and political decisions.
Work Domain		
The working world is characterized by stable organizational structures with little flexibility and limited room for manoeuvre.	The daily work routine is marked by high flexibility, with remote working becoming the new standard.	Companies are intensively engaged in a more sustainable use of resources. The majority are aiming for complete climate neutrality.
Society		
Traditional values dictate social interactions and individual actions. The focus is on national development and regional markets.	Global action and flexible structures emerge as new guiding principles. Overall, there is a noticeable diversity in lifestyles.	Climate change brings about a rethinking and the deferral of personal needs. Communal living and alternative living concepts become the new standard.

Transfer to Business Events		
With the return to the" good old days" characterized by classic face-to-face events, central, large event spaces are still in demand. This scenario is characterized by a rapid return to high economic performance of events based on known and proven formats.	Events serve as an experimentation field to try out new, innovative concepts. The high proportion of hybrid and virtual events facilitates strong global networking.	Participants demand strict holistic consideration of sustainability aspects with disclosure of respective CO2 balances. The use of regional, seasonal resources, and existing infrastructures is central to the planning and execution of events.

Table 1: 3 Possible Scenarios for Business Events

Significance of Business Events for the Development of Regions and Destinations

Conferences and congresses have several positive effects on the places where they are held, spanning various areas. This is because the regional economy and infrastructure, as well as society and science, all benefit from hosting business events.

- **The Business Case**

  Business events play a crucial role in a destination, with significant interactions, especially with the local economy. In larger cities, business events account for approximately 30 to 40 percent of the overall tourist demand. Their economic impact is vast, benefiting various stakeholders across the value chain: from event planners, venues, hospitality, and catering to services like transport and staffing and extending to cultural institutions and retail.

- **The Image Effect**

  Business events significantly enhance the recognition of destinations, both nationally and globally. For many attendees, especially international ones, the event is often the primary reason for visiting a particular location. A successful event experience can lead to recommendations, promoting the hosting destination, especially on the international stage. The lasting impact of such image profiling is crucial. The public's perception of a destination influences decisions like investments, business relocations, and talent attraction.

- **The Ambient Boost**

   Business events can drive positive changes in both the geographical and structural surroundings. For instance, a large international congress in a city not only benefits the city but also the surrounding region. Accommodation needs can boost the hospitality industry outside the city, while local restaurants, retail, and attractions benefit from additional patronage. The infrastructure, especially in terms of transport and venues, also gains, pushing cities to innovate and adapt to changing mobility and work trends for the benefit of the entire population.

- **The Societal Bonus**

   Business events have a social reach, which has been hinted at in previous sections. While these effects are harder to measure than economic impacts, they represent a significant, sometimes even more crucial, qualitative aspect. Authenticity, an emerging success factor for events, means organizers focus on integrating regional elements. This strengthens local values and traditions, elevating their importance. When such unique aspects of a destination are appreciated, it positively influences the local population's sentiment, image, acceptance, and identification, even with events that might be external to their community.

Prerequisites for a Successful Environment for Business Events

While the three future scenarios outlined by the Future Meeting Space innovation consortium may differ, they all are based on fundamental trends and influencing factors that define the prerequisites for a successful environment for business events in the future. As "meta-factors", they determine the requirements for the various stakeholders that must be met to create a positive ecosystem for meetings, conferences, and congresses.

Particularly from the analyses of the latest FMS research phases, the following picture has emerged: Business events will be shaped by a combination of digital and hybrid formats, as well as a longing for authentic places, emotional experiences, and sustainable concepts. Aspects such as the community character of events, which extends beyond the event itself, the possibility for participatory design by the participants, and flexibility in participation design are crucial.

Given this background, what fundamental requirements do participants place on events, and what requirements arise for organizers? And how should the economy and science, as well as the population at the respective locations, be taken into account?

- **What Participants Expect**

The initial months following the pandemic lockdowns highlighted people's deep desire for personal interactions. This presents an opportunity for the event world to create unique experiences that offer value to participants, both professionally and personally. Key to this are location- and destination-specific resources that allow organizers to meet participants' expectations, such as industry-specific networking and expertise. Incorporating relevant startups, local business initiatives, developments in research institutes and universities, or urban/regional activities that characterize and authenticate the specific environment is crucial.

As the Future-Meeting-Space study on the future role of business events in organizations' communication mix has shown, networking, knowledge, disruption, and overall satisfaction are critical success factors from the participants' perspective. They evaluate these about the time invested. Additionally, the overall experience, learning outcomes (transfer effects) relative to time commitment, and interactions with other participants and speakers are of importance.

- **Requirements for Organizers**

Organizers need to embrace a new role, increasingly acting as community managers. Beyond content and event organization, they're responsible for fostering the community surrounding the event. This might involve creating dedicated positions for people skilled in building and maintaining networks. Similarly, trend scouts can fulfil the requirement for specific industry knowledge.

As future business events will rely on a technical infrastructure capable of various tasks, comprehensive knowledge about innovative technologies becomes crucial. This spans from enabling platform-based networking before and after the event, facilitating digital participation of attendees, to data analysis.

- **Economy, Science, and Population: Considerations**

Authenticity emerges as a pivotal term in analyses regarding the future of business events. It is the new currency for destinations (and locations) aiming for successful positioning in meetings and conferences. The local and regional economy, science sectors, and the population themselves are crucial stakeholders in the ecosystem of business events.

To harness the power of authenticity, a well-thought-out approach recognizing its challenges and opportunities is needed. Identifying the unique features and resources of cities and regions requires an integrated approach, considering stakeholders such as the economy, science, and the population and their interests. Part of this is explaining and showcasing the value business events bring to these stakeholders.

Beyond the content of event programs, another trend focuses on the offerings of destinations: studies indicate that Blurred Travel will become an integral part of the working world. Combining work-related travel with leisure becomes increasingly appealing for employees. For instance, 84% of those under 40 extend business trips for activities like sightseeing or spending a weekend with family or friends. This means that the broader offerings of a destination weigh more in the decision for or against a business event. Again, the needs of the local population are crucial, as tourism initiatives need their support and input.

Implications and Challenges for Individual Stakeholders

The derivations for the individual stakeholders described in this section are divided into a basic theoretical part followed by a practical section. The theoretical part is based on the findings from Future Meeting Space, especially from the third research phase. The practical part serves as a "checklist" and aims to provide specific action impulses for the respective stakeholders. The content was developed in three workshops with representatives of these stakeholder groups from the GCB member circle.

- **City Convention Bureaus (CVBs)**

Basic requirements. The demands on CVBs can be summarized under the terms of community-building and ecosystem management. Integrated into a dense ecosystem, they identify regional specificities and expand upon them. They act as initiators and regional trend scouts, connecting local players with organizers, thus leveraging the advantages and strengths of a destination for holistic event organization. Given the importance of real-time digital access to local/regional offerings, digital competence and systematic data management are essential. Open-data concepts, in particular, can play a vital role in marketing the MICE offerings of destinations.

Furthermore, CVBs should function as platforms, providing information on topics like hotels, venues, and travel while also acting as local experts offering insights into current trends and local peculiarities. This demands the creation and maintenance of a sustainable, regional, national, and international network. To meet these challenges, CVBs must exhibit agility and adopt a decentralized and autonomous organizational structure.

Key action areas	Recommendations
Local Networking	Business partners often prioritize their objectives, overlooking the broader city-wide challenges. Budget cuts and staffing shortages make collaboration tougher. However, the primary goal should be "Destination First."
Infrastructure and Urban Mobility	Beyond capacity, urban mobility becomes vital with an emphasis on short, efficient, and sustainable paths. Modern mobility concepts must be supported by the city.
Economy and Science	Collaboration between CVBs, the economy, and science is personnel-intensive. Frequent changes in contacts, especially in academia, hinder long-term partnerships. The dynamic start-up scene poses its challenges. It is crucial to focus on cluster formation (industry, topics) and foster synergy between business and science.
Staff and Budget	Many destinations face tight budgets, limiting investments. Even where funds exist, they cannot be utilized due to staffing shortages. There is a significant lack of professionals in the event sector, hospitality, and gastronomy, affecting venues and locations.
Overall Destination Experience	City administrations often lack understanding of the role events play in city marketing, image-building, and appreciating the local economy. They need to show more flexibility and understanding, especially in the approval processes for special events or the use of unique venues.

Table 2: Practical Requirements for City Convention Bureaus

- **Venues and Conference Hotels**

Basic requirements. The demand for flexibility and the creation of unique experiences in a hybrid environment directly impact the future orientation and design of event venues. Adaptability is key, with innovative room designs and equipment. The Business Event audience's desire for authentic and atmospheric venues suggests that locations should offer unique staging while maintaining authenticity.

Those choosing to attend an event in person will carefully consider its worth and justification. More than before, event locations need to fit into the overall picture of the event and destination, providing a compelling reason for the event and justifying the associated travel. Event content must align with the locations and destinations, or corresponding authentic setups must be created to ensure events are perceived positively by participants.

The rise of hybrid events brings more complex requirements for the events themselves- i.e. concerning the content, sequence, and technical equipment of the venues. This trend demands new skills within venues and closer collaboration with relevant service providers. As the event landscape evolves with more hybrid events and digital components on one hand, and different spatial needs on the other, it impacts the required size and design of venues. This raises questions about the capacity and performance of classic, large conference centres – whether independently or in collaboration with third parties.

Key action areas	Recommendations
Changed customer and event requirements	Event venues face challenges due to changing customer and event requirements, influenced by socio-cultural shifts, technological developments, and evolving perceptions. Topics such as digitization, mobility, sustainability, and demographic change lead to new demands. Venues need to offer flexible designs and services to remain competitive. The rise of hybrid events and the need for authentic experiences mean venues should provide adaptable spaces and technologies, emphasizing the "new normal."
Price sensitivity	Due to inflation and evolving event requirements, organizers are more price-sensitive. Increasing competition among venues further exacerbates this, leading to a challenging balance between cost and quality.
Skill shortages	The event industry has long faced staff shortages, affecting roles from technicians to event managers and catering staff. This enduring shortage is hard to remedy in the short or medium term. The remaining professionals are highly sought after, driving up costs, which conflicts with the aforementioned price sensitivity.
Decline of service providers	The COVID-19 pandemic's restrictions led to many service providers, especially in media, event tech, and catering, leaving the market. This decline might mean events cannot be held due to a lack of staff or specialized providers. This change will likely shape a new market dynamic, challenging, especially for public-sector venues.
Energy situation	The conflict in Ukraine caused a sharp rise in European energy prices. Event locations must either adjust prices, reduce margins, or find other ways to compensate for these increased costs. Additionally, due to legal or political mandates, venues will need to implement energy-saving measures in the coming years, further impacting their finances.

Table 3: Practical Requirements for Venues and Conference Hotels

- **Agencies & Service Providers**

Basic requirements. Agencies require a deep understanding of processes and technology. They must be integrated into a network to quickly design and execute projects. Access to a comprehensive pool of service providers and an overview of event trends are essential. Thematic specializations are becoming increasingly crucial for agencies to meet organizers' content requirements. A profound understanding of the new diversity and complexity of hybrid events is also vital, as is a willingness to adapt to current, especially technological and methodological trends. With new formats and changing participant expectations, new event designs must be created and implemented. Traditional approaches (e.g., passive frontal sound projection) are no longer desired or even counterproductive.

Particularly, tech providers are increasingly sought after as intermediaries between the virtual and physical worlds. Concepts, solutions, and knowledge for executing hybrid events that engage and motivate all attendees are essential. Seamless integration of digital components into event formats is crucial. Beyond technology, understanding the emotional component and the event's narrative is vital. Service providers in the equipment sector should particularly be able to implement requirements related to event staging. Finally, collaboration among all providers in the market becomes tighter. Open and effective communication in this ecosystem with a clear customer focus is indispensable for successful events and benefits all involved.

Agencies and service providers face challenges in formats, technologies, competencies, and products and services. This leads to the following questions or requirements:

Key action areas	Recommendations
Changed customer and event requirements	• Are the needs of different generations considered? • Is the community engaged year-round, ensuring continuous knowledge transfer? • Do hybrid formats sufficiently bridge the gap between virtual and physical attendees? Or is there a clear division? • What is the balance between onsite and digital offerings in hybrid events? • Do hybrid formats meet sponsor expectations, especially with many digital participants?
Checklist sustainability	• Is there a comprehensive sustainable event concept (e.g., transparent ecological footprint, CO_2 calculator)?

Checklist technology	• Are there innovative technologies tailored to the audience (e.g., Metaverse; AI/Machine Learning)? • Is there a distinction between onsite and online participant needs?
Checklist competency	• Are there skills in digital expertise, virtual collaboration, communication design, content management, marketing, hybrid meeting concepts, legal knowledge, and strategic meeting management? Are any gaps being addressed?
Checklist products and services	• How can agencies maintain their unique "personal touch"? • Are there unique and sustainable locations in the portfolio for new formats?
Skills shortage and competencies	Events require diverse skilled professionals. The challenges are twofold: 1. Professionals today need a wider range of skills not traditionally required. 2. There is a general shortage of professionals. Solution: Enhance the event industry's image, with attractive compensation and work-life balance.
Business models	Traditional business models based on onsite attendance numbers are being challenged by digital transformation and rising technology costs. Solution: Hybrid/virtual events increase event reach. Sponsors can benefit from this online reach. Analogous to print media, models considering online reach can be developed, focusing on content that can be distributed over time.

Table 4: Practical Requirements for Agencies and Service Providers

Conclusion

Business events are one of the essential tools for addressing complex issues. When individuals come together in a professional context, they facilitate knowledge transfer, create networks, and provide platforms where solutions to today's pressing questions are developed. Especially in an era of multiple global challenges, they can support necessary transformation processes and offer a stage for constructive dialogue across various levels and formats. Their role as a social space, fostering encounters and building trust, is becoming increasingly crucial in the face of new, individualized work environments.

Participating in a conference, attending further education, or meeting for business is no longer seen as a singular event. People are increasingly combining various occasions into a single trip, creating sustainable experiences. The decision to travel – whether initially for business or leisure – is made more consciously, and the journey itself tends to be both longer and more meaningful. The term "Blurred Travel" encompasses various ways of blending work and leisure, from "Staycation" (leisure activities in one's work environment) to "Bleisure" (extending a business trip for private purposes) to "Workation" (travelling to attractive destinations to work).

Of significance here is the dual impetus of business events. Meetings, conferences, and congresses facilitate knowledge transfer and also send impulses to the host destinations and regions, enhancing their image. On the other hand, events often take place at authentic locations that offer participants new perspectives, provide inspiration, and ultimately promote innovations.

Beyond physical travel, digitization offers vast opportunities to increase event reach and include those who, for various reasons, cannot or do not want to be present. While personal encounters in an authentic environment cannot be entirely replaced, especially when it comes to inspiration, digital experiences can help engage participants from afar. Immersive media and smart digital delegate journeys can evoke a sense of "fear of missing out," prompting additional incentives for the next trip to an appealing destination.

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