



Final Project Report
**Methodology for Future Estimation of
Economic and Fiscal Impacts – Ongoing
Operations of the Phoenix Convention
Center**

Prepared for
**Office of Auditor General
State of Arizona**

Submitted by
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Every reasonable effort has been made to ensure that the data contained in this report are accurate as of the date of this study; however, factors exist that are outside the control of AECOM and that may affect the estimates and/or projections noted herein. This study is based on estimates, assumptions and other information developed by AECOM from its independent research effort, general knowledge of the industry, and information provided by and consultations with the client and the client's representatives. No responsibility is assumed for inaccuracies in reporting by the client, the client's agent and representatives, or any other data source used in preparing or presenting this study.

This report is based on information that was current as of November 2010, and AECOM has not undertaken any update of its research effort since such date.

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This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.

I. Executive Summary

In 2001, Phoenix voters authorized the City of Phoenix to spend up to \$300 million from City sources, with the understanding that up to another \$300 million would be available from State or other non-City sources, to expand the Phoenix Convention Center (PCC). The expansion was completed in two phases and was fully open in 2008.

The State of Arizona contributed \$300 million of the funding with the expectation that economic benefits, including State tax revenues sufficient to repay the investment, would be generated. To set the stage for long term analysis of the economic and fiscal benefits, the State of Arizona Office of the Auditor General retained AECOM to conduct a multi-part study. The purpose of the analysis in this report is to recommend a methodology for estimating future attendance and associated economic and fiscal benefits gained through ongoing convention center operations. The specific tasks are to:

- Evaluate the method developed by the City of Phoenix to gather data on regional and national conventions and trade shows held at the Convention Center; and
- Develop an appropriate method to estimate attendance at regional and national conventions and trade shows held at the Convention Center.

The goal of AECOM's analysis is to ensure that the proper statistics are collected in coming years to allow for accurate estimation of economic and fiscal impacts of PCC operations. This information will be used by the Auditor General to perform an economic and fiscal impact analysis of events held at the facility for the year ending December 31, 2013.

AECOM's evaluation of the methods currently in use by the City of Phoenix includes the following findings and conclusions. Some lead to obvious recommendations, which are presented next.

1. The method developed by the City of Phoenix to gather data on regional and national conventions and trade shows held at the Convention Center is within the range of industry practices in use throughout in the US.
2. The Phoenix method is professionally done, and has been formulated through a combination of technical inputs and the infusion of community values as expressed over recent years.
3. Phoenix has followed the lead of many destination marketing organizations and convention center operators who often want to appear very conservative in their economic impact claims within their home communities. However, Phoenix has omitted critical elements of impact which they should consider including in the estimate going forward, namely multiplier effects and the inclusion of exhibitors along with delegates in attendance counts.

4. It is reasonable to base the largest category of direct spending impacts on delegate counts. It is appropriate that the Greater Phoenix CVB, working with incoming meeting planners, monitor these statistics.
5. It is also reasonable to classify entire pieces of group business as impact producing or not, rather than to try to track the origin of individual delegates.
6. Phoenix is in need of updated spending survey data. The 1998 spending patterns are now out of date, especially because they have not been adjusted for observable inflation.
7. It is unusual, and overly conservative, that the direct spending impacts of associations and exhibitors are not added to the estimates of economic and fiscal benefits.
8. It is quite typical, but in this case overly conservative, that multiplier impacts are not added to the estimates of economic and fiscal benefits.

This study is being conducted at an interesting time in the history of the convention and meetings industry. A national debate has been taking place regarding the most appropriate methodologies for economic impact estimation. A large number of industry associations and individual leaders have banded together to fund a study through the Convention Industry Council (CIC) which is being referred to as the “Economic Significance Study.” This year-long study began in November of 2009, and a report is due to be published before the end of calendar 2010. Depending on what comes out of this study effort, there may be value for the Arizona and Phoenix community in being as consistent as possible with what the rest of the country is doing, and the results from the forthcoming CIC study may serve to modify some of the recommendations presented below.

In the vacuum left in the absence of the new national study, however, AECOM recommends the following methods be used to estimate attendance and economic impacts of regional and national conventions and trade shows held at the Phoenix Convention Center.

1. **The Unit of Analysis is the Meeting Group.** Entire groups can be legitimately classified into “impact-producing” or not. There is no need to analyze the origins of every delegate.
2. **Delegate “Attendance” May be Estimated by the Meeting Planner and the GPCVB.** In practice, both the incoming meeting planner and the CVB staff are acutely concerned about the size of a group measured in terms of delegate count and number of hotel rooms required. The GPCVB convention services professionals can provide a test of reasonableness for long range projections made by the meeting planner during the initial reservation and booking process. At the time of the event, a “true up” should be conducted to adjust the measures of the group’s size to be as precise as possible.

3. **Survey Research of Delegate Spending Specific to Phoenix is Called For.** Given the scale of the financing provided by the State and the potential loss of State shared transportation revenues if State tax revenues appear smaller than needed to recover the State's share of the project costs, it is worth the expense of commissioning a professional survey research effort to gather data on convention related spending during the full calendar year 2013, and every 3-5 years to update this input to the overall economic impact estimate. Follow-up years will help offset any unique issues caused by the economic downturn in 2008 or SB 1070.
4. **Inflation Adjustments to Survey Research Data are Appropriate.** It is not necessary to survey spending patterns every year. Similar groups of people tend to spend similar amounts on hotels, restaurant meals, local entertainment and transportation, and the like over time. With appropriate adjustments for inflation, spending surveys could and should be conducted every three to five years. The updated data would also serve to isolate specific effects such as the economic downturn and SB 1070 for their impact, if any, to changes in revenues generated at the convention center.
5. **Association and Exhibitor Spending Impacts Should be Added.** The survey research program recommended above for 2013 will also provide an opportunity to gather reliable information on the direct spending impacts of exhibiting companies and the sponsoring association. These are legitimate categories of impacts and should be included in the analysis.
6. **Multiplier Impacts Should be Calculated.** At the state level, multiplier impacts are real and can be significant. The beneficial economic expansion from indirect and induced multiplier mechanisms should be included in calculations of tax revenues generated by direct spending from convention and tradeshow in the PCC.
7. **It is Legitimate to Include Pre- and Post-Meeting Spending.** A minority, but a significant minority, of convention and tradeshow attendees is likely to spend additional money in Arizona for private leisure travel coupled with the meeting. The survey research effort presents an opportunity to gather reliable data on direct spending impacts which may be added to the totals.
8. **State Tax Revenue Calculations Should be Based on All Economic Impacts.** When calculating the revenue captured by the State Sales Tax and other State tax revenue sources, the tax revenue gained on indirect and induced economic impacts (i.e., through the multiplier effect) should be added to the tax revenue derived from direct spending.

9. **Estimates May be Made for Every Impact-Producing Group.** Although the critical calculation of net increase in State tax revenues will be done in the aggregate for a full year, once the economic impact algorithm has been established it may be applied to individual pieces of business throughout the year. Not only will that give the Phoenix convention and hospitality industry an ongoing measure of the health of the business, it will also allow for any adjustments that may be required for any individual group that is an acknowledged outlier from the typical type of business accommodated by the PCC.
10. **End of the Year Net Analysis Must Deduct the Impacts from the No-Build Scenario.** In the calculations of net new benefits made at the end of the year, the baseline attendance of what would likely have occurred in the “No-Build Scenario” must be deducted from the totals to arrive at the net impact that can be attributed to the investment in PCC expansion. Based on work conducted when the expansion decision was being made, the no-build baseline is the economic and tax revenue impacts associated with an annual attendance of 125,000.
11. **Consider Putting Off the “Stabilized Year” Past 2013 if Convention Boycotts Occur.** The year 2013 was chosen as a baseline year for calculating economic and tax revenue benefits of the expanded Phoenix Convention Center because the business in the PCC was expected to have stabilized to a predictable level by that year. Recent statewide political issues, specifically SB 1070, have stimulated a convention boycott response from other areas of the country, however, and recent reporting suggests that over \$100 million in convention business in the state may already have been lost. To the extent that political controversy continues to affect the convention and tradeshow business, it may be wise to put off the stabilized year research and baseline calculations for a year or more.

II. Introduction

The Phoenix Convention Center (PCC), located in downtown Phoenix, originally opened in 1972. Since then, a number of expansion projects have added to its facilities and size. The most recent facility expansion, which is the subject of this study, was fully complete in late 2008 after two phases of construction.

In 2001, Phoenix voters authorized the City of Phoenix to spend up to \$300 million from City sources, with the understanding that up to another \$300 million would be available from state or other non-City sources, to expand the PCC. In 2003, the Arizona Legislature and Governor Janet Napolitano approved the non-City share of funding. The expansion was implemented as follows:

- **Phase 1:** the new West Building, completed in July 2006, contains an atrium that connects to Symphony Hall, a 45,200-square foot ballroom, a 21,000-square foot conference center, 27,200 square feet of meeting space, and 64,000 square feet of exhibit space.
- **Phase 2:** the former North Building was replaced with new event space that connects to the West Building via an underground exhibit hall and a pedestrian bridge. The new facility combines with the West Building to form a 312,500-square foot exhibit hall, and also has two identical 43,000-square foot pads of meeting space, a 45,600-square foot ballroom, and 190,000 square feet of exhibit space on its top level. Phase 2 was completed in December 2008.

The resulting PCC is now one of the country's 20 largest convention centers, after nearly tripling in size to more than 868,000 rentable square feet of event space.

One of the desires underlying the State of Arizona's participation in funding for the expansion project was that economic benefits commensurate with the level of investment would be generated. To set the stage for long term analysis of the economic and fiscal benefits generated, the State of Arizona Office of the Auditor General retained AECOM to conduct a three part study. The first task was to estimate the retrospective economic and fiscal impacts generated through the physical construction of the PCC expansion project. AECOM completed the first task and documented it in the final report, *"Economic and Fiscal Impact Study – Construction of the Phoenix Convention Center, July 27, 2010."*

Where the first task was retrospective, the second and third tasks are prospective; their purpose is to recommend a methodology for estimating future attendance and associated economic and fiscal benefits gained through ongoing convention center operations. The specific tasks are to:

- Evaluate the method developed by the City of Phoenix to gather data on regional and national conventions and trade shows held at the Convention Center; and
- Develop an appropriate method to estimate attendance at regional and national conventions and trade shows held at the Convention Center.

This report presents AECOM's analysis and recommendations for the second and third tasks combined. The goal is to ensure that the proper statistics are collected in coming years to allow for

accurate estimation of economic and fiscal impacts of PCC operations. This information will be used by the Auditor General to perform an economic and fiscal impact analysis of events held at the facility for the year ending December 31, 2013.

III. Overview of Economic Impact Methodology and Measurement Options

For almost 40 years the PCC has generated positive economic and fiscal impacts within the State of Arizona by attracting delegates and their spending to regional and national conventions and trade shows held at the facility. The concept is simple: first, the money spent by these individuals constitutes new economic value in Arizona, because without such a large convention center, these meetings and tradeshow would have been held in other states. Second, after the initial dollar is spent in Arizona (the “direct” impact), additional impact is created through “indirect” and “induced” mechanisms as the dollar reverberates through multiple sectors, generating wages, profits, and subsequent spending on other goods and services. The process continues until all spending is leaked out. A “leak” simply means that the money exited the system and is no longer being spent on subsequent turnovers in the model. In this case, the system is the economy of Arizona. Therefore, leaks can take several forms. Money spent by Arizona firms on goods and services produced out of state count as “leaks,” as do dollars that flow out of the country—supplies bought overseas or back office services outsourced overseas. Additionally, profits taken by Arizona owners of capital (landlords, business owners and the like) are also considered “leaks,” not because they exit the state but because they exit the system of repeat-spending.

This reverberation across sectors is the study of economic impact. The underlying driver of economic impact analysis is the direct spending, with subsequent reverberations estimated by the “multiplier.” Multipliers usually are between 1.0 and 3.0. A 1.0 multiplier means that there is 100 percent leakage after the first round of spending—that all the goods and services in the second turnover come from out of state (including overseas). High multipliers indicate that local firms are well integrated and that goods and services are closely linked to other, complementary goods and services within the state. Different industries can have significantly different multipliers. It follows that a dollar spent in an industry with a high multiplier has a greater effect on the local economy than one spent in an industry with a low multiplier.

There are several economic models commonly used in the industry to estimate multipliers based on Input-Output models of the economy being studied. AECOM used a system named IMPLAN to estimate multiplier impacts of the construction of the PCC. Another candidate modeling system is RIMS II, maintained by the US Department of Commerce. There may be other future systems as well that could be appropriately used to estimate ongoing impacts of PCC operations starting in 2013. Once the total economic impact is known through direct, indirect and induced multiplier mechanisms, it is then possible to estimate the total impact on the State of new tax revenues, as well as the creation of total economic output, new jobs, and additional personal income.

The primary focus of this study is on the direct impact. Again, the concept is simple: delegates who would not otherwise have come to Arizona attend a convention or tradeshow in the PCC and spend money while in the state. Note that the industry association or other organizing entity for the event also spends money on the production, and for most large events exhibitors also come to the state and spend money to set up exhibits and staff them during the show.

Operationally, measuring the direct impact is more difficult, and there are alternative ways of estimating the same totals. For example, one can count the number of total delegates, and multiply that times the average amount they spend per day, and multiply that times their average length of stay. An alternative is to count the number of room-nights booked in hotels, and estimate total spending from that fundamental metric. Complications include the following industry practices and methodological issues:

1. Even for a large national convention, not all of the delegates will be bringing new money into the state. A minority of national delegates will be from Phoenix or elsewhere in Arizona and their spending can be seen as merely relocating spending from one part of the state to another without creating any net new impact.
2. On the other hand, had the industry association convention or tradeshow been held in another state, these same Arizona residents may have attended the meeting there, and thus there is a spending retention mechanism at work as well.
3. For a local event, for example a consumer show held in the PCC, the majority of the attendees and their spending also will be a relocation of economic impact from one area of the state to another. But even the local events may attract a portion of their exhibitors, organizers, or attendees from outside the state creating an expansion of the state's economy.
4. Room-nights in hotels are hard to count in practical terms, because many delegates have learned to seek out their own accommodations through internet sites or other means, thereby booking "outside the block" of rooms reserved for them by the event promoter. Studies in other cities have shown that 30 to 40 percent of the room-nights generated by a national convention or tradeshow will be booked outside the block. Other out-of-town guests may stay with friends or relatives, reducing their total spending, but still creating positive economic impacts during their stays.
5. Most major convention destinations employ some form of "booking policy" that is designed to give higher priority in booking long range dates in their convention center to groups that have the highest economic impact. Thus, there is a built-in bias for groups to overestimate their size in terms of need for hotel rooms or in attendance.

6. Each city has a somewhat unique data gathering methodology and formula for estimating economic and fiscal impacts that has evolved over the years from multiple forces. While these have been informed by technical economists and statisticians, the judgments of opinion leaders have also been infused into them.
 - a. For example, at times it appears more important to preserve the credibility of estimates against all critics than to be technically accurate; and thus, better to error on the side of low estimates and be overly conservative.
 - b. Another community value is consistency over time. It may be better for a city to keep a slightly flawed methodology in place, which allows time-series comparisons of how the industry is growing or declining year-to-year, rather than show major jumps in impact that are due to changing formulas rather than underlying business conditions.
7. In practice, every delegate has a different budget and a different spending pattern. Average spending by all the delegates at a convention or tradeshow also varies by industry. Average spending per day by delegates to a medical convention is typically higher than spending at a social, religious or fraternal convention.
8. Surveys of delegates to ascertain what they are truly spending are expensive to administer and analyze. They are also self reported, generally administered during the event before the delegate is aware of final costs, and may not be entirely accurate.
9. The convention and tradeshow industry has relied on a few national surveys of delegate, exhibitor, and association spending over the years. The most significant of these had been commissioned by the International Association of Convention and Visitors Bureaus (IACVB) every few years during the 1980s and 1990s. IACVB has since changed its name to Destination Marketing Association International (DMAI), and the last survey of this type was published in 2005 as the "*ExPact2004: Convention Expenditure & Impact Study*." DMAI has since discontinued its spending studies, but many destination cities still rely on these spending averages, updated to account for inflation since ExPact2004.
10. The meetings industry is currently trying to standardize the methodology and data requirements for conducting economic impact studies. The Convention Industry Council (CIC) solicited consultants in August of 2009 to conduct a "Meeting Industry Economic Significance Study" on behalf of a task force composed of over half a dozen of the most influential associations in the industry. The report is due to be published by the end of 2010.

In the meantime, practices for measuring economic impacts still vary from city to city. In the next section, the method currently used by Phoenix to resolve these issues is discussed and compared with the methods used by several peer destination convention cities.

IV. Evaluation of the Methods Developed by the City of Phoenix

This section presents the evaluation of methods developed by the City of Phoenix to gather data on regional and national conventions and trade shows held at the PCC. AECOM has chosen to focus on more than just attendance measurement issues, however, and to also evaluate the methods for how economic impact estimates are produced. In addition to AECOM's three decades of experience working with cities and their convention centers on these issues, AECOM Economics staff also conducted a series of interviews with multiple people representing different perspectives in three peer convention cities in the western US.

The three cities selected were San Diego, San Francisco and Seattle. The convention facilities in these three cities are of a similar scale to those in Phoenix. For example, San Diego is one of the most comparable in size throughout the entire country; with slightly less total exhibit space, but slightly more in its largest contiguous exhibit configuration. More importantly, however, these three cities were selected because they have undergone expansions in the past, are planning additional expansion projects now, and the economic and fiscal impacts of their convention centers have been the subjects of scrutiny within their home communities. Because economic impact methodologies continue to be rather sensitive topics for debate in these cities, in the analysis that follows they are identified only as Cities A, B, and C.

Table 1 below takes up the basic issues of attendance and spending. The two most logical ways of estimating the total direct spending impacts of a specific convention or trade show in Phoenix are to either:

1. Gather data on the total number of people who came to the event, and multiply by the amount they spent per person during their stay in Arizona, (with a variation using spending per person per day, but also including a factor for the average length of stay in Arizona); or
2. Gather data on the number of hotel room-nights booked by the event, perhaps calculate the hotel spending impact directly, and then estimate spending on other goods and services as ratios of hotel spending.

Because so much of the visitor industry, and the financing for convention centers and other tourism infrastructure, has traditionally relied on hotel sales and room taxes, cities 15 to 20 years ago used to use the second method focusing on room-nights. With the advent of the internet, and the ease with which the individual consumer can now shop for hotel deals online, it has become harder and harder to track the actual number of hotel rooms attributable to a convention center based event. Studies have shown that 30 to 40 percent of all bookings may be out of the block of rooms set aside by the meeting planners. Because of this trend, more and more of the industry has modified their impact

methodologies to focus on counts of people drawn to the event. With conventions and trade shows this is a relatively easy statistic to gather because the vast majority of events require registrations.

As can be seen in the first row in Table 1, Phoenix has followed this national trend, and while room-night statistics had been used in the past, the current methodology focuses entirely on the number of registered delegates. City A is the only one AECOM talked to that still has a small part of their annual economic impact formula that refers to the room-night count.

Another nuance is highlighted by City B, however. In their case, the number of people drawn to a convention or tradeshow is collected in such a way that it includes not only the number of registered delegates, but also the staff brought by exhibiting companies to the event. For a significant trade show with say 20,000 registered delegates, the exhibitor staff can be as large as 10,000.

Table 1. Phoenix and Comparable Cities: Methodologies for Attendance & Spending

	Phoenix	City A	City B	City C
Attendance Issues:				
Basic Measurement Unit: Delegates or Room-Nights	Delegates (although Room-Nights was an alternative historically)	Delegates (although one part of the local spending formula is driven by room-nights)	Total "Attendees" (i.e., delegates + exhibitor staff)	Delegates
Delegate Attendance: Source of Basic Measurement	Event planner estimate with after-event follow up	Event planner estimate. Database not revised after event.	Event planner estimate, with final estimate from post-event report.	Event planner estimate with after-event follow up
Spending Issues:				
Root Source of Spending Estimates	IACVB 1998	Infrequent local surveys for delegate spending	Local intercept surveys for delegate spending	ExPact2004
Are Local Adjustments Made to Spending Patterns	Yes	Not needed because survey is local	Yes, to create spending per attendee	Spend / delegate / trip
Delegate Spending Adjusted for Inflation Annually	No	Yes	Yes	Yes
Calibrated for Each Event	No	No	Yes ¹	No

¹ Factored by the ratio of (total room-nights)/(peak rooms) to account for the different lengths of events.
Source: AECOM Economics survey.

In all cases, the source of the delegate count statistic is the meeting planner with the incoming group. Most cities require an estimate of the anticipated group size at the time the group first reserves space in the convention center, because in most cases this is a factor in the booking policy that determines the group's ability to access dates in the first place. In some cases the destination management organization (e.g., a convention and visitors bureau) for the incoming city will monitor changes in that anticipated attendance over the years (given that large events can be reserving space 7 years or more in the future), but in all cases there is an attempt to "true up" the number during the week that the event is taking place. Most, but not all, cities will also generate a post event report, which provides a last opportunity to refine the delegate count.

On the spending side of the equation, the high cost of conducting intercept surveys in individual cities was pointed out in the previous section. In spite of the high cost, both City A and City B in Table 1 have commissioned survey efforts in the past. In at least one of those cases, the surveys are only done every 3 to 5 years, and intervening years are estimated with inflation adjustments. Both Phoenix and City C are more typical of practices nationwide in that they do not routinely commission survey research efforts to determine spending patterns, but rather try to piggy back on the broader industry efforts to gather data. City C is doing what most cities do and relying on the most recent data published by IACVB/DMAI and adjusting it to account for inflation and local spending differences.

Phoenix had commissioned a more in-depth set of interviews specific to their city and convention center when IACVB was sponsoring the research effort in 1998. For this reason, the 1998 spending estimates were deemed to have more local/regional validity than the newer national estimates produced by essentially the same IACVB/DMAI research effort six years later in 2004, and thus the 1998 spending patterns have continued to be the root data for Phoenix. The baseline spending in 1998 was estimated to be \$1,451 per delegate per event.

Most other cities tend to use inflation factors to update their spending estimates. Phoenix has not. While spending at conventions and tradeshow may have fallen over the last couple of recession impacted years, it is likely that over the 12 year period since 1998 that spending in Phoenix has grown beyond what the current method estimates.

Once they have established average spending factors that have the most local credibility, most cities, Phoenix included, apply the same factors for all impact producing groups. One city AECOM talked to, however, will sometimes alter the spending for a specific group if it is obviously an outlier, and not typical in some way to most of the business they experience.

There is also one more methodological nuance on this point. Many cities calculate the economic benefit of each and every group that meets in their convention center, and then at the end of the year

add up all of their impacts to achieve total annual statistics. Others keep track of delegate attendance, and then at the end of the year multiply by average spending to calculate only the annual economic impact statistics. Both methodologies produce the same annual totals if no adjustments are ever made on individual meeting groups, but if adjustments are made to capture the unique effects of outliers, then the first method should be employed.

In addition to spending by individual delegates, the sponsoring industry association or other event producer, and the companies that set up and staff exhibits in any trade show component to the event will also generate direct spending impacts in the host city. The direct spending by these other two generators of economic impact has also long been estimated by IACVB/DMAI. As can be seen in **Table 2**, it is quite common for convention destination cities to rely on the most recent DMAI ExPact2004 industry averages, perhaps with some adjustments to take into account local costs of living and inflation since 2004, and apply those to measures of the business in their convention centers. City B, as part of their ongoing survey research effort, also collects spending data by associations and exhibitors specific to their destination. Phoenix, however, does not take into account the spending impacts from these two sources.

Table 2. Methodologies Relating to Association & Exhibitor Spending

	Phoenix	City A	City B	City C
Association & Exhibitor Spending Issues:				
Treatment of Associations	Not Estimated	ExPact2004 Ave. spend / Event	Total association costs are included in the ave. spending	ExPact2004 Ave. spend / delegate / trip
Treatment of Exhibitors	Not Estimated	ExPact2004 Ave. spend / delegate / trip	Exhibiting staff are included on the "Attendee" side of the equation	ExPact2004 Ave. spend / delegate / trip
Exhibitor and Assoc. Spending Adjusted for Inflation Annually	No	No	Yes	Yes

Source: AECOM Economics survey.

Another methodological area investigated by AECOM was the way cities identify the source of spending in terms of which constitutes new money flowing into the state and which is a redirection or "substitution" of local spending. Conceptually, it would be nice to track the origin of each delegate

and only count those who come from out-of-state to attend the convention center event. In practice, however, this would require gathering information for every single group that is typically not readily available. In **Table 3** it can be seen that Phoenix is completely in line with industry practices in that entire meeting groups are classified as impact producing or not. The analysts in each city AECOM talked to recognize that this practice implicitly takes into account a compensating tradeoff; some minority of attendees to a national convention or tradeshow will be drawn from the local market, but at the same time some minority of the attendees, exhibitors, and show producers at a local event (e.g., a consumer show) will be drawn from out-of-state.

Table 3. Methodologies for Defining What Produces Impacts

	Phoenix	City A	City B	City C
Definition of Impact Producing:				
Definition of Qualified Group or Delegate	By Group, as determined by CVB	By Group, as determined by CVB	By Group, as determined by the CC	By Group, as determined by CVB
Methodology Implicitly Recognizes the Compensating Errors in Group Classification	Yes	Yes	Yes	Yes

Source: AECOM Economics survey.

In practice it is easy for the destination marketing organization (typically a CVB) to classify groups, because their primary focus is on attracting the types of events that rotate regionally or nationally. They also recognize that if they are unsuccessful in attracting a national convention or tradeshow to their city, for that annual meeting the local “substitution” spending pool of delegates from their state are likely to travel and spend their money out-of-state as they attend their industry meeting elsewhere.

The basic use of multipliers in estimating indirect and induced economic impacts, over and above the direct spending impacts, was described in the Section III overview above. Section III also pointed out how credibility is more important than academic accuracy in many cities, leading convention industry participants to be overly conservative in their claims of economic benefits at times. **Table 4** presents AECOM’s review of four destinations, which is consistent with AECOM’s much broader experience over the years in the industry. Three of the four selected cities have avoided making claims regarding multiplier impacts in their routine publications (although consultant studies have occasionally used multiplier impacts for specific analyses). Only City B routinely applies a multiplier, and they have

chosen a single relatively simplistic factor that is applied to all types of impacts. Staff in City B admit that they get skepticism and criticism for this part of their economic impact calculus. Phoenix has not added multiplier effects to their estimates of economic impact.

Table 4. Methodologies Relating to Use of Multiplier Impacts

	Phoenix	City A	City B	City C
Economic Impact Issues:				
Who Estimates Economic Impact	GPCVB	CVB	CC Staff	CC and CVB both
Source of Multipliers	Not used ¹	Not used ²	Yes ³	Not used.
Local Characterization of Methodology	"Very Conservative"	"Very Conservative"	"Reasonably Conservative"	"Reasonably Conservative"

¹ Consultant studies have used IMPLAN for specific analyses.

² Consultant studies have used RIMS II for specific analyses.

³ They employ a standard 2.4 multiplier, which has been criticized.

Source: AECOM Economics survey.

AECOM’s findings and conclusions from the evaluation of how Phoenix gathers the input data for economic and fiscal impact calculations include the following. Some of these conclusions lead to obvious recommendations that will be echoed in the next section.

1. The method developed by the City of Phoenix to gather data on regional and national conventions and trade shows held at the Convention Center is within the range of industry practices in use throughout in the US.
2. The Phoenix method is professionally done, and has been formulated through a combination of technical inputs and the infusion of community values as expressed over recent years.
3. Phoenix has followed the lead of many destination marketing organizations and convention center operators who often want to appear very conservative in their economic impact claims within their home communities. However, Phoenix has omitted critical elements of impact which they should consider including in the estimate going forward, namely multiplier effects and the inclusion of exhibitors along with delegates in attendance counts.
4. It is reasonable to base the largest category of direct spending impacts on delegate counts. It is appropriate that the Greater Phoenix CVB, working with incoming meeting planners, monitor these statistics.

5. It is also reasonable to classify entire pieces of group business as impact producing or not, rather than to try to track the origin of individual delegates.
6. Phoenix is in need of updated spending survey data. The 1998 spending patterns are now out of date, especially because they have not been adjusted for observable inflation.
7. It is unusual, and overly conservative, that the direct spending impacts of associations and exhibitors are not added to the estimates of economic and fiscal benefits.
8. It is quite typical, but in this case overly conservative, that multiplier impacts are not added to the estimates of economic and fiscal benefits.

V. Recommended Methodology for Arizona

As was mentioned earlier in this report, the conventions and meetings industry in the United States is currently trying to standardize the methodologies further for estimating economic impacts. A large number of industry associations and individual leaders have banded together to fund a study through the Convention Industry Council (CIC) which is being referred to as the “Economic Significance Study.” PricewaterhouseCoopers won the competitive bid to prepare this year-long study in November of 2009, and is charged with producing a report before the end of calendar 2010. Depending on what comes out of this study effort, there may be value for the Arizona and Phoenix community in being as consistent as possible with what the rest of the country is doing, and the results from the forthcoming CIC study may serve to modify some of the recommendations presented below.

In the vacuum left in the absence of the new national study, however, AECOM recommends the following method be used to estimate attendance and economic impacts of regional and national conventions and trade shows held at the Phoenix Convention Center.

1. *The Unit of Analysis is the Meeting Group*

In spite of the appeal of tracking the origins of individual delegates as they bring money into Arizona to attend conventions and tradeshow, it is more practical to classify entire meeting groups as either “impact producing” or not. There will inevitably be some local resident spending captured by the totals of regional and national groups, but there will also be some offsetting economic impact generated by out-of-state participants in what are primarily local events, and which are classified as “non-impact producing.”

2. *Delegate “Attendance” May be Estimated by the Meeting Planner and the GPCVB*

There is a thriving meetings and conventions market in the US. Convention centers are “sellers” of meeting space for specific dates on the calendar, and convention and meeting groups are the “buyers.” Only a minor portion of the value of what a meeting group brings with them is the amount of rent they pay to occupy convention and meeting space, however; the majority of the value the buyers pay to the host convention cities is in the form of economic impact, which is in turn is directly related to their size. As such, both the meeting executive for the incoming group and the long-range marketing person that is working to attract the group are acutely aware of how many delegates the group is likely to attract in that destination, and how many room-nights are likely to be needed. Of course the actual size of the group and its impact will not be entirely known until the event actually takes place, and the size can be affected by the growth or decline of the specific industry the group represents, general economic and travel conditions, and myriad other factors.

For the City of Phoenix, it is reasonable for the anticipated size of the group in terms of delegate count to be used for planning purposes as self-reported from the meeting planner. The GPCVB convention services professionals can provide a test of reasonableness for what are still long range projections during the initial reservation and booking process. At the time of the event, a “true up” should be conducted to adjust the measures of the group’s size to be as precise as possible. This could be documented in a simple follow up report on the group’s ultimate size and economic impact for each major piece of impact producing business.

3. Survey Research of Delegate Spending Specific to Phoenix is Called For

Given that significant funding for expansion was provided by the State, and the potential for State shared transportation revenues being withheld, it is worth the expense of conducting city-specific survey research to estimate spending patterns of delegates, exhibitors, and sponsoring associations. During mid to late calendar year 2012, a professional survey research firm should be solicited and engaged to design a year-long research effort.

Starting at the beginning of calendar year 2013, a sample of groups should be drawn from those booked into the Phoenix Convention Center which is representative of the mix of business observed over recent years and anticipated from future bookings. Not every group needs to be surveyed, but the sample should include groups of different sizes, and representing both high-spending and lower-spending groups of delegates.

For groups targeted, a sampling/survey strategy should be developed. Again, not every delegate needs to be interviewed. Intercept surveys have worked reasonably for this purpose in the past, although the technologies for gathering information using hand held electronic devices and the potential for internet follow-up have continued to evolve, and there may be better ways to achieve these results by late 2012.

Guidance for design of the survey instrument itself may be available from the forthcoming CIC Economic Significance Study. The current best guidance from the industry, “Research Guidelines for Meeting and Convention Spending Studies,” is presented in the Appendix below.

4. Inflation Adjustments to Survey Research Data are Appropriate

It is not necessary to survey spending patterns every year. Similar groups of people tend to spend similar amounts on hotels, restaurant meals, local entertainment and transportation, and the like over time. The spending patterns in Phoenix established by the 2013 primary research effort should be good for three to five years, so long as they are adjusted on an annual basis using some form of reasonable inflation index. The Consumer Price Index (CPI) may be sufficient, although other adjustment factors may be appropriate. For example, in some cases local hotel market dynamics are

more volatile than the general CPI and local statistics of hotel market performance may be more accurate for adjusting at least that portion of spending patterns.

5. Association and Exhibitor Spending Impacts Should be Added

The direct impacts of spending from exhibiting companies and from the sponsoring industry association should also be captured in the methodology adopted by the City of Phoenix. Spending by exhibiting staff can be gathered through intercepts at the same time delegate spending intercepts are being conducted. Exhibiting company spending, beyond what the individual staff spend, can be gathered by working through the meeting planner to identify exhibitors and gathering data from a sample of them (note: in some cases where the exhibiting companies reimburse all staff expenses, all direct spending data can be gathered through this method). The meeting planner will also need to be interviewed regarding spending by the sponsoring association. Economic impacts generated by association and exhibitor spending should be calculated and presented separately from impacts generated by convention delegates. This will provide a more detailed analysis of the impacts of the convention center.

6. Multiplier Impacts Should be Calculated

At the state level, multiplier impacts are real and can be significant. The beneficial economic expansion from indirect and induced multiplier mechanisms should be included in calculations of tax revenues generated by direct spending from convention and tradeshow in the PCC.

As pointed out in Section III above, there are several economic models commonly used in the industry to estimate multipliers based on Input-Output models of the economy being studied. AECOM used a system named IMPLAN to estimate multiplier impacts of the construction of the PCC, and IMPLAN could be used again to estimate total economic impacts of ongoing PCC operations. Another candidate modeling system is RIMS II, maintained by the US Department of Commerce.

7. It is Legitimate to Include Pre- and Post-Meeting Spending

A portion of convention and trade show delegates will typically extend their stay in the host state to take advantage of tourism and vacation offerings, either before or after the meeting. The survey research effort described above presents an opportunity to ask delegates about pre-and post-meeting plans and the estimated spending associated with it. Based on the reasonable assumption that the leisure spending would not have occurred in Arizona that year without the convention or tradeshow, it is reasonable to add the beneficial economic impacts of pre and post-meeting spending, and the additional state tax revenue generated by it.

8. State Tax Revenue Calculations Should be Based on All Economic Impacts

When calculating the revenue captured by the State Sales Tax and other State tax revenue sources, the tax revenue gained on indirect and induced economic impacts should be added to the tax revenue derived from direct spending.

9. Estimates May be Made for Every Impact-Producing Group

Once an algorithm has been developed to project economic impact, and state tax revenue impact, from convention and tradeshow activity in the Phoenix Convention Center, the algorithm may be applied to each impact-producing group that meets in the PCC, as opposed to monitoring attendance throughout the year and estimating impact at the end. Calculating impacts on an individual group basis would allow for monitoring of economic growth throughout the year, and would still allow for yearend totals. It would also allow for any adjustments that may be required for any individual group that is an acknowledged outlier from the typical type of business accommodated by the PCC.

10. End of the Year Net Analysis Must Deduct the Impacts from the No-Build Scenario

While it may be very useful for the Phoenix convention and hospitality industry to track economic impacts on a meeting-by-meeting basis, the estimation of net contribution to State revenues must be done on an end-of-the-year basis. This is because the baseline attendance of what would likely have occurred in the “No-Build Scenario” must be deducted from the totals to arrive at the net impact that can be attributed to the investment in PCC expansion.

The baseline attendance was determined before the expansion project began, and is best documented in the March 31, 2003 Elliott D. Pollack & Company study titled “Update of the Economic and Fiscal Impact of the Proposed Phoenix Civic Plaza Expansion.” That study reviewed a body of previous work including a September 2000 study prepared by the same firm, work conducted by PricewaterhouseCoopers, and updated attendance projections prepared by Ernst and Young for the expanded convention center and the no-build alternative. At the time of the 2003 study, attendance was averaging approximately 135,000 per year, but had been declining since its peak in 1997, and was projected to decline further to a baseline of 125,000 in the no-build scenario.

In other words, at the end of a 2013 calendar year, the economic and tax revenue benefits from 125,000 in aggregate convention attendance in the PCC should be deducted from the totals to arrive at the net increment that can be attributed to the expansion project.

11. Consider Putting Off the “Stabilized Year” Past 2013 if Convention Boycotts Occur

The year 2013 was chosen as a baseline year for calculating economic and tax revenue benefits of the expanded Phoenix Convention Center because the business in the PCC was expected to have stabilized to a predictable level by that year. Recent statewide political issues, specifically SB 1070, have stimulated a convention boycott response from other areas of the country, however, and recent

reporting suggests that over \$100 million in convention business in the state may already have been lost. To the extent that political controversy continues to affect the convention and tradeshow business, it may be wise to put off the stabilized year research and baseline calculations for a year or more.

Appendix A – DMAI Research Guidelines

The Destination & Travel Foundation is the research arm of Destination Marketing Association International (DMAI). In 2008 they produced the attached “Research Guidelines for Meeting and Convention Spending Studies” with input from a wide variety of industry leaders nationwide, including representatives from Phoenix. It is included as an Appendix to our report because from our literature review for this study, AECOM believes this is the most relevant single industry document at this time for providing guidance to the State of Arizona as they go into their 2013 economic impact study for the Phoenix Convention Center. Hopefully, there will be even more specific guidance from the industry in the forthcoming Economic Significance Study from the Convention Industry Council late in 2010.

**Research Guidelines
for
Meeting and Convention Spending Studies**

Research Guidelines for Meeting and Convention Spending Studies

Introduction

Meetings and conventions are a significant component of the travel and tourism industry. The economic benefits to a destination can be extensive and widespread – extending far beyond the traditional definition of tourism industry businesses (e.g., hotels, restaurants, transportation providers).

Accordingly, considerable resources are often expended by the industry and the destination at large to maintain and nurture this economic driver. Sales and marketing dollars, product development including new and expanded convention centers, and infrastructure enhancements can be substantial.

In return, the industry and its stakeholders (i.e., funding sources, elected officials, the media, etc.) are expected to be able to articulate and report on the economic importance of the meetings and conventions market, the return on investment of the work of the DMO and its partners and often, on a more specific level, the value of a destination’s convention center as a generator of economic benefits.

The need for enhanced research to accurately estimate the direct spending by delegates, event organizers, and exhibiting companies at meetings and conventions was most recently articulated in *Best Practices: Convention Center Sales and Convention Center Operations*, a report published by the Joint Study Committee of DMAI and the International Association of Assembly Managers (IAAM) in August 2007:

“The DMO-Convention Center partnership, seeking best practices in marketing and operations, should pursue opportunities to publically support the mission of the counterpart and defend the joint program that offers economic vitality to the municipality it serves.

1. *Conduct ongoing research through credible third parties to substantiate the full economic impacts of the overall convention enterprise. Establish an understanding of the historical contribution to the area’s economic base including employment, state and local tax generation and employment data. Use these data as the basis of a public and community relations program that substantiates the value and importance of the industry on the local economy.*
2. *Develop a model that defines transient economic productivity and compares the convention and visitor enterprise with other economic generators within the local economy.”*

DMAI’s *Standard DMO Performance Reporting: A Handbook for DMOs* also calls for enhanced meetings and convention industry research so DMOs can measure the performance of their Convention Sales function and produce DMO-level return on investment calculations.

The following research guidelines have been developed by the Destination & Travel Foundation (formerly DMAI Foundation) to assist interested parties in developing a profile of a destination’s and/or its convention center’s meetings and conventions industry including its direct contributions to the economy. With minor modifications, they are also applicable for a single event if the need arises.

The Destination & Travel Foundation’s Research Committee served as a study group for the development of these research guidelines. Ruth Trojan of Nadler & Associates (the Foundation’s research consultant) provided technical and research expertise. The Research Committee members included:

- Karen Williams, Greater Louisville CVB, co-chair
- Timothy Schneider, Schneider Publishing Company, co-chair
- Roy Benear, Austin CVB
- Robert Canton, PricewaterhouseCoopers
- Richard Green, Marriott International
- Steve Moore, Greater Phoenix CVB
- Stephen Powell, Destination Services
- Loretta Shafer, Beaches of South Walton TDC
- Richard Scharf, Denver Metro CVB

Research Guidelines

The research guidelines contained in this document fall into three categories: administrative/operational considerations, research methodology recommendations and sample questions.

Administrative/Operational Considerations

It is strongly recommended that a reputable organization with experience in survey techniques be engaged. This can include market research companies, universities with a proven track record of producing research studies, or consultants who specialize in projects requiring a research component. Given that market research is subject to privacy laws that vary nation by nation, it is important that the selected research vendor be fully versed and have had experience conducting research in that country.

Many DMOs do not have the research staff or resources to conduct comprehensive research studies themselves. In addition, using a research organization will greatly reduce the risk of biases being introduced into the survey process including sampling bias, interviewing bias, non-participation bias, and questionnaire bias.

If more than one entity is involved (e.g., DMO, convention center, key hotels), create a task force with members from all of the entities and other interested parties such as local, state and/or regional stakeholders. A further advantage of a task force is that it creates “ambassadors” who can extend the DMO’s ability to communicate, justify, and incorporate the results of the research study.

Organizations that are undertaking research studies (such as DMOs and convention centers) are encouraged to thoroughly discuss their market information needs before the questionnaire is designed, including decisions on how the results are going to be used. Results used for major decisions will require a higher level of confidence which may involve a larger number of respondents and greater statistical reliability.

Typically, market information needs include but are not limited to:

- Size and scope of the industry and its economic value to the community
- Who is coming to the destination for meetings and conventions
- Travel behavior
- Products and services used while in the destination

It is essential that all interested parties buy into the research study BEFORE it is conducted. This will greatly reduce the chance that the results will be challenged or rejected because someone's needs were not addressed, concerns not heard or the like.

Competitive bidding is strongly recommended to ensure an experienced and credible researcher is selected. A Request for Proposal (RFP) should be written, outlining the research needs and objectives, but not necessarily detailing the methodological approach, as allowing the bidders to present their own approach can be a useful method to eliminate unqualified respondents. The RFP should encourage bidders to recommend an approach that ensures the results are easily applied and relevant to the destination (i.e., no cookie-cutter solutions).

It should be noted that if the goal of the study is to estimate the economic impact of the meetings and conventions industry, the RFP should more broadly identify this as the research need/objective and the bidding teams may involve a combination of researchers, universities and/or economists/consultants.

Research Methodology Recommendations

There are many research methodologies available. Two of the more common ones are:

Intercepts – Surveying is conducted onsite, ideally in the highest traffic areas. The questionnaire may be administered by interviewers approaching potential respondents or at kiosks/tables. Public spaces are commonly used unless the facility and the event organizer agree to allow intercepts in event-specific areas such as the exhibit hall. Given respondents' time constraints, questionnaire should be kept as short as possible and can serve as gaining opt-in and email addresses for a post-event questionnaire.

Post-event – Surveying is conducted after the event. The questionnaire may be administered over the telephone, via email or online.

The appropriate methodology or methodologies will be a function of the study's objectives, the available budget and any other special considerations.

To ensure a representative sample of events is included, the following steps should be taken:

- Survey events throughout the year so the destination's seasonality is incorporated.
- Include the widest variety of events. Criteria should include meetings/conventions/tradeshows; market segments; size; association/corporate events; event scope (local, state, regional, national, international), location (hotel, convention center, meeting spaces). Event organizers should be informed ahead of time that their event has been selected for surveying.

Response Counts - To ensure the final overall sample is representative of the entire pool of events, a statistically reliable sample (one that will produce results with a high confidence level and a low margin of error) is necessary for each individual event. Statistically reliable samples should be secured separately for delegates, exhibitors and meeting planners/organizers.

Key points about questionnaire design:

- Keep the questionnaire as short as possible. Completing the questionnaire should take no more than 10-15 minutes. If the questionnaire is running long, include the most critical questions early on, in case the respondent decides not to complete the questionnaire (a phenomenon known as “respondent fatigue”).
- Be prepared to offer an incentive for completing the questionnaire, especially if it is long and/or complicated. Incentives can include a promotional item, a certificate to be exchanged for food/beverage, a sweepstakes with more significant offerings, etc. The incentive should be appropriate and meaningful to the potential respondent.
- Pretest the questionnaire to ensure the questions are understandable and the questionnaire easy to complete. Early, interim results should be reviewed to identify any anomalies and insure that the data is “good.”

If the research results are going to be used for ongoing purposes, such as producing average spending figures, trend analyses, economic impact studies, no more than four years should elapse between studies.

The study results should be presented to the stakeholders, and the results interpreted in a manner that the lay person can understand. The results should also include a clear and thorough explanation of the methodologies used and how the results can and cannot be used.

Sample Questions

Surveying meetings and conventions afford DMOs and their industry partners an invaluable opportunity to gather a wide variety of actionable information from this market segment. In addition to local spending questions, sections on trip behavior, demographics and product satisfaction can be added. The results from these sections of the questionnaire can be used to enhance and/or reposition sales and marketing efforts, develop new and expanded product offerings, and identify and secure new industry partners and funding sources.

The following pages include sample questions for delegates, exhibiting companies and event organizers/meeting planners. These lists are by no means comprehensive and should only be used as a guide as market information needs can differ destination by destination. Qualified vendors should play a key role in the development of a successful questionnaire and will ensure that the final questionnaire design is directly determined by the information needs identified at the beginning of the research process.

Sample Questions

1. *Delegate Questions*

Trip/Travel Party

1. Was this event the primary purpose of your trip to [Host City]?
2. Please indicate the number of people in your personal travel party, including yourself. (Do not include business associates who attended the event.)
3. How many days and nights did your personal travel party spend in [Host City] as a result of attending this event? Please include any pre-event and/or post-event days/nights. (Include partial days when in the city for less than 24 hours.
 - a. Days in [Host City]
 - b. Nights in [Host City]
4. Please complete the information below regarding your home address (permanent residence).
 - a. Zip/Postal code if inside the United States or Canada
 - b. Country if outside the United States or Canada

Accommodations & Transportation

1. Please check the type(s) of accommodations used by your personal travel party while in the [Host City].
 - a. Hotel
 - b. Motel
 - c. Timeshare or condo
 - d. Stayed with friends or relatives
 - e. Other (bed & breakfast, dormitory, etc.)
 - f. No lodging used (commuted daily)
2. Did you stay in a hotel that was designated specifically for this event? This includes a hotel where a special rate was offered to those attending this event.
3. Did you pay the conference rate for your room(s) or did you obtain an alternative rate by using a different method to book your room?
 - 3b. If you obtained an alternative rate, was it a lower rate?
4. How many rooms did you and your personal travel party use?
 - a. ___ Check here if you shared a room with a business associate.
5. What was the primary mode of transportation used by your personal travel party to travel to [Host City]?
 - a. Air
 - c. Rail
 - d. Personal or company vehicle
 - e. Rental vehicle
 - f. Other

Sample Questions (cont'd.)

Spending

1. Please check all spending categories for which your personal travel party incurred expenses:
 - a. Lodging (hotel/motel, timeshare, etc.)
 - b. Eating & Drinking (food, beverages, snacks, etc.)
 - c. Local Transportation (taxis, bus, subway, car rental, etc.)
 - d. Recreation & Entertainment (museums, cultural attractions, casinos, sports, etc.)
 - e. Shopping
 - f. Other

2. All Spending on **Lodging** (room cost, all room-related expenses such as phone calls, Internet usage, in-room movies, mini-bar, laundry/drycleaning, taxes, surcharges, business center, hotel parking/valet, etc.)

3. All Spending on **Eating & Drinking** (meals, beverages, snacks, tips, etc.)

4. All Spending on **Local Transportation** (car rental, tolls in [host city], fuel purchased in [host city], public/private transportation incl. bus, subway/light rail, taxi, limo, car service, parking/valet fees, etc.)

5. Please check all **Entertainment & Recreation** activities in which your personal travel party participated:
 - a. Tours, museums, cultural activities, theme parks
 - b. Performing arts (concerts, symphonies, ballets, plays, etc.)
 - c. Movies
 - d. Sporting events
 - e. Golf or skiing
 - f. Casinos and/or gaming venues
 - g. Other

- 5b. All spending (tickets, admission fees, etc.) associated with the above activities.

6. All spending on **Shopping** (retail goods, gifts & souvenirs, apparel, electronics, groceries, etc.).

Sample Questions (cont'd.)

Sample Exhibiting Company Questions

1. How many days did your organization hold its exhibit in [Host City] (include setup and breakdown days)?
2. Indicate the number of exhibitors from your organization attending all or part of the event. Include your organization's staff involved in exhibit setup/breakdown, event staffing, and all other support staff.
3. Indicate the total number of nights spent in [Host City] by all the exhibitors from your organization.
4. Please check all categories in which you incurred expenses in [Host City].
 - a. Exhibitor lodging
 - b. Exhibitor food, beverage and entertainment
 - c. Exhibit/Booth expenditures (electrical, cleaning, equipment, technology services, vendor services, food/beverage, etc.)
 - d. Exhibiting Company-sponsored functions that were not a part of the event's official schedule (hospitality suites, meeting rooms, off-property functions and other client entertainment, etc.)
 - e. Promotions in [Host City]
 - f. Local transportation in [Host City] (auto rental, taxis, limos, subway, etc.)
 - g. Other expenses
7. Total lodging cost for all exhibitors (room cost, all room-related expenses such as phone calls, Internet usage, in-room movies, mini-bar, laundry/drycleaning, taxes, surcharges, business center, hotel parking/valet, etc.)
8. Total food and beverage expenses for all exhibitors (include taxes, tips, and room service).
9. Exhibit space lease/booth expenses. Include expenditures incurred in [Host City] **only**.
 - a. Exhibit space rental
 - b. Equipment rental for exhibit/booth (furniture, plants/greenery, computers, and audio-visual equipment such as monitors, projectors, screens, carpets, etc.)
 - c. Technology services for exhibit/booth (internet service, networking, and mobile/wireless communications, etc.)
 - d. Vendor services for exhibit/booth (electricity, drayage, cleaning, repairs, installation, exhibit setup/ breakdown, booth/exhibit entertainment, etc.)
 - e. Exhibit/booth food and beverage expenses.
 - f. Other exhibit/booth expenses.
10. Sponsored Functions expenses (include taxes and gratuity) for function(s) you hosted that were not on the event's official schedule. Include expenditures incurred in [Host City] **only**.
 - a. Food and beverage
 - b. Sponsored function space rental fee (do not include your exhibit space rental expenses)
 - c. Equipment rental
 - d. Other expenditures (incl. entertainment, guest speakers, A/V, etc).

Sample Questions (cont'd.)

Sample Exhibiting Company Questions (con't.)

11. Promotion and advertising expenditures. Include any expenditures in [Host City] to promote your organization or products to attendees. Examples include room drops, signage, and local vendor promotions.
12. Local transportation expenditures (car rental, tolls in [Host City], fuel purchased in [Host City], public/private transportation [bus, subway/light rail, taxi, limo, car service, etc.], parking/garage/valet fees)
13. Other expenditures not previously recorded.

Sample Questions (cont'd.)

Sample Event Organizer/Meeting Planner Questions

1. Please classify your event:
 - a. **Exhibition/Trade Show:** An event where the primary delegate activity is to visit exhibits on the show floor. These events focus primarily on business-to-business relationships.
 - b. **Convention:** An event where the primary delegate activity is to attend educational sessions, participate in meetings/discussions, socialize, or attend other organized events. There is an exhibit component.
 - c. **Meeting:** An event where the primary delegate activity is to attend educational sessions, participate in meetings/discussions, socialize, or attend other organized events. There is no exhibit component to this event.
 - d. **Consumer Show:** An event open to the public, usually requiring an entrance fee
2. Please indicate the published length of your event in terms of days. Be sure to include partial days if applicable. Exclude set-up/tear down time, as well as pre- and post-meetings if they are not part of your published conference schedule.
3. Please indicate the number of hotel rooms used on the peak night of the event.
4. How many delegates actually attended (not registered for) the event to primarily visit the exhibits, or attend meetings and/or conference sessions. Exclude exhibitors, media, speakers, and companions.
5. How many exhibitors (the number of people not companies) who actually attended the event including those who staffed exhibits or assisted those staffing exhibits. Exclude personnel who are employed by the organization that sponsored/managed the event.
6. Others: Indicate the number of non-delegate and non-exhibitor attendees. Include the media, speakers, and any guests/companions.
7. How many exhibiting companies were at the event. Be sure to include organizations sharing exhibit space.
 - a. Total number of exhibiting companies
 - b. From the above total, indicate the number of exhibiting organizations sharing exhibit space
8. Please check all categories in which your organization incurred expenses in the [Host City].
 - a. Food and beverage functions
 - b. Exhibition space fees and services (electrical, cleaning, etc.) to facility
 - c. Additional exhibit hall/meeting room
 - d. Equipment rental (computers, A/V equipment, etc.)
 - e. Technology services (internet, mobile/wireless communications, voice/data communications, etc.)
 - f. Services hired (security, production, transportation, etc.)
 - g. Staff members' living expenses
 - h. Promotional expenses in [Host City]
 - i. Local transportation in [Host City] (auto rental, taxis, limos, bus shuttles, etc.)
 - j. Other expenses

Sample Questions (cont'd.)

Sample Event Organizer/Meeting Planner Questions (con't.)

9. Food and beverage expenses for event-sponsored functions. Include catering and staffing costs. Include functions that fed staff and other event personnel as well.
10. Primary event space/facility rental fees. Include only expenditures incurred for usage of space/facility.
11. Secondary event space/meeting hall rental fees. Include only expenditures incurred for usage of space/facility.
12. Equipment rental and leasing fees incurred in [Host City] (LCD projectors, computers, sound equipment, A/V equipment, etc.)
13. Technology service expenditures incurred in [Host City] (voice/data communications, Internet, mobile/wireless communications, etc.)
14. Expenditures for services hired in [Host City] (A/V companies, security, decorators, production companies, transportation companies, photographers, etc.)
15. Total lodging cost for all staff (room cost, all room-related expenses such as phone calls, Internet usage, in-room movies, mini-bar, laundry/drycleaning, taxes, surcharges, business center, hotel parking/valet, etc.)
16. Total food and beverage costs for all staff (include taxes, tips, and room service).
17. Promotional expenditures in [Host City]. Include all types of local signage, radio and TV ads in event market, event-related advertising, and sponsorships.
18. Local transportation expenditures (car rental, local tolls, fuel purchased in the [Host City], public/private transportation including bus, subway/light rail, taxi, limo, car service, parking/garage/valet fees, etc.)
19. Other expenditures in [Host City] not previously recorded.



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