
CHAPTER 1

INTRODUCTION

Aims and Objectives

With the increasing significance of business tourism internationally and particularly the growth of the sector in the South African tourism context, the aim in this research is to examine the role the exhibition industry within the business tourism sector in South Africa.

Several key themes are explored:

- The research positions business tourism within the broader international framework.
- Business Tourism is discussed within a South African context, analysing the development and the challenges facing the future of this sector. The role and influence of particular tourism bodies and associations is investigated.
- The exhibition industry is assessed in detail as a component of the business tourism mix in relation to the more dominant components of conferences, meetings and incentive travel. This involves a study on the internal dynamics of the South African exhibition industry, unpacking how the industry is structured, who the key players are, which are the top consumer and trade shows nationally, and impacting factors on the evolution of the industry over the past decade.
- A case study on the annual tourism trade show, Indaba, is used to show the dynamics of the exhibition industry on an operational level. Overall, this study is focused on the organisational elements of the exhibition rather than the economic impacts of business tourism.

Context

As highlighted by Rogerson (2005), the current available research on business tourism is fragmented and predominantly focused on the developed world, namely North America and Europe. It is observed that the 'developing world as a whole has been a limited focus for research on business tourism, not least the continent of Africa, which has received no scholarly attention' (Rogerson, 2005: 177). Swarbrooke and Horner (2001) also raise several problems in the study of business tourism, such as there is a general lack of literature and reliable statistics in this field. The existing data has been collected in different countries with different set objectives, therefore, it is difficult to make global comparisons. In addition,

there is a problem of terminology, whereby terms and positions within the industry differ on a national and cultural level, which does not aid a global study (Swarbrooke & Horner, 2001: 11).

For the development of business tourism in South Africa, it is essential that the players within the sector have an understanding of the international dynamics of the industry in order to best capitalise on opportunities for South Africa. In order for the growth of the exhibition industry to be recognised for its value and contribution to this tourism sector, it is necessary also to develop an understanding of the inner workings of the industry. Minimal academic research has been compiled on the exhibition industry in South Africa, therefore the original findings in this report provide a rare detailed profile of this industry within the business tourism economy.

Research Methodology

This report uses both primary and secondary research in order to gain an accurate picture of business tourism and the exhibition sector in South Africa. In terms of primary research, qualitative research has been gathered through the method of personal interviews with the following groups:

- Representatives from tourism bodies and business tourism companies:
Small scale qualitative research was undertaken in 2006 with senior personnel in the business tourism sector in South Africa. The individuals were strategically selected to provide an overview of business tourism from the private sector, government and media perspectives. The findings are largely subjective, giving insight into how people perceive the current state of the industry. Certain topics were explored such as the key developments for growth of the sector; challenges that business tourism currently faces; the role of various tourism bodies and what should be done differently; and the inter-relation of components of the business tourism mix.
- Representatives working in the Exhibition Industry:
Key players were approached for personal interviews to gain a wider understanding of the dynamics of the exhibition industry in South Africa. These key players hold senior positions within top exhibition companies in South Africa. The selection of interviewees was specifically intended to reflect a cross-section of the industry, from the various backgrounds of exhibition organisers, venue management and suppliers to the industry.

- Representatives from Convention Centres:

Relevant spokespeople from the three major convention centres were approached to give their viewpoints on the value of exhibitions for their business. These findings were incorporated into Chapter 4.

Structured questionnaires were designed specifically for each target group. The key theme for the first group of representatives from tourism bodies was to ascertain the development and growing significance of business tourism in South Africa as well as to understand the role that these groups interpret for exhibitions within the business tourism framework. With regards the questionnaires for the exhibition industry and convention centre components of the study, the questioning was more targeted to the specific nature of these groups with a focus on the inner workings of the exhibition industry.

The secondary research undertaken for this report analysed key international literature on business tourism and the exhibition sector. The NEDLAC FRIDGE (Fund for Research into Industrial Development Growth and Equity) study, commissioned by South Africa's Department of Trade & Industry, was the result of extensive research into the business tourism sector (Grant Thornton and Prodigy Business Services, 2006). The primary findings of the study have been incorporated into this report. In addition, analyses from South African Tourism's segmentation reports and the Tourism Growth Strategy have also been reviewed. Additional secondary research, providing an overall review on the nature and scope of the South African exhibition industry, makes use of an independent study of the Exhibition Association of Southern Africa's (EXSA) databases and criteria for defining the players in the industry. For the purpose of the report, only EXSA members were included in the analysis in order to set some parameters for the research.

The case study on Indaba elaborates on the operational elements of an exhibition, demonstrating the planned execution of an event working in conjunction with various city authorities and VIP protocol. The study highlights the profiles of the exhibition, exhibitors, visitors and special guests. Source material includes project timelines, a mechanics planning document and media releases.

Report Structure

The report is structured into three sections of discussion. Chapter 2 provides an analysis of key international findings related to business tourism, establishing a platform and framework for the research element of the report. This chapter gives an historical overview of the development of business tourism globally before focusing on various facets of business tourism, namely the benefits and impacts, the role of the destination and event tourism, development strategies and the future of the industry. This review of the international context and global standards for business tourism sets the scene for Chapter 3, which unpacks the relevance and impact of business tourism in South Africa. This chapter provides an examination of the development of South Africa's business tourism sector according to governmental mandates and objectives, incorporating the contribution made by industry organisations and associations. The chapter reviews the outcome of small scale qualitative research, in which findings are analysed and discussed in terms of the key reasons for an increase in significance of the sector; perceived challenges; various changes that need to be implemented; and, of the contributions made by different components of the business tourism sector. Chapter 4 assesses the exhibition sector as a sub-sector of the business tourism industry in South Africa. This chapter provides a discussion on the dynamics of this marketing medium and its significance in terms of business tourism, incorporating aspects such as the evolution and current structure of the industry and the role of the national association. A case study of the annual tourism trade show – Indaba – demonstrates the operational elements required for the successful execution of a large-scale event. Lastly, the chapter reviews the future of exhibitions in South Africa. Chapter 5 offers a conclusion, highlighting possible improvements for the sector in order to compete more effectively on the global scale.

CHAPTER 2

INTERNATIONAL LITERATURE REVIEW ON BUSINESS TOURISM

Introduction

The aim in this chapter is to establish a platform and framework for the research element of the report, providing background literature and contextualising international key findings on business tourism. Chapter 2 is divided into four sub-sections, starting with an understanding of accepted definitions for the industry and an historical overview of the development of business tourism globally. The second section of this chapter will focus on various facets of business tourism, namely the benefits and impacts, the role of the destination and event tourism, development strategies and the future of the industry. Section three considers the international context and global standards for business tourism, ahead of the review of the South African context in Chapter 3. The last section of this chapter reviews exhibitions as a sub-sector of the business tourism industry.

Definitions and Development of Business Tourism

Previously known as the 'MICE' sector – namely Meetings, Incentives, Conferences and Exhibitions – the more widely used term 'Business Tourism' encapsulates the essence of what these gatherings represent. This sector constitutes a 'special kind of tourism' in that the 'meeting, convention or exhibition serves as the primary purpose for travel and the focus is a multi-faceted event of a fixed time duration that involves speakers, seminars, workshops, exhibitions, banquets, association meetings and social events' (Hiller, 1995:375).

In a report conducted by the United Nations World Tourism Organisation (UNWTO), the International Congress and Convention Association (ICCA), Meeting Professionals International (MPI) and Reed Travel Exhibitions (RTE), certain definitions have been proposed to the industry in order to achieve a global standard (UNWTO, ICCA, MPI, RTE joint industry report, 2006). Most notable is the proposed adoption of the terminology 'Meetings Industry' to incorporate the whole sector. Table 2.1 highlights these new definitions.

Table 2.1: Recommended Meetings Industry Definitions and Rationale for Definitions

(Source: UNWTO, ICCA, MPI, RTE joint industry report, 2006)

Issue	Recommendation	Rationale
Nomenclature for the Industry	Meetings Industry	This name represents the supply side It has support from key industry participants
Meeting Aims	To motivate participants, to conduct business, share ideas, to learn, network and hold discussions	These aims, or similar aims, were the most common in the industry and academic literature
Meeting Size	Minimum number of ten (10) participants	Many meetings organisations use this number
Meeting Venue	Venues where there is payment for the use of the venue for meetings	Where there is payment for the use of a contracted venue, there will be an economic contribution to the economy
Meeting Duration	A half-day (four hours) or more	Although a minimum duration may not be needed, the limit of four hours will provide a practical and sensible in-scope boundary for data collection

The NEDLAC FRIDGE (Fund for Research into Industrial Development, Growth and Equity) Business Tourism Sector Study, commissioned by South Africa's Department of Trade & Industry and released in 2006, initially defined a number of factors which can be included under Business Travel and Tourism, including trading (shopping tourism). In order to further refine the categories, business tourism was divided into:

- business tourism meetings, ie. meetings, conferences, incentives and exhibitions; and
 - business tourism events, ie. non-meeting events such as concerts and sporting events.
- (Grant Thornton and Prodigy Business Services, 2006b)

The FRIDGE study undertook to focus predominantly on business tourism meetings and more detail from the study will be unpacked in Chapter 3.

It is significant that there is a large crossover in the relationship between Business and Leisure Tourism (Swarbrooke and Horner, 2001; Rogerson, 2005). There are numerous links in the chains of demand and supply albeit the two groups tend to use the same facilities in different ways.

Swarbrooke and Horner (2001) highlight these overlaps as the following: the business traveler usually becomes a leisure traveler once the working day is over; conferences often include a programme of leisure activities in between conference sessions for delegates; and, many business travellers are accompanied by their partners and/or children who become leisure travellers for all or most of the duration of their trip (Swarbrooke and Horner, 2001: 10). Incentive travel, which offers leisure travel as a reward for good performance at work, is considered a key component of business tourism even though it has its own set of characteristics quite distinct from the other components. For the purpose of this report, the primary focus is on the meetings, conferences and exhibitions components of the sector. In spite of the relationship between the two sectors, business tourism has become a stand-alone concept, growing in awareness and understanding by governments, academics and tourism professionals.

Business tourism is not a new phenomenon. From the early days of agricultural trade between communities and the days of the Egyptian, Persian, Greek and Roman empires, people have travelled – often vast distances – to take their produce to market to trade. 'By the medieval period business travel for trade was well established and its infrastructure included a number of massive trade fairs in strategically located towns and cities' (Swarbrooke and Horner, 2001: 15).

Historically, the development of the Silk Route was particularly significant for business tourism as it enabled transportation of goods and scientific inventions between Asia and Europe, 'which brought phenomena as diverse as gunpowder, new religions, knowledge of astronomy and advances in medicine to Europe and the Middle East, from Asia' (Swarbrooke and Horner, 2001: 16). The Silk Route also resulted in a strong network of stop points – 'kervanseraï' – which provided accommodation and a support system for travellers enabling the re-stock of provisions, camels and guides.

Other early forms of business travel, still in existence today, were for religious, military and employment purposes involving priests, soldiers or migrant workers. The industrial revolution saw an increase in production volumes leading to increased demand for raw materials. Coupled with improved road and rail infrastructure, these factors all spurred the growth of the business tourism sector (Swarbrooke and Horner, 2001).

Business tourism pioneered in the United States in the twentieth century with the establishment of convention bureaus dating back over a hundred years, resulting in the fastest growth of the industry taking place in recent times. With the inventions of passenger airlines and incentive travel, as well as the development of specialist venues and formalised meeting concepts, business travel and tourism has 'changed dramatically in the latter half of the twentieth century as new forms of business tourism developed and the supply side responded with new products and services' (Swarbrooke and Horner, 2001: 14).

Characteristics and Elements of Business Tourism

Business tourism has a number of distinct characteristics and specific benefits for destinations (Law, 1996; Getz, 1997; Swarbrooke and Horner, 2001; Rogerson, 2005). Business tourists are considered economically attractive and more and more countries, regions and venues are trying to secure their share of this profitable market. Figure 2.1 presents the major benefits for destinations in terms of business tourism. The most notable benefits include providing solutions for addressing seasonality challenges; job creation to meet higher standards of demand for business travellers; justification for development and funding of infrastructure that can benefit the host community; spin-off for local suppliers and related industries such as photographers or florists and; higher average daily spend per business traveler as compared to leisure travellers (Swarbrooke and Horner, 2001). Comparing several destination's business tourism yield, Lee and Josiam found that in New Zealand and South Korea business travellers spend three times more per day than the average tourist spending whereas in Australia convention delegates and their companions spend an estimated *five* times more per day than average visitors (Lee and Josiam, 2004).

These economic benefits of business tourism need to be effectively managed in order for destinations to yield the maximum benefit. When this is the case, the 'impact of this industry on a nation's economy is tremendous' (Lee and Josiam, 2004: 105). Figure 2.1 below highlights both the positive and negative impacts that can develop through the influence of business tourism on a localized level highlighting the need for careful structured management.

Without proper consideration, environmental and social factors may have a negative impact. From creating additional pollution and waste to the demand for infrastructure, the physical environment may suffer negatively from an influx of business tourists. Socially, business tourism appears to have mixed impacts, with the business traveler experiencing a more favourable time than the local community in the destination who may suffer negative impacts (Swarbrooke and Horner, 2001).

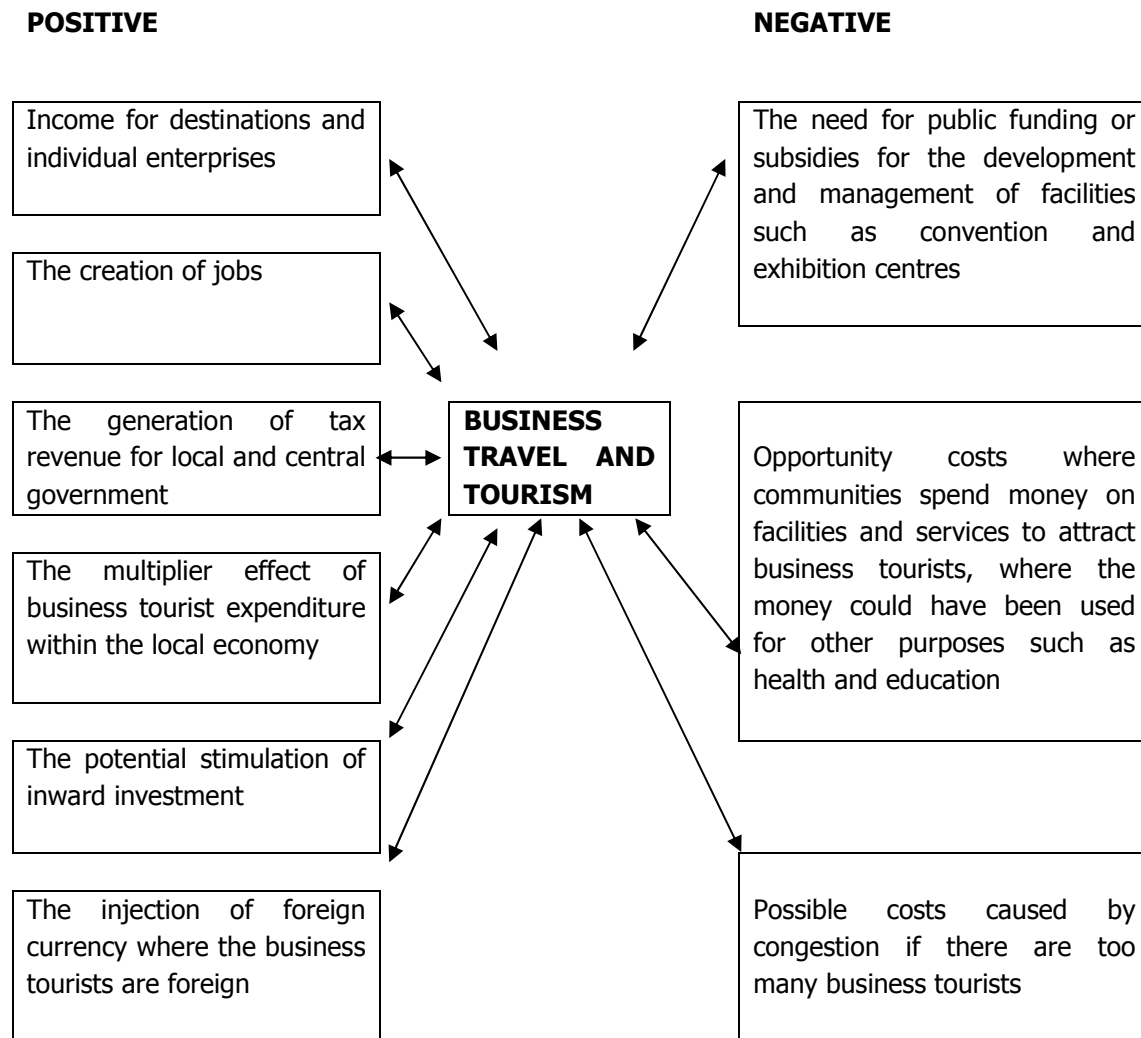


Figure 2.1: The economic impact of business travel and tourism (Rogerson, 2005:179)

Large cities are multifunctional and therefore any business tourism operations become part of the mix of activities in a big city. In Law's categorisation of cities, he found that the 'invisibility of tourism in cities partly arises from the fact that many facilities are used both by residents and visitors. Improving these facilities therefore provides benefits for residents as well as assisting the promotion of tourism' (Law, 1996: 5). New projects and development of convention centres and arenas are often the 'centrepieces of the regeneration of derelict areas on the downtown areas' (Law, 1996: 12) and can be used effectively to secure funding for upliftment of the community. One example of this is the development of Birmingham's National Exhibition Centre in England, which was based on the USA model (Rogerson, 2005).

A destination comprises a number of elements such as transport infrastructure, accommodation establishments, built attractions and venues, geographical features as well as destination management agencies and specialized companies providing various organisation services. A business tourism destination places all these elements at the disposal of the business traveler and each traveler will make use of the destination in a different way (Swarbrooke and Horner, 2001: 59). Figure 2.2 highlights the various components that amalgamate to form the business tourism destination product.



Figure 2.2: Various components of the destination product (Swarbrooke and Horner, 2001:59)

The enterprises or organisations involved in business tourism are critical agencies in shaping the destination product (Rogerson, 2005). It is argued that every business travel and tourism organisation 'has a macro-environment, and each is unique to the organisation. The key factors in these macro-environments will greatly influence the future of the organisation. The successful organisations are those which most accurately predict what will happen in their macro-environment in the future and plan most effectively in anticipation of these changes' (Swarbrooke and Horner, 2001: 73). In analysing the macro-environment of a business tourism organisation, one looks at the political, economic, technological and social factors that have a role to play. Each of these factors has an impact on the macro-environment of an organisation in terms of financial management, human resources management, operations management and marketing management. For example, looking specifically at marketing management:

- Legislation and regulation affects marketing (political factor)
- The economic situation affects the level of demand in the market (economic factor)
- Developing lifestyles such as the desire for healthy living can affect demand and lead to the need to develop new products (social factor)
- Communication technologies such as the internet are available for use as marketing tools (technological factor)

(Swarbrooke and Horner, 2001).

Business tourism organisations form part of a greater business tourism destination and product offering. A business tourism destination, whether referring to a specific country or city, has a key role to play in attracting visitors and marketing the destination as a whole. The primary target market for the destination is meeting planners and event organisers, who market their event in association with the host city, as well as the conference/exhibition/convention delegates themselves who ultimately decide on their individual attendance at an event (Law, 1996).

Oppermann's (1996) study into convention tourism, and the role of the convention centre in particular, yielded significant results that determine the selection of a destination. Primary decision-making factors used by meeting planners and conference organisers such as service, cost, image, location and facilities are all tied into the perceived benefits and impacts of business tourism. Traditionally many convention centres run at a financial loss, however, it is 'usually assumed by the city that any losses incurred by the convention centre are more than recuperated by the spending of the attendees throughout the city on accommodation, transport and food establishments resulting in increased tax revenues' (Oppermann, 1996: 10).

Several other scholars have looked at the concept of competitiveness between destinations, which can be explained as 'a nation's ability to create market demand and maximise profitability through effective management of both natural and strategically developed resources' (Lee and Josiam, 2004: 107). The principle elements of competition in terms of national competitiveness can be specified as the following. Firstly, sufficient supply conditions such as natural and human resources, infrastructure and technological development are essential. Secondly, the demand-related factors need to match the supply conditions. Domestic demand encourages development and provides a good grounding for the industry, appealing to foreign demand if the domestic demand is stable. The third element concerns the availability and quality of local suppliers and related industries. The fourth element takes into account a proper strategy and structure to enhance competition. It is necessary to allow room for unpredictable events such as natural disaster and currency fluctuation that may also impact on growth. A country's government also plays a key role in facilitating growth and competitiveness (Porter, 1990; Lee and Josiam, 2004). In line with this thinking, Prparos undertook a qualitative study focusing on the city of Thessaloniki, Greece, in an attempt to assess whether that city is capable of capturing a share of this lucrative market. His study highlights the need for a destination's stakeholders to buy-in to strategy and planning as an important factor for success (Prparos, 2005). According to Law (1996), the promotion and growth of tourism in cities 'requires vision, leadership, partnership and funding as well as the will to pursue a policy over many years' (Law, 1996: 12). Law observes that the public sector is 'best placed to give this leadership' (Law, 1996: 12). Once the basis of the infrastructure and development is in place, the private sector is likely to initiate investment in smaller operations and facilities fostering a potentially strong partnership for international promotions (Law, 1996).

Lee and Josiam's (2004) work on convention tourism competitiveness found that the 'global trend towards non-traditional destinations points to changing traveler wants in terms of destination experiences and it is no exception in the meeting and convention market' (Lee and Josiam, 2004: 107). This has resulted in so-called 'second tier' countries and cities starting to market themselves more aggressively to compete for their share. This has had spin-off for the development of quality convention centres and other facilities, on a smaller basis than large cities, in order to attract the market. In the second tier destinations especially, it is essential that the supply-demand relationship is maintained in order to deliver the promise of the destination.

Working from the basis that there is little scientific evidence proving why or how a convention site is chosen over and above other competitive destinations, Crouche and Louviere (2004) undertook a study into the Australian domestic conventions industry. Using stated choice modeling, their statistical evidence shows that although convention venues and accommodation are critical factors, additional features and attractions are imperative for the destination to compete effectively in this decision making process

(Crouch and Louviere, 2004). Swarbrooke and Horner (2001) note that destinations have started to realise that 'business tourism brings great benefits and every year new destinations try to attract convention, exhibitions and incentive travel business' (Swarbrooke and Horner, 2001: 59).

With the ever-growing trend in business tourism and the rapid expansion and development of convention centres and convention visitor bureaus (CVBs), business tourism can be used as an effective tool in a destination's development strategy. Overall, it is argued that there 'is growing interest among nations in developing national level strategies to build a more attractive image as a convention destination' (Lee and Josiam, 2004: 106). Strategies can be implemented to attract business travellers as a new target market, or they can be used to enhance or re-launch a destination to a continually evolving and demanding market, albeit there are certain risks involved. 'When a Third World country uses tourism as a development strategy, it becomes enmeshed in a global system over which it has little control. The international tourism industry is a product of metropolitan capitalist enterprise. The superior entrepreneurial skills, resources, and commercial power of metropolitan companies enable them to dominate many Third World tourist destinations' (Britton, 1982: 331). Developing countries tend to view tourism as a means of generating foreign earnings; of creating employment opportunities; of attracting development capital and of enhancing economic independence. These can all be achieved through planning and effective implementation of strategy. In developed countries and established destinations, business tourism is 'not perceived as a panacea to all problems, but it is certainly an industry which is thought will be able to breathe new life into old cities' (Law, 1996: 11).

Business tourism can also be a 'core driver' for the growth of regional tourism (Dieke, 1998; Ghimire, 2001; Rogerson, 2005). Dieke (1998), a specialist in the studies of regional tourism in Africa, highlights that 'Africans travel a lot even in the face of a current unstable economic and political environment.' With weekly markets and general trade forming the basis of how business is conducted, it is evident that travel for business purpose forms one of the primary aspects of travel in Africa (Dieke, 1998: 39). A number of factors can determine the success and potential future growth for regional tourism in Africa, however it is essential that any strategies 'take into account the special characteristics of each country, the nature of the tourism infrastructure, human resources for employment, and the economic, cultural and social environment' (Dieke, 1998: 46).

Tourism generally has taken on a greater significance over the past several decades as 'governments came to recognise that tourism could have a role in urban economic development. Slowly funding for tourism increased and tourism related projects began to appear in economic strategies' (Law, 1996: 1). These tourism related projects can refer to a wide range of events, festivals and culture-led regeneration. 'Events constitute one of the most exciting and fastest growing forms of leisure, business, and tourism-

related phenomena. Their special appeal stems in part from the limited duration and innate uniqueness of each event, which distinguishes them from permanent institutions and built attractions' (Getz, 1997: 1). A new term in the 1980s, the concept of 'Event Tourism' has become a major element of what is referred to as 'special interest tourism' and it is a 'significant ingredient in destination and place marketing strategies' (Getz, 1997: 2).

Over the last decade a considerable amount of international scholarship has emerged in the study of event destinations. Hiller's (1995) work looks at the impact of mega-events, such as conventions, on the host city. From a sociological perspective, an 'interaction-opportunity model' is proposed in place of the 'intrusion-reaction model' which is normally adopted when an event reaches the threshold that classifies it as a mega-event. The interaction-opportunity model highlights that the host city can attain more than economic benefits through effective interaction in order to enhance the convention-host city relationship (Hiller, 1995). Solberg et al (2002) have conducted numerous studies in sporting tourism and major sporting events, most notably on the direct economic impacts from business travellers at world championships. Tahir and Chik (2006) address the focus of event tourism as a 'source of generating significant revenue and contributing major economic benefits to host countries' (Tahir and Chik, 2006). Using Malaysia as a case study during the XVI Commonwealth Games of 1998 and XXI South East Asia Games of 2001, they show how sport tourism in particular attracts a diverse group of visitors to a host country, providing a good opportunity to promote the tourism industry in that country for future leisure or business visits (Tahir and Chik, 2006).

One of the most important themes in event tourism and place marketing is the objective to replace negative or indifferent images by creating a new image of a place in the minds of investors or visitors. The past twenty-five years have seen a surge in the amount of destinations embracing place marketing. 'In North America and Western Europe, the selling of places has produced a process of image management which refers to the fashioning (and refashioning) of the identity of particular localities' (Rogerson, 1999: 33). It is argued that place marketing 'provides a framework within which events and event tourism find multiple roles, as image makers, quality of life enhancers, and tourist attractions' (Getz, 1997: 51). As attractions, events are dependent on local and regional audiences which ultimately appeal to a wider international base. An attraction that creates a reason for a visitor to stay in a destination longer than normal has tourism value even on a domestic scale. Events also have the capability of encouraging people and their money to stay at home rather than travel to other destinations (Getz, 1997). Events can be used effectively to overcome seasonality by encouraging visitors during the off-peak seasons. It is evident from the global show calendar that the majority of European travel trade shows are held during the winter months, partly to avoid the mid-year holiday season while also capitalising on available accommodation to cater for the numbers of visitors who attend the events.

It is necessary to point out that event tourism has a number of advantages and disadvantages economically. Nevertheless, the advantages are generally seen to outweigh the disadvantages depending on proper management. From a negative perspective, mega-events can be costly and are dependent on local and regional markets (Getz, 1997). They also have the potential to cause environmental, social and cultural problems and, if the opportunity costs are not incorporated into the cost versus benefit evaluations, the overall reception of an event can be negative.

In reviewing the positive aspects, there are several economic advantages of event tourism. Events can be a cost-effective means of developing attractions as they do not require special facilities or infrastructural improvements plus they make use of a high percentage of volunteer labour. Events tend to attract corporate sponsorships, thereby spreading the costs from public to private sources and result in a high ratio of revenue to costs. Events encourage regional and seasonal tourism and also create a positive spin-off for local suppliers therefore enhancing the local income (Getz, 1997). Figure 2.3 below shows the various economic roles that events fulfil, namely those of place marketing; animator; image maker; tourist attraction and catalyst.

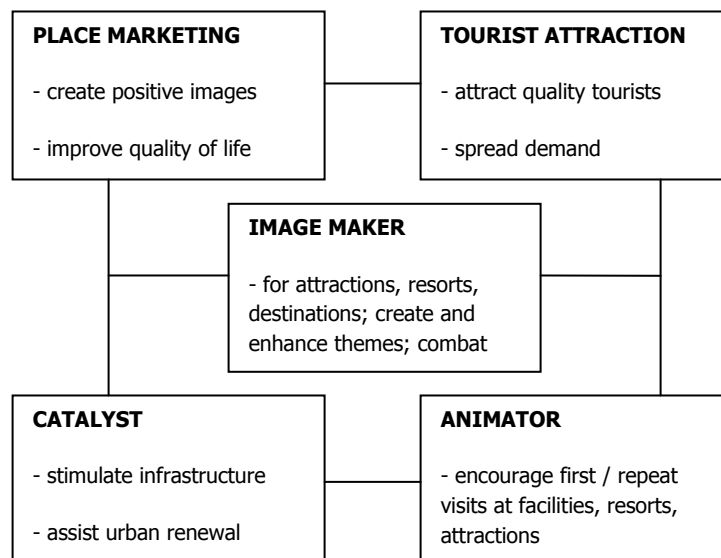


Figure 2.3: Economic roles of events (Getz, 1997)

Preuss (2006) analyses the lasting effects of the economic impact of events, in particular for major sporting events, stating that 'investment in a sports event has to bring positive effects for the city/country/population, effects that last much longer than the event itself' (Preuss, 2006:1). These effects refer to short term financial profit which can yield longer term benefits; investment in infrastructure for local community use; and the spin-off from marketing and advertising for the promotion of tourism to the destination. His work explores the creation of a legacy, ideally a positive legacy, as a major reason for hosting a major event. Table 2.2 highlights the various positive and negative impacts that create a legacy for the host city. The positive effects need to outweigh the negative implications in order for the event to be deemed a success in the short and long term.

Table 2.2: Positive and negative impacts on a destination through hosting a major sporting event (Preuss, 2006:2)

Positive	Negative
• new event facilities • general infrastructure • urban revival • international reputation • increased tourism • improved public welfare • additional employment • local business opportunities • corporate relocation • city marketing • renewed community spirit • inter-regional cooperation • production of ideas • production of cultural values • popular memory • education • experience and know-how	• high construction costs • investments in non needed structure • indebtedness of public sector • temporary crowding problems • loss of permanent visitors • property rental increases • only temporary increases in employment and business activities • socially unjust displacement

Overall, in connection with event tourism, it is argued that the 'balance between relative economic costs and benefits will usually be positive. Tourist organisations can pursue an event tourism programme in addition to, and complemented by, other areas of tourism, cultural and social policy, with minimal direct costs. At a minimum, the provision of organisational expertise, marketing data, and limited funds for seed money can go a long way to encourage numerous events to fulfil their tourism potential' (Getz, 1997: 69).

In terms of fulfilling the tourism potential of a destination, Davidson and Rogers' (2006) recent work explores future challenges and opportunities for the industry. This includes strategic marketing planning, evaluation and selling strategies (Davidson and Rogers, 2007). Davidson has written several other works on business tourism (Davidson 2004, 2006). In a 2006 survey conducted with European meeting planners, Davidson highlights the following critical trends for consideration in the business tourism sector, namely: New Destinations; Ongoing Volatility; Transport; Corporate Social Responsibility; and Return on Investment (ROI) (Davidson, 2006: 16-20).

In terms of new destinations, meeting planners appear to be using a combination of well established destinations, such as Spain and Germany, as well as newcomers such as Croatia, Morocco and the UAE. Davidson's results suggest that planners are open to trying new locations for their events and they are looking for destinations offering a novelty factor and value for money. According to IPK International the key deciding factor when selecting a destination 'remains "value for money", [indicating] the importance of cost in making travel decisions' (Grant Thornton and Prodigy Business Services, 2006d: 34).

Aside from normal business performance challenges, a number of other issues arose in 2006 in terms of ongoing volatility, which resulted in cancellation and postponement of some events. Although natural disasters caused some disruption, the threat of terrorist action and concerns with airline travel were primary reasons given (Davidson, 2006).

In spite of terrorism threats and an increase in oil prices, transport trends have shown a steady increase in the use of airlines for business travel. It was observed that by 'October 2006, air travel worldwide was at its highest level for 5 years' (Davidson, 2006: 19). This demand results in increased pricing in certain destinations as well as certain air links. American Express is predicting a 3% - 5% increase on domestic air routes and 3% - 7% rise in business class fares. In the UK, to avoid the increased security measures at London airports, one observed trend is that business travellers are using more regional airports and rail travel (Davidson, 2006). The CWT Business Travel Indicator cited that almost a third of business travellers found airport security lines and flight delays as major grievances of business travel, supporting

the increase in usage of alternate airports and forms of travel (Grant Thornton and Prodigy Business Services, 2006d).

In terms of Corporate Social Responsibility, meeting planners are increasingly tending towards destinations and transport providers that offer sound environmental credentials (Davidson, 2006). A survey conducted by the Association of Corporate Travel Executives found that 'one third of company travel managers would consider terminating the contracts of suppliers with a poor environmental record' (Davidson, 2006: 19). This factor is impacting on the supplier side of the industry which strives to meet the changing awareness levels. Cause related marketing, in terms of linking a company or specific product/brand to a social cause, has increased notably over the past decade. This promotional tool has 'evolved to become a long-term positioning and marketing strategy' (Allen, 2004). By making travellers aware of eco-friendly or community-friendly products, there is a greater prospect of commitment and support by planners and organisers.

In a recent US-based survey on 'return on investment', findings showed that business tourism companies are focusing strongly on cost-containment, by 'using more new technologies (web and video conferencing), consolidating meetings, negotiating lower prices for holding multiple-year meetings at the same destination' (Davidson, 2006: 20). More effort is also going into extending the life of an event prior and after an event as well as improving its global reach, such as through electronic mediums of websites and e-newsletters. 'Measuring the return of investment in meetings and events is a hot topic in the industry today' and Colston asks if it is really possible to put a monetary value on the outcomes of meetings or events (Colston, 2005). ROI measurement experts Aggeler and Hamso (2005), through their association with Meetings Professional International (MPI), have launched international seminars to assist meeting planners and corporate organisations in assessing whether they are achieving their objectives by using these marketing platforms. This highlights the need for organisations to justify both their budget allocations and their participation in events by adopting a more scientific approach.

These various trends highlighted above, lead one to question the future of the business tourism industry. Some scholars have studied niche sectors of business tourism to ascertain future trends. One example of this is an investigation by Taylor and Tekle (2006) of female business travellers in the industry. Their paper explores 'women delegates' levels of satisfaction of conference attributes with regards to the conference venue and accommodation venue provisions' with a view to improving facilities and offering (Taylor and Tekle, 2006). Niche studies, however, only look at microcosms of the total industry.

On a wider scale, technology is significantly impacting upon business travel and tourism in a number of ways. According to the CWT Business Travel Indicator, 83% of travel managers interviewed in a recent survey believe that almost all bookings will be made online in the next five years (Grant Thornton and Prodigy Business Services, 2006d). 'This trend is echoed by Hubert Joly, president and chief executive officer of CWT, who indicated that in Australia online bookings are up 160%, in Europe they are up 71% and in the USA there's a 43% increase' (Grant Thornton and Prodigy Business Services, 2006d: 35). A primary reason given for this is cost saving, which will ultimately reduce the need for corporate travel agency accounts. The Barclaycard Business Travel Survey highlights that technology will also affect how people travel. For example it is estimated that by 2015, 90% of business travellers will use remote electronic check in and advanced self-identification checks (Grant Thornton and Prodigy Business Services, 2006d).

With this rapid advancement of technology and demands on time, there is a possibility that face-to-face business tourism may be at risk in coming years. According to recent findings by Davidson (2006), 'achieving an accurate understanding of the next generations of conference delegates is a challenge for all of us in the conference industry, including those employed in destinations and venues that depend on the association conference market for valuable business' (Davidson, 2006a). A decline in membership of associations and a resultant decline in conference attendance poses a risk for all involved in the meetings industry (Davidson, 2006a). Considering individual needs and characteristics, Davidson (2006) categorises individuals into Generation X - those born between 1965 and 1981 and Generation Y - those born after 1982. He identifies that the key to the continuing success of the global industry is dependent on persuading the upcoming generations to appreciate the value of attending business tourism events.

As highlighted earlier, destinations can play a role in attracting these groups as new locations are constantly being sought after to provide a unique setting for a conference, exhibition or incentive travel trip. Developing countries have a distinct advantage in their appeal as they offer a fresh, novel approach to a demanding group of business travellers (Davidson, 2006).

International Context

A number of independent tourism bodies and associations facilitate regular research on international business tourism. The United Nations World Tourism Organisation (UNWTO), the World Travel and Tourism Council (WTTC) and the International Congress and Convention Association (ICCA) are three of the most common sources for reliable data and monitoring of the sector.

The UNWTO tracks all international arrivals by the purpose of their visit. Business travel and tourism falls into the category called 'business and professional', of which 16% (120 million) of all international arrivals were classified into this category in 2004 (Grant Thornton and Prodigy Business Services, 2006d: 26). This total notably increased by 7% from 111,9 million in 2000 to 119,9 million in 2004 supporting the growth projections for the industry (Grant Thornton and Prodigy Business Services, 2006d: 27). Table 2.3 highlights findings from the WTTC survey of the top ten countries travelling for the purpose of business tourism and the value of each of these country's contributions to the global value of the industry.

Table 2.3: Top Ten Contributors to World Business Travel and Tourism for 2005

Source: (Grant Thornton and Prodigy Business Services, 2006d:31)

Country	Value of Business Travel and Tourism (US\$ million)
USA	170 728,0
Japan	71 756,1
Germany	53 365,9
UK	43 480,1
France	39 828,3
Italy	38 571,7
Spain	17 488,2
Canada	16 755,3
Netherlands	12 246,3
Russian Federation	9 875,4

On the supply side, the UNWTO also tracks tourism receipts according to destination. 'In 2004, international tourism receipts totalled US\$623 billion, more than half of which was contributed by Europe' (Grant Thornton and Prodigy Business Services, 2006d: 31). For the past fifty years, the European region has held first place in terms of hosting the largest number of international conferences, however its share of the market has been declining in recent years. Asia has succeeded in capturing a significant portion of this global market, increasing from 8% in 1968 to 13% by 2000 (Lee and Josiam, 2004). Over this same time, the USA has also seen a 4% growth in their market share. Overall, the USA is ranked as the top earner in terms of business tourism receipts (receiving US\$74,5 billion) followed by Spain (US\$45,2 billion) and France (US\$40,8 billion). Italy, Germany and the UK are also rated highly in the latest survey (Grant Thornton and Prodigy Business Services, 2006d).

Illustratively, much recent attention has been given to comparative business tourism studies globally with much of the work being conducted on the newly emerging Asian region. Weber and Ladkin's (2003) work explores key issues affecting the business tourism industry in Australia and the UK. Using the Delphi technique, a comparative study was undertaken between the two destinations and the major competitive forces in the respective regions. It was highlighted that primary factors need to be addressed to ensure continued growth over the next five years, namely marketing, investment and infrastructure, human resources and service quality (Weber and Ladkin, 2003).

Qu, et al's (2003) work looks specifically at a comparative study between two destinations – Hong Kong and Singapore – to ascertain perceptions by end-users, organisers and venues. Their survey found at the time that Hong Kong was perceived as less competitive than Singapore as an international conference destination, however, there were opportunities to rectify these weaknesses and increase the former's competitive advantage (Qu et al, 2000). The hosting of international meetings and events has become a major part of Korea's tourism industry. Yoo's study highlights that Korea has massive potential to become a big player in the South East Asia region, provided it is able to manage its marketing strategies and challenges more effectively than its competitors (Yoo, 2004). Using Thailand as a case study, Campiranon assesses the impact of crisis situations and crisis management on a highly lucrative foreign exchange revenue. He approaches the business tourism industry in Thailand from the point of 'chaos theory' (Campiranon, 2005).

Focusing on a wider global scale, Davidson's (2006) Industry Trends and Market Share Report for 2006 assesses the current status of key markets such as the USA and Europe as well as new markets such as China and India. It is argued that the USA looks to remain a popular destination for the coming year, backed by a healthy domestic market. In a survey conducted among members of the Professional Convention Management Association in 2006, it was found that 30% of respondents expected their

convention/meeting budget to increase and 45% anticipated general attendance at conferences to increase. Half the respondents showed that they would be holding meetings outside the USA with other North American destinations being their primary choice (Davidson, 2006).

Davidson (2006) reports that good business tourism performance by European cities looks to continue into 2007, impacting positively on general economic activity - especially the hotel sector. 'In figures released by ICCA in 2006, seven out of the world's ten most popular destinations for international meetings were situated in Europe' (Davidson, 2006:11). In order of ranking, these destinations are Vienna, Barcelona, Berlin, Paris, Amsterdam, Budapest and Stockholm (www.iccaworld.com). In the survey conducted for Davidson's report, Spain was rated as the most popular first, second and third choice of meeting planners, showing the continued appeal of this destination (Davidson, 2006).

Looking towards new emerging markets, China and India are 'hot topics' under discussion in terms of anticipated growth out of these regions (Davidson, 2006). The investment in hotel and convention facilities in China has resulted in strong growth of business travel across the country. Hong Kong, followed by Beijing and Shenzhen, has experienced the highest growth in the increase of average room rates over the past year (Davidson, 2006). China's ambitious targets to construct 120 world class convention facilities across the country by 2020 are starting to become a reality with development plans now being implemented. Event tourism, such as the Beijing Olympics 2008 and the 2010 World Expo in Shanghai, will be strategically used to market China to the international business community to boost inbound tourism. In terms of travel from the region, China's potential outbound market is even more significant. According to the Pacific Asia Travel Association more than 32 million Chinese travelled internationally in 2005. With the anticipated growth from this region, it is projected that China will closely rival the USA market in terms of business travel spend by 2016 (www.pata.org; Davidson, 2006).

Outbound travel from India - with a population of 1.1 billion - also offers huge opportunity, especially from the educated middle class. Recent estimates from the WTTC show that 'Indian tourism demand will grow at 8.8% over the next ten years, which will place it as the second most rapidly growing tourism market in the world' (Davidson, 2006: 14). At the 2006 PATA Travel Mart, Nancy Cockerell from The Travel Business Partnership was quoted as saying: 'Everybody has been getting excited by China, but India is a much more interesting market. China remains a relatively controlled and regulated market, whereas Indians are already free to travel wherever, whenever and however they wish. Compared with the Chinese, Indians have a higher level of travel experience and speak much better English' (Davidson, 2006: 14)

Overall, it is evident that business tourism can be an extremely lucrative sector attracting significant numbers of high spending travellers and sustaining numerous accommodation and convention centre facilities. The increase of globalisation results in an increase of inbound and outbound opportunities, in all spheres of the sector, as well as strategies to enhance and maximise this potential (Swarbrooke and Horner, 2001; Davidson, 2006).

Exhibitions as a sub-sector of Business Tourism

As mentioned in the definitions of business tourism, exhibitions are considered one the four key components of the sector and are classified as a form of business tourism meetings. It has been observed that at 'national level, the importance of this segment of business tourism is underscored by the fact that certain countries have prepared national policies or strategies that are designed specifically to ensure long-term growth and to maximise the local economic and social impacts of conference and exhibition tourism' (Rogerson, 2005: 179).

Exhibitions are generally divided into trade shows and consumer shows, determining the nature of the event in terms of content, visitor and exhibitor appeal and styles of marketing. It is argued that "'Trade Shows'" are targeted at industries or specific occupations, and are often held at the annual conventions of associations. The public might get access to trade shows, and some incorporate educational components, but mostly they are for exhibits and sales. "Consumer Shows", in contrast, are held for the general public and can cover virtually any topic, from traditional automobile shows to alternative lifestyles' (Getz, 1997: 9).

Over the past century, exhibitions have developed from mass audience agricultural and entertainment fairs into highly specialised trade and consumer events. In particular, Europe has a 'well-established pedigree as the continent on which exhibitions developed and it is home of by far the largest number of exhibitions, many of which are major international trading events' (Business Tourism Partnership, 2003). Indeed, the Eiffel Tower was constructed specifically to mark the opening of an exhibition, the International Exhibition of Paris of 1889 (www.tour-eiffel.fr). It is also recognised in the industry that Germany rebuilt the country's economy after World War II through the medium of exhibitions. In Berlin, rebuilding of the destroyed exhibition halls was already underway in 1946 for the first post-war exhibition in 1947. By 1950, five new halls had been constructed for the first German industrial exhibition totalling 37000sqm of exhibition space. 'Only five years after hostilities had ceased, five trade fair events were being held in the city under the Funkturm which, though still bearing the scars of war, was committed in its will to rebuild' (www.messe-berlin.de).

While there are numerous associations established for business tourism generally, there are only a few organisations catering specifically for exhibitions. The USA-based International Association for Exhibition & Events (IAEE) 'promotes the unique value of exhibitions and events that bring buyers and sellers together such as road shows, conferences with an exhibition component, and proprietary corporate exhibitions. IAEE is the principal resource for those who plan, produce and service the industry' (www.iaee.org). Initially started in 1928 as the National Association of Exposition Managers, the association positions itself as the leading association for the global exhibition industry, representing over 6000 individuals working in, or affiliated to, the industry.

Minimal qualitative research has been conducted on the market value and size of the international exhibition industry. Recent research has, however, shown that trade shows have become 'an important component of the marketing mix' (Calof, 2005: 57). One study found that business marketing budgets of USA companies allocate 10% towards participation and attendance at events versus a 20% allocation by European companies. Total trade show expenditures are calculated at \$53 billion annually (Calof, 2005: 57).

To gain an overview of the significance of the industry, the European-based association UFI provides the following statistics. Representing over 364 member organisations in 172 cities, the association supports more than 4000 trade fairs and exhibitions which annually rent over 50 million sqm of exhibition space; attracting over one million exhibitors and 150 million visitors per annum (www.ufinet.org).

Using the UK as a case study, The Business Tourism Partnership (2003) has conducted surveys through the Exhibition Industry Research Group to assess the size and estimated value of the UK exhibition market. In 2001, it was found that 823 exhibitions were recorded at venues with a minimum of 2000 sqm of permanent continuous exhibition space. Of this total, 56% were trade only, 42% were consumer only and 2% covered both trade and consumer visitors. Over 6.8 million sqm of gross hall space was booked and over 9 million visitors attended these events in that year. Taking into account some of the smaller regional venues around the country, the total number of exhibitions increased to 1858 exhibitions attracting 17.3 million visitors in the same year. The economic impact of these statistics is evidence of a robust industry. The British Tourism Authority's figures from 2001 show the UK exhibition industry attracting 207 000 international visitors whose direct business tourism spend in the UK economy totalled over £168 million (Rogers, 2003).

When referring to business tourism, exhibitions have a dual purpose. Exhibitions can be viewed both as a contributor towards business tourism and as a way of promoting the industry as a whole. A fixed annual schedule of business tourism exhibitions has developed over the past decade to provide marketing opportunities for business tourism products and destinations. Some of these exhibitions are more global than others, dependent on the amount of inbound and outbound trade from a particular region. Examples of notable regionalised events are The Motivation Show in the USA, AsiaPacific Incentives and Meetings Expo (AIME) in Australia and Pacific Asia Travel Association (PATA) in South East Asia (www.motivationshow.com; www.aime.com.au; www.pata.org). Reflecting the growth of the sector, one of the largest international organisers, Reed Travel Exhibitions, recently has launched China Incentive, Business and Travel Meetings Exhibition (CIBTM) in China and Gulf Incentive, Business and Travel Meetings Exhibition (GIBTM) in Abu Dhabi (www.reedtravelexhibitions.com). The two flagship events in Europe are EIBTM and IMEX which cater predominantly for markets in Western Europe and Eastern Europe/Germany respectively. Multi-national operators and suppliers may attend the majority of the global events, however, smaller, more regionalised operators and products tend to be more selective. The decision-making factors involved in determination of show attendance (as a visitor) and participation (as an exhibitor) range from the nature of the buyers to the size of the event to the attractiveness of the destination.

In the promotion of IMEX to the industry, the exhibition organisers quote the 2006 statistics as uniting more than '14,000 industry professionals from around the world, including representatives of the 3,300 exhibiting companies from 150 countries' (www.imex-frankfurt.com). The exhibitor profile includes a cross-section of the supply-side of the business tourism industry, namely: national and regional tourist offices; convention and visitor bureaux; hotels; cruise lines; car rental; airlines; ground agents; spa resorts; conference centres; technology providers; golf destinations; luxury trains; exhibition centres; trade associations; destination management companies; event management specialists; transportation companies; trade publications (www.imex-frankfurt.com).

On the demand side of the industry, the show is relevant to international and German buyers who research / organise / plan / influence / make budgetary decisions for:

- Association meetings, congresses or conventions
- Conferences
- Corporate meetings and hospitality
- Exhibitions
- Incentive travel programmes

- Product launches
- Promotional events
- Road shows
- Seminars
- Training programmes

(www.imex-frankfurt.com)

Overall, it is evident from this international review that Business Tourism plays an integral part in the development of tourism as a sector on a global scale. In reviewing the benefits and impacts of meetings, conferences, exhibitions and events on a destination, it is clear that this sector can create considerable opportunities for a city or country's economy. It is essential, however, that the balance is maintained between the demand and supply sides of the industry in order to adequately achieve the development goals for a destination.

The past few decades have seen significant growth of the business tourism industry, especially in the Northern hemisphere developed countries. More recently, developing countries are starting to claim their share of this lucrative market as meeting planners, organisers and business travellers look to new, exciting destinations.

South Africa falls into this category of emerging destinations and in Chapter 3, business tourism in the South African context will be explored to get a better understanding of the country's potential.

CHAPTER 3

THE SOUTH AFRICAN CONTEXT

Introduction

In South Africa, business tourism has developed 'off the back' of leisure tourism, which has received a major focus in the past twelve years of democracy, with particular momentum occurring over the past four years (Taylor, 2006). It is a commonly-held view among industry players that business tourism contains enormous potential, which can be used to grow government's Tourism Growth Strategy, meet seasonality objectives and develop the various tourism channels downstream such as air infrastructure and accommodation.

Currently, arrivals and spend for the business tourism sector are fairly small in South Africa (approximately 10% of all arrivals), none the less, it is possible that accelerated growth can occur much quicker than the development of the leisure industry (Tatalias, 2006). The national tourism authority is actively encouraging this sector as South African Tourism's research highlights that the average conference delegate is generally more cost effective to obtain compared to the acquisition cost of the average leisure traveller. In addition, 'as the size of the conference increases, the acquisition cost per delegate decreases, so there are economies of scale to be capitalised on in this market.' (South African Tourism, 2002: 20).

In order to provide direction and improve results in obtaining a share of the global competitive market, South African Tourism and the Department of Environmental Affairs and Tourism launched their Tourism Growth Strategy for 2005 – 2007. This consolidates three core areas of tourism marketing development strategy into one integrated strategy focusing on: Leisure Tourism – both international and domestic; Business Tourism - both international and domestic; and 'Opportunistic Marketing Possibilities' which incorporate all other prospects for marketing tourism such as the 2010 Soccer World Cup. This strategy places significant importance on the contribution that business tourism can make to the growth of tourism in South Africa, mirroring global norms whereby many governments look to business tourism as a lucrative top-end of the market in which to focus their attentions. 'Since the transition to democracy in 1994, South Africans have become aware of the potential for tourism to play a meaningful role in contributing to the economic development of our country and our people. Government has prioritized tourism as one of five economic growth sectors on which to focus its efforts to support investment and facilitate growth (Tourism Growth Strategy: 2005 – 2007). It is argued that South Africa is now an

'integral part of a world-wide image-manufacturing network which involves the deliberate packaging of countries as carefully constructed commodities, each with its own identities and traditions, and firmly positioned in a seemingly natural world order of international power and subservience' (Rassool & Witz, 1996: 336).

The aim of this chapter is to provide an overview of business tourism in the South African context, partly through existing literature and recent studies and partly from independent research. Chapter 3 opens with a review of business tourism in South Africa and its comparative standing internationally. Using the base of the international literature explored in the previous chapter, the South African situation will be unpacked further in terms of business tourism's relevance and impact on the country. This chapter will also assess the development of South Africa's business tourism sector according to governmental mandates and objectives, incorporating the contribution made by industry organisations and associations. Suggested interventions, proposed by recent studies, highlight possible improvements for the sector in order to compete more effectively on the global scale. The chapter turns to map out the key initiatives and opportunities that shape and organise the structure of business tourism in South Africa. Finally, the chapter reviews the outcome of small scale qualitative research, in the form of one-on-one interviews, undertaken with five South African industry experts. These findings are analysed and discussed in terms of the key reasons for an increase in significance of the sector; perceived challenges; various changes that need to be implemented; and the contributions made by components of the business tourism sector.

International Benchmarking

In terms of international ranking and significance, South Africa is still trying to stake an effective claim of the business tourism market in the role of a new emerging destination. The more developed destinations, such as the USA and many Western European countries, enjoy strong domestic markets coupled with healthy inbound markets. They are also significant tourism generating markets from an outbound perspective for the rest of the world. According to the latest release by the International Congress and Convention Association (ICCA) in April 2007, Western Europe holds seven of the top ten places in terms of best countries for international meetings, namely Germany, United Kingdom, France, Spain, Italy, Austria and The Netherlands (www.iccaworld.com). Table 3.1 shows the latest ICCA rankings for country and city destinations. These rankings incorporate 'meetings organised by international associations which take place on a regular basis and which rotate between a minimum of three countries. The data represents a "snapshot" of qualifying events in the ICCA Association Database' as of April 2007 (www.iccaworld.com).

Table 3.1: ICCA country and city ranking measured by number of meetings organised in 2006

Ranking	Country	#Meetings	Ranking	City	#Meetings
1	U.S.A.	414	1	Vienna	147
2	Germany	334	2	Paris	130
3	United Kingdom	279	3	Singapore	127
4	France	269	4	Barcelona	103
5	Spain	266	5	Berlin	91
6	Italy	209	6	Budapest	86
7	Brazil	207	7	Seoul	85
8	Austria	204	8	Prague	82
9	Australia	190	9	Copenhagen	69
10	The Netherlands	187	9	Lisbon	69

Business tourism in the USA is said to account for more than '\$120 billion in annual business volume, making it more important to the US economy than the pharmaceutical and medicine manufacturing industry' (Davidson, 2006: 10). Recently in South Africa, tourism has gained significant status as the 'new gold' of the South African economy. In 2004, the total foreign direct spend by tourists surpassed the foreign exchange earnings of gold (Anon, 2006c).

Global awareness of South Africa as a business tourism destination is also on the increase. In a survey of 113 European meeting planners, conducted towards the end of 2006 for Davidson's (2006) report, South Africa rated highly receiving 5.5% of the business booked in foreign destinations under the category of 'most used foreign destination in the past 12 months'. While Europe retains the vast majority of business tourism spend by European planners, the USA, South Africa and Thailand were rated as the most prominent long haul destinations in 2006 for the European outbound market (Davidson, 2006).

As part of the NEDLAC FRIDGE study, a phase of the primary research concentrated on benchmarking South Africa against similar types of countries. From an initial list covering a range of long haul destinations from the USA and Europe (considered to be the top source markets for business tourism), Australia, Ireland and Singapore were selected for comparison. The economies and business tourism sectors of these countries were considered to be relative to the situation in South Africa. Research was conducted through consultation with the key government bodies and tourism organisations in each

country as well as through secondary research of reports and marketing documents (Grant Thornton and Prodigy Business Services, 2006c; 2006f; 2006g; 2006h).

In terms of ICCA world rankings, Australia is rated 9th by number of international association meetings, followed by Singapore (18th place), South Africa (27th place) and Ireland (30th place) (www.iccaworld.com). Yet, in terms of international arrivals for business tourism, Singapore rates highest with 8.9 million travellers in 2005 as compared to South Africa's 6.5 million in 2004. These comparisons suggest that Australia's foreign arrivals are largely for the purpose of meetings as opposed to general business tourism. South Africa's cross-border travellers from Africa, travelling for business purposes, tend to boost the numbers of business tourism arrivals. Australia's access, by sea or air only, obviously limits their potential in this regard and Ireland is a relatively small country lowering their potential (Grant Thornton and Prodigy Business Services, 2006f).

On the domestic front, Australia dominates the other three countries, with 70.6 million domestic tourists categorised as overnight travellers in 2005. Statistics for South Africa from 2003, show a total of 49.3 million overnight domestic travellers. Ireland's domestic market is very small in comparison and the study does not show any figures for Singapore's local market. A robust domestic market is considered to be a strong platform from which to grow the international scale (Grant Thornton and Prodigy Business Services, 2006i).

In assessing the strategies and initiatives implemented in the various countries, several categories were identified, namely: establishment of a dedicated organisation; specific business tourism marketing campaigns and promotional materials; sponsorship of export marketing initiatives; bid support, grants and incentives and; development of key relationships. A summary of key findings is detailed below with a specific slant on the South African results for the purpose of understanding this country's situation.

All four countries were found to have a dedicated department or personnel focusing on business tourism. South African Tourism has an internal division at head office, Johannesburg, established primarily for the export marketing of business tourism. In addition, several of South African Tourism's country offices have dedicated business tourism managers located in-market responsible for marketing within their regions.

In terms of dedicated marketing campaigns, it is noted that all four countries have established international awareness campaigns. South African Tourism's 'Business Unusual' campaign was rolled out in certain core countries in 2005 and 2006. The Business Unusual concept, launched in May 2005, aims to establish South Africa internationally as a unique destination (Thomson, 2006). Only Ireland and

Australia were found to have dedicated campaigns directed at their domestic market. Singapore and South Africa's domestic focus is still largely leisure based. All countries have made promotional material available to their industry and target market as well as providing a website with information about business tourism. The effectiveness of these promotional tools was not assessed in the study.

Looking at export marketing initiatives, business tourism specific, the study showed that Australia, Ireland, Singapore and South Africa all participate in trade shows. South African Tourism co-hosts Meetings Africa, promoted as the annual 'marketing platform for Africa's business tourism industry' (www.meetingsafrica.co.za). South African Tourism supports the show through engagement in the international hosted buyer programme during the show, which is sponsored by the dti. South African Tourism also attends several international trade shows contributing to the branding and image of the destination. The national authority does not, however, subsidise any product participation at these events.

Another key area of the survey was to analyse the level of bid support, financial grants and tax incentives. None of the countries 'underwrite bids or get directly involved in the process. Their role tends to be via the provision of materials or is facilitatory in nature' (Grant Thornton and Prodigy Business Services, 2006j:14). Only Australia and Singapore appear to have established systems to cater for financial grants and tax incentives, highlighting a potential area for improvement in South Africa as a way of growing the industry.

A notable aspect highlighted in the survey, is the strong co-operation in the benchmark countries between government, private sector and other key stakeholders. Strategies and focused activities are implemented in these countries to ensure effective relationship building. This is a critical area in which South Africa needs to concentrate, and will be explored further in this chapter.

Aside from this survey, South African Tourism's Research Unit regularly monitors the country's key competitors to ensure competitiveness and international standing. Australia, Brazil and Thailand are considered to be destinations to watch in terms of their success in the conference market in particular. Figure 3.1 shows the market share of South Africa's key competitors in this market. Of particular significance is the surge of activity in Australia between 1998 and 2000, capturing a much greater portion (up to 5.3%) of the international industry. Over the same period, South Africa's development and growth remained fairly stagnant at 1.6% of the market.

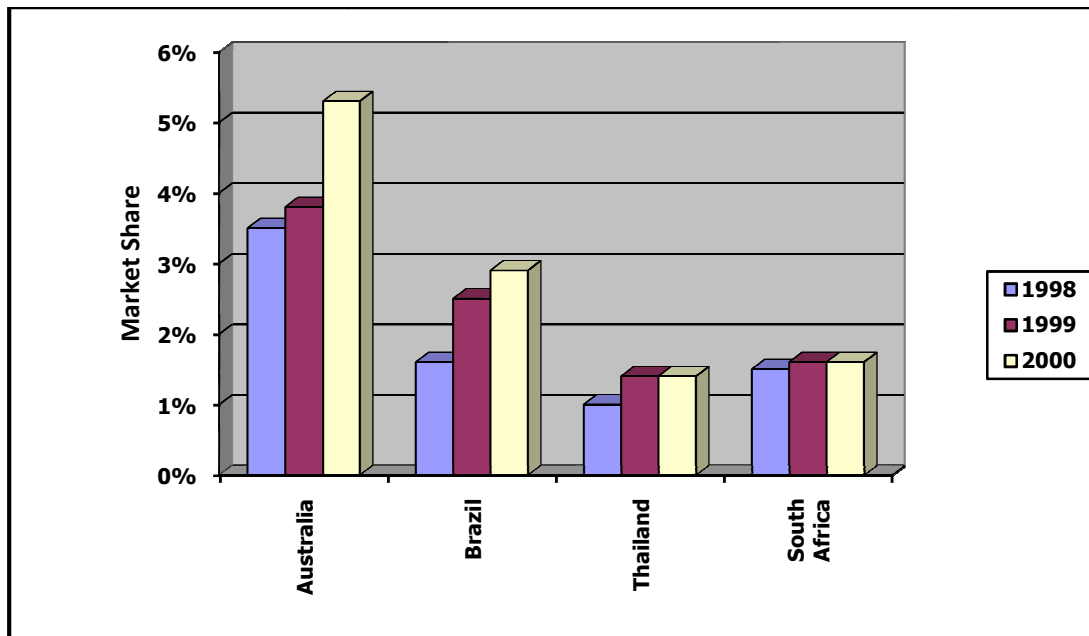


Figure 3.1: Comparison of market share with South Africa's key competitors (South African Tourism, 2002)

Business Tourism in South Africa

There are varying opinions relating to the actual significance of the business tourism sector in the general tourism industry as well as its significance to South Africa's GDP. Reporting on the 2006 SAACI conference, Moodley (2006) wrote: *The 'South African business tourism sector...attracts 63 percent of all conferences held in Africa, supports 12 000 jobs and contributes R2.6 billion a year to the gross domestic product. The tourism sector is responsible for more than 1.2 million jobs. International conferences alone generate R951 million a year'.*

Costa, editor of Southern Africa's Conference, Exhibition & Events Guide, stated in her preface to the 2006/2007 Yearbook that: *'The business tourism industry contributes an estimated R20-billion per year to South Africa's GDP. This represents around quarter of a million jobs, with R6-billion being paid in salaries each year, and more than R4-billion in taxes. In short, the sector is a highly lucrative one, which contributes enormously to economic development and poverty alleviation.'*

According to the FRIDGE study *'The South African business tourism industry is an important contributor to the economy, contributing an estimated R4.8 billion in 2003, and believed to be growing at 4 – 5% a year. Foreign business tourism arrivals have increased by 30% from 307 000 in 2002 to 398 000 [in 2005], and SAT has indicated that they are targeting to increase this to over 700 000 [in the next several years]. In 2003, almost 2 million domestic business trips were undertaken.'* (Grant Thornton / Prodigy Business Services, 2006b: 16). Although the parameters for the different sources vary, resulting in slightly different findings, the general consensus is that of a positive, healthy sector of the industry which has a significant impact on the tourism economy.

According to the Minister of Environmental Affairs and Tourism, Marthinus van Schalkwyk, 'the conference industry, a crucial part of business tourism in South Africa, is in the process of significant growth' (Thomson, 2006). On an international scale, approximately 5000 major international tourism events take place annually and the African continent currently receives about 2.5% of this business. The Minister has highlighted a strategy, which aims to catapult South Africa from 32nd place in the listing of top 40 global conference destinations into the top 10 by 2010 (Moodley, 2006).

Business tourists are perceived as very lucrative for the South African market. Carol Weaving, Managing Director of Thebe Exhibitions & Events, comments on the spin-off for the destination that: 'International conference delegates spend on average 4.2 days at the conference event and an extra 1.8 days at the conference destination. In addition, 39% visit another part of SA, spending a further 3.3 days in the country. Crucially, says Weaving, within five years of their first visit, 37% of business tourists return to SA on holiday with family or friends' (Anon, 2006c). South Africa, and particularly Johannesburg, has wide geographical appeal in the SADC region and further into Africa in terms of cross-border shopping. This form of business tourism has strong motivation for studies on regional tourism. The factors outlined above demonstrate why tourism has been pitched as 'a potential "sunrise" economic sector for planning the regeneration of growth in South Africa's major metropolitan area' (Rogerson, 2003: 131).

There are numerous reasons as to why business tourists come to South Africa and why meeting planners and event organisers use the destination repeatedly. Southern African Tourism Update, a specialist magazine for the trade, provides the following reasons which attract international business tourism spend to South Africa, namely: 'Value for money; Accessibility; African energy; Variety of pre- and post- tours; and Curiosity about the past' (Southern African Tourism Update, 2006). Specifically in terms of the conference industry, it is argued that South Africa needs to overcome perception barriers relating to political instability, delegate safety and security and direct international access (South African Tourism, 2002). Although there are numerous challenges for South Africa in terms of creating positive images of

the destination and ensuring reliable, excellent service levels are maintained, it is stressed that there is scope for the country to prosper as a top business tourism destination (South African Tourism, 2002).

In embracing this potential, government has outlined several strategies, incorporating certain mandates and objectives for which organisations and products are required to strive. The Tourism Act provides South African Tourism with three primary mandates, namely to ensure a sustainable GDP growth, sustainable job creation and to use tourism as a medium for redistribution and transformation. This mandate is to be achieved through six key objectives allowing for a more focused approach. The mandates, objectives and focal points are highlighted in Figure 3.2 and will be unpacked in further detail with specific relevance to business tourism.

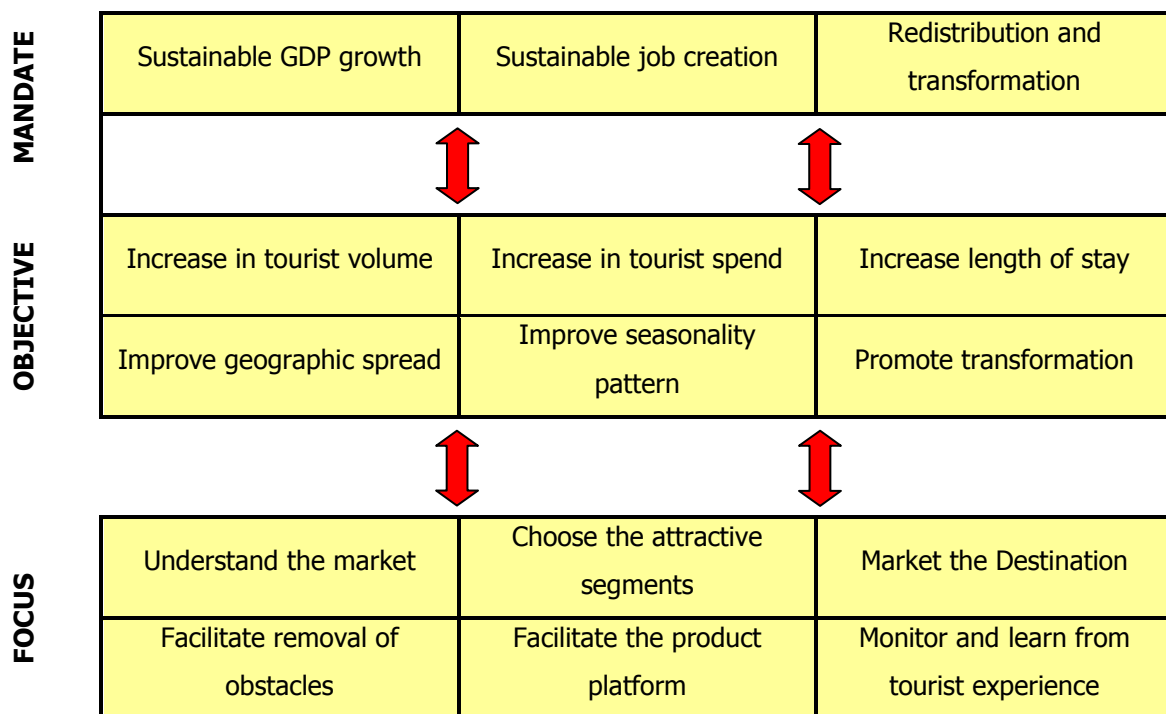


Figure 3.2: Government's vision for tourism (Tourism Growth Strategy, 2005 – 2007)

Reviewing business tourism's role in achieving the vision outlined in the Tourism Growth Strategy, it is necessary to first understand the mandates, starting with Sustainable GDP growth. In the statistics provided earlier in this chapter, it is evident that business tourism is already contributing a significant amount to the economy in terms of actual monetary value and this is expected to continue growing. The NEDLAC FRIDGE study highlights that the South African business tourism sector is growing at approximately 4% to 5% per annum and the general outlook of industry players is looking extremely positive (Grant Thornton and Prodigy Business Services, 2006a). This is in line with global trends for an increase in business travel and tourism over the next year. There is also significant potential for South Africa to increase the number of international conferences and exhibitions that are being held in the country, as the vast majority is currently domestic-based. Using a fairly wide definition for 'international', the FRIDGE study estimates that over 90% of all meetings and events hosted in South Africa are purely domestic (Grant Thornton and Prodigy Business Services, 2006b). The third indication for potential GDP growth is the number of new venues – convention centres and hotel facilities – that are currently being planned and built, specifically in the second tier destinations. The mandate of Sustainable GDP growth therefore looks achievable, provided that certain factors are implemented; proper planning and industry tracking is currently lacking, impeding effective analysis of the sector (Grant Thornton and Prodigy Business Services, 2006b).

In terms of Sustainable Job Creation, it is evident from various reports that there are widely varying parameters when assessing the actual employment statistics for business tourism in South Africa. By illustration of this variance, Moodley (2006) reports that the industry supports 12 000 jobs, whereas Costa (2006) states that the sector represents approximately a quarter of a million jobs. Several factors contribute to the difficulty in obtaining accurate facts. Information from THETA (Tourism, Hospitality and Sport Education and Training Authority), shows estimate data from 2000, which is now outdated. This data looks at the general tourism sector, with no differentiation for business tourism. In addition, most of the organisations and products operating in the tourism field are not limited to business tourism and therefore cannot accurately quantify their contributions that are specific to business tourism. Many of these organisations view employee data as confidential and are not prepared to provide this information. In an attempt to assess the size of the industry in terms of employment, the FRIDGE study sets certain criteria using membership statistics from business tourism organisations and categorising venues dependent on accommodation facilities, thereby refining the actual number of business tourism specific employees (Grant Thornton and Prodigy Business Services, 2006b). Table 3.2 tallies the total estimated employment numbers.

Table 3.2: Estimated Permanent Business Tourism Employment in South Africa, 2006

(Source: Grant Thornton and Prodigy Business Services, 2006b: 25)

Type	Total number of organisations	Average number of employees per organisation	Total
Venues	1600	34	54400
Planners	1000	8	8000
Total	2600	-	62400

The study claims that these numbers are intended only as broad estimates and it is difficult to assess whether or not the numbers are growing and if they are even sustainable for job creation. It has been observed that respondents 'indicate that new venues and planner businesses are being established, which may indicate job creation, however it is unknown how many businesses are being established, how many new employees are entering the market and how many employees are leaving the market' (Grant Thornton and Prodigy Business Services, 2006b: 25). One fact that is clear is that much more precise research is required in this area to accurately report on employment standards and trends.

When addressing the issue of Redistribution and Transformation, it is necessary to take into account the Tourism BEE Scorecard and Charter which focuses on two primary objectives: 'to become more globally competitive and to include a more diverse representation of the country's people' (www.tourismbeecharter.co.za). Broad-based black economic empowerment is the tool that encourages economic empowerment of previously disadvantaged groups in South Africa through seven key indicators, namely: ownership; management; employment equity; skills development; preferential procurement; enterprise development and corporate social investment. The current scorecard for rating an organisation's BEE status is generic to the industry as a whole and does not highlight plans specific to business tourism. Nonetheless, there are a couple of ways for this element of tourism to contribute to the transformation of the sector as a whole. Meeting planners and event organisers are identified as key components that can affect change as they are the central link between customers, venues and suppliers. Through encouraging the use of BEE compliant venues and suppliers, the meeting planners and event organisers will also become transformed. The key to this is how to persuade this group to unlock potential transformation (Grant Thornton and Prodigy Business Services, 2006b).

To understand the role and impact of the various objectives outlined in the tourism growth strategy, it is necessary to first identify the key areas of South African Tourism's focus. Although, the traditional components of meetings, incentives, conferences and exhibitions, which make up the business tourism sector, are all evident in the South African tourism mix, South African Tourism's 2002 segmentation report for business tourism highlights that the country is best suited to servicing the conference and incentive markets. Conferences are considered attractive from a marketing yield perspective and can alleviate seasonality fluctuations. Incentive travellers are perceived as high spenders who are not restricted to the major city hubs (South African Tourism, 2002). South African Tourism's role in the development of these sectors is identified as facilitator and co-ordinator to support city convention bureaus in the conference market as well as to improve business linkages for South African product in the incentive market.

In relation to an increase in tourist volume, it is estimated that the current volume of business tourists in South Africa currently totals 2.5 million – consisting of 0.4 million international business tourists and 2.1 million domestic business tourists (Grant Thornton and Prodigy Business Services, 2006b). Over the period 2002 to 2005, these figures reflect a 9% growth internationally and 5% growth domestically, indicating a positive increase in the number of business travellers using South African products and facilities. Notably, neither conferences nor the incentive market are considered viable options for the increase in tourist volume according to South African Tourism's Segmentation Report (2002). The rebranding of South Africa's major cities on the international scene in an attempt to obtain higher tourism volumes is a long-term investment. Cape Town set itself apart as a conference city over a decade ago with the establishment of a convention bureau, and the city is now starting to yield the returns (Taylor, 2006).

Overall, the spend per business tourist in South Africa is considered to be fairly good with foreign tourists averaging between R13700 and R24300 per trip excluding their airfare (Grant Thornton and Prodigy Business Services, 2006b). The incentive market is very attractive in this regard as companies spend large amounts on the incentive package (South African Tourism, 2002). In terms of length of stay, South Africa's average length of stay per business tourist is consistent with global trends, which is currently set at 4.19 days per trip. Domestic trips currently average 2 – 3 days, where as international trips average 5 days (Grant Thornton and Prodigy Business Services, 2006b). With a greater focus on cost-containment, it is believed that the average length of stay is likely to decrease further in coming years (Grant Thornton and Prodigy Business Services, 2006b). As an aggressive approach to this challenge, the 'Stay another day in Johannesburg' marketing campaign has resulted in positive growth in Johannesburg's business tourism numbers (www.joburg.co.za).

The objective of improved seasonality patterns is promoted as one of the primary advantages of business tourism, in that business tourists can increase volumes during off-peak leisure times. There are certain restrictions regarding the traditional time of year that most association meetings tend to be held, however, careful planning and targeting may achieve effective results (Tatalias, 2006).

In terms of existing academic research on business tourism in South Africa, there is currently little available. Rogerson's (2006) work is one example which looks at the growth of business tourism in urban Africa, with a specific focus on the conference and exhibition industry in South Africa. His analysis of the sector in South Africa includes a review of the supply of local facilities and the increasing competition between the major hubs (Rogerson, 2005). Figure 3.3 shows the geographic spread of exhibitions venues and available exhibition space across the country, using statistics from SAACI for 1996 and 2004.

According to the Johannesburg Tourism Company, 'Johannesburg is the country's top exhibitions venue, landing more than half the number of all exhibitions held in South Africa, and way ahead of rivals Cape Town and Durban' (Davie, 2003). Research shows that of the 1900 exhibitions held in South Africa every year, 51 percent are held in the Johannesburg / Midrand area, with Cape Town taking 15 percent of exhibitions, and Durban coming in at 11 percent (Davie, 2003).

Gauteng has placed major strategic focus on the business tourism sector as the province ranks last in terms of leisure tourism but first for business tourism. Of these business tourists, '66% spent at least two nights in Johannesburg with 89% coming to the city on general business and the remaining 11% for the purpose of attending a conference or exhibition' (Rogerson, 2003: 134). A high number of national headquarters for various sectors resides in Johannesburg, creating large volumes of demand for general business travel. Johannesburg also has a range of top quality conference and exhibition centres combined with four and five star hotel accommodation. Overall, Rogerson's (2005) research highlights that the greatest number of facilities are situated in the Western Cape, yet the largest available space exists in Gauteng. By 1990, the three major hubs – namely Cape Town, Johannesburg and Durban – had all identified the business tourism sector as having major potential.

Durban was the first to initiate its plans for the International Convention Centre in 1991 with the funding of R280 million from local metropolitan council. The Sandton Convention Centre was the next major facility, which opened in 2000, to compete for a share of the market. This R400 million venue formed part of the bid for the Montecasino project and provided a core element for the development of the Sandton CBD. In 2003, the R320 million Cape Town International Convention Centre launched (Rogerson, 2005), linking the waterfront and inner city re-generation projects. There are now three highly advanced facilities competing for their share of the inter-urban competition. A number of

convention centres exist on a smaller scale in other parts of the country, however the majority share is held by the major urban areas. Overall, the development of the convention centre in South Africa has had a significant impact on the growth of conference and exhibition tourism.

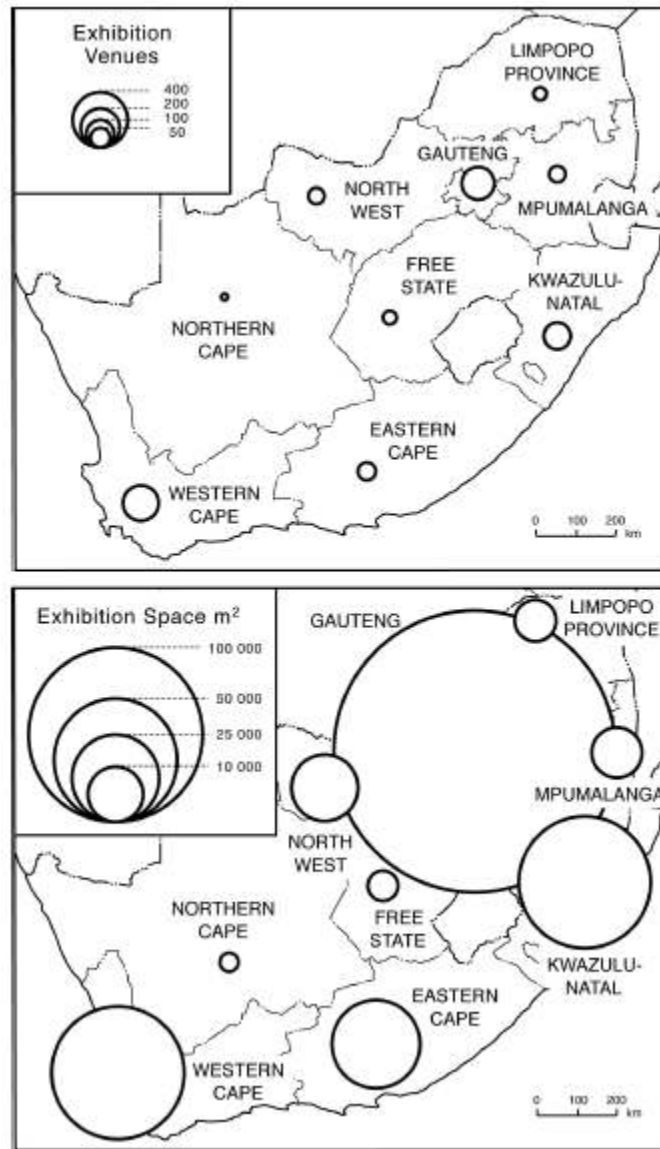


Figure 3.3: Location of Exhibition Venues and Available Exhibition Space (Source: Rogerson, 2006: 188)

The FRIDGE study supports the findings of Rogerson through establishing that over three quarters of all business tourism meetings and events currently take place at venues in Gauteng, Kwazulu Natal and the Western Cape, which makes practical sense as these are the three highest populace areas where most of the country's corporates are based (Grant Thornton and Prodigy Business Services, 2006b). Figure 3.4 shows the provincial split for venues and capacity, sourced from the Southern Africa Conference, Exhibition & Events Guide. In the comparison it is evident that Gauteng and KZN receive a fair share of the market proportionately, however there is potential for Cape Town to increase market share.

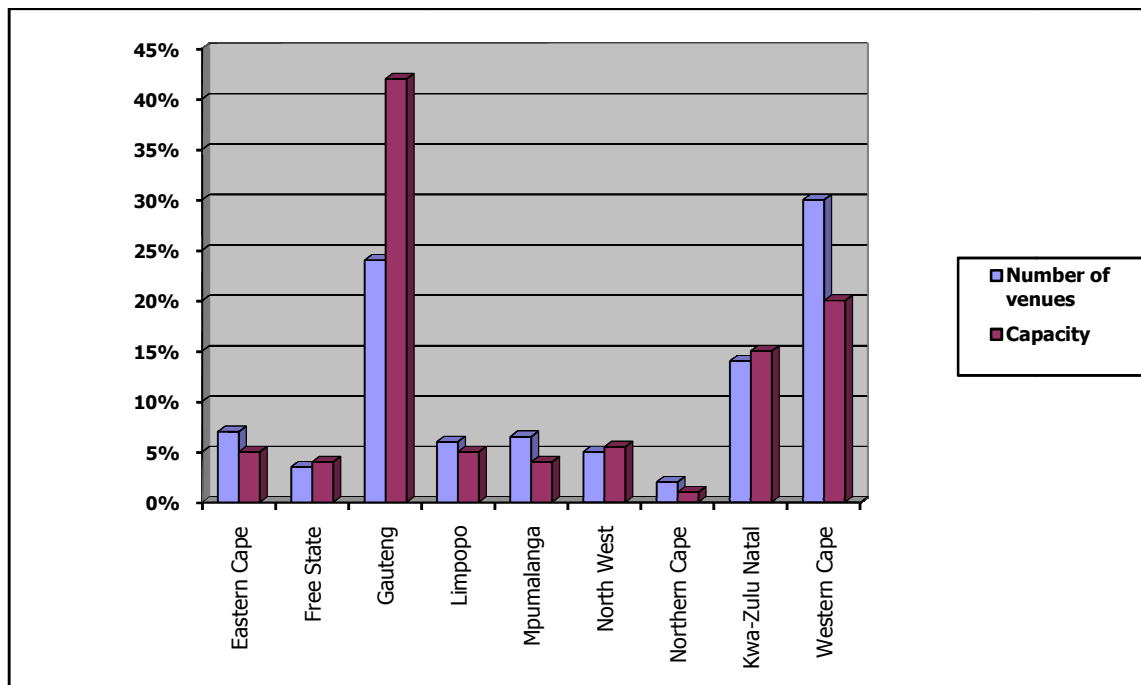


Figure 3.4: Provincial Split of Venues and Capacity
(Source: Grant Thornton and Prodigy Business Services, 2006b)

The Tourism Growth Strategy identifies a number of focal points which should be utilized in order to achieve the identified objectives (South African Tourism, 2006b). The FRIDGE study highlights a major barrier for the industry that needs to be addressed before any improvements can be implemented, namely that 'institutional cohesion and co-operation needs to be strengthened' (Grant Thornton and Prodigy Business Services, 2006b:2). 'The business tourism industry is highly fragmented and is plagued by a lack of co-operation compounded by poor to little communication between and amongst government, association and private sector stakeholders' (Grant Thornton and Prodigy Business Services,

2006b: 2). With this critical implementation in mind, other recommended interventions can be addressed in line with the focus areas, which incorporate an understanding of the market; marketing of the destination; choosing attractive segments; development of product platform; removal of obstacles and learning from the tourist experience. These recommendations from the FRIDGE study are detailed below.

It is suggested that standardised industry definitions and the introduction of a research programme will aid in providing a better general understanding of the business tourism sector for those already working in the industry and for those considering its potential (Grant Thornton and Prodigy Business Services, 2006b). SAT, DEAT and business tourism associations need to be jointly committed to this ongoing research. This research will assist products and venues in selecting attractive segments of the market such as encouraging more non-corporate meetings and events which is a potential growth area.

A wide range of interventions is proposed in the study in order to better market South Africa as a business tourism destination as a whole. Among these, South African Tourism could develop a bid support programme to secure international meetings and events while also providing better communication regarding their marketing activities and marketing intelligence. Provincial and local government can also play a role in creating specific business tourism events with a South African flavour to encourage geographic spread and an increase in off-peak season volumes.

Through the removal / improvement of obstacles such as air access, limited public transport and crime, a functioning business tourism environment can be created, thereby assisting in facilitation of the product platform. Government can play a greater role in promoting and enforcing accreditation, grading and BEE compliance as well as launching a proper employment plan for the growth and retention of sector skills. Lastly, in order to overcome the uncoordinated effort in the industry and learn from the tourist experience, it is essential that the existing work carried out by SAT and industry bodies is complemented and strengthened by the industry. See Annexure A.

The Role of Industry Organisations and Associations

The national authority for tourism in South Africa today is known as South African Tourism (SAT), however, the organisation has endured several name changes and face-lifts over the years. From its beginnings in 1947, the South African Tourist Corporation's aims were to promote international tourism to South Africa. Massive fluctuations in growth and decline have been experienced over the years with the political situation in the 1980s being a particularly difficult time for the country's tourism efforts reflecting

numbers reaching a mere 400 000 international visitors. 'SATOUR began to position itself as a community development organisation and not merely a tourism promotion body concerned with marketing and the supervision of standards' (Rassool & Witz, 1996: 339). There was a major emphasis on community involvement and community tourism and tourism was increasingly viewed as a method of job creation, development and empowerment. Currently, the national tourism authority has a large number of international offices based in identified core markets, and the country has earned its place on the global scale reaching the target of seven million annual visitors. Approximately 10% of this figure is estimated to be for business tourism purposes, according to Lue, Business Tourism Manager for South African Tourism (South African Tourism, 2006c).

A number of tourism bodies are involved in various facets of the business tourism industry. Some of these have international affiliation and some are very niche specific. For several years, the Southern African Association for the Conference Industry (SAACI) has championed business tourism from an association angle and its relevance to the industry is evident in the growth in membership in 2006 'by almost 100 members, currently sitting with 780 members' (Costa, 2006). The Exhibition Association of Southern Africa (EXSA) is the key driver for the exhibition side of the industry with over 140 members.

In 2004, the South African Meetings Industry Federation (SAMIF) was established as the voice for the industry. It is observed that SAMIF is a 'voluntary federation representing associations in South Africa's meetings industry. The associations that it represents are non-profit and are governed by boards that are elected by members and formal constitutions.' (www.exsa.co.za) SAMIF defines its role in the industry as follows: 'SAMIF discusses and addresses strategic issues such as affiliation to international bodies, skills development, safety and security and bid procedures. The goal is to represent the broad spectrum of business tourism associations in South Africa, to the greater benefit of the industry.' (www.exsa.co.za) The EXSA website lists the following tourism bodies as being a part of SAMIF: the Exhibition Association of Southern Africa (EXSA); the Southern African Association for the Conference Industry (SAACI); the Society of Incentive and Travel Executives (SITE); the Technical Production Services Association (TPSA); the Federated Hospitality Association of South Africa (FEDHASA); the International Special Events Society (ISES) and the Southern African Tourism Services Association (SATSA). Owing to its short duration, the potential of this organisation is yet to be proved to a sceptical industry who believes that a centralised, neutral body is essential to the functioning of the sector.

The FRIDGE study supports the concerns that there is no single body that accurately represents the industry (Grant Thornton and Prodigy Business Services, 2006b). It is recommended that the 'business tourism industry discusses the establishment of a mechanism to bring about industry cohesion and co-operation, in the form of a *Business Tourism Forum* Entity.' (Grant Thornton / Prodigy Business Services,

2006b: 2) This entity needs to include all the key players from government, associations and private sector and could either re-enforce the efforts of SAMIF or be a completely new entity. The following table shows the array of associations serving the business tourism and general tourism sector.

Table 3.3: Business and General Tourism Associations in South Africa

(Source: Grant Thornton and Prodigy Business Services, 2006b: 14)

Association	Details
Business Tourism Associations	
South African Meetings Industry Federation (" SAMIF ")	7 tourism industry associations
Southern African Association for the Conference Industry (" SAACI ")	± 650 members countrywide and ± 60 accredited professional conference organisers (" PCOs ")
Exhibition Association of South Africa (" EXSA ")	± 140 members
Society of Incentive & Travel Executives (" SITE ")	± 35 members – all incentive tour operators
International Special Events Society (" ISES ")	± 30 members – mostly event organisers
Technical Production Services Association (" TPSA ")	± 180 members – operate in the live entertainment and events industry

General Tourism Associations	
Association of South African Travel Agents (" ASATA ")	± 660 members – majority are retail travel agents, wholesale tour operators and incoming tour operators
Tourism Business Council of South Africa (" TBCSA ")	Trade associations, representing their own interest groups and functions, are members of the TBCSA. Organisations can also be members.
Southern African Tourism Services Association (" SATSA ")	± 930 members (25% accommodation establishments, 4% adventure tourism operators, 16% tour brokers, 1% business tourism facilities or organisers, 33% tour operators, 17% tourism services and 4% transport operators)
Federated Hospitality Association of South Africa (" FEDHASA ")	More than 2 000 businesses are represented
Southern African Vehicle Rental and Leasing Association (" SAVRALA ")	46 airlines are members
Board of Airline Representatives of South Africa (" BARSA ")	± 60 members

Key Stakeholder Perspectives on Business Tourism in South Africa

In this section, findings are presented of interviews conducted with key stakeholders on key themes of business tourism. These findings cover topics such as the development of the industry; major challenges; the roles of business tourism organisations and; the various components of business tourism in South Africa.

Development of South Africa's Business Tourism Sector

Over the past twelve years of democracy, South Africa's tourism industry has boomed. Developing upon the back of leisure tourism, business tourism has experienced a simultaneous growth, receiving a big focus specifically over the past four years (Taylor, 2006). The sector is considered to have enormous potential to meet seasonality objectives, grow the Tourism Growth Strategy and the various supply factors. The sector is currently fairly small in terms of arrivals and spend in South Africa, however it is possible that quick growth can create a much quicker turnaround than the development of South Africa's leisure industry (Tatalias, 2006; Taylor, 2006; Thomson, 2006).

A range of reasons have been suggested for the increase in significance of this sector. On a macro level, it is felt that the economy has been a good performer, which is a good basis for all industries. South Africa is more stable globally on a political and economic level, which yields greater international investment and visitation (Rivett-Carnac, 2006). Conceptually, business tourism growth may be much easier to achieve than leisure tourism in terms of return on investment for a city/country as only one person needs to make a decision for an entire group of people (Drewe, 2006). For example, one person's commitment to hold a conference in a certain destination, can result in a 1000 people travelling and using a particular hotel or bus shuttle company. On the contrary, marketing to consumer leisure travellers has to target many more individuals to reach the decision-makers for couples or family-size groups.

The initial impetus for promoting business tourism in South Africa came out of the advancements in strategic direction made in Cape Town in the 1990s. The city needed to address its seasonality issues during the down period from May to September. This period co-incides with the primary timing of the European meetings industry and it was decided to aggressively pursue this market. Nevertheless, in order to obtain this international focus, the city needed a convention bureau and a convention centre, so plans were initiated. Although Cape Town is currently ranked 32nd on the ICCA ratings, suffering negatively recently due to competition from other destinations, it is argued that Cape Town initially put South Africa in the spotlight from a business tourism perspective (Taylor, 2006). Of significance is the fact that Durban's construction plans for the International Convention Centre actually gathered momentum far quicker than Cape Town, enabling Durban to obtain their international stake. The establishment and marketing of venues in combination with a destination cannot be underestimated in value (Rivett-Carnac, 2006).

From a national perspective, the move towards a national convention bureau started a greater focus countrywide, encouraging greater involvement from provincial and local government. South African Tourism's work to date in the business tourism field has come under criticism by some in the industry. It is accepted that South African Tourism's 'Business Unusual' marketing campaign, launched in 2005, is a 'good start in the right direction' (Thomson, 2006). There is generally more awareness of the sector and a greater buy-in from government and product owners on the benefits and values of business tourism (Rivett-Carnac, 2006). Yet, it is argued that there is still not a clear comprehension of the enormity of the sector and its dynamics (Taylor, 2006). Internationally, convention bureaus tend to be separate bodies from leisure marketing groups with their own executive boards, independent funding and targeted focus. In South Africa currently, the Business Tourism Portfolio sits as a unit within South African Tourism – an institutional set-up that has been questioned by the industry in terms of its efficacy.

Individual players in the industry have been instrumental in driving the growth of the sector. Through active promotion locally and internationally by influential individuals, thereby encouraging media hype, South Africa is now starting to be recognised as a business tourism destination (Rivett-Carnac, 2006; Tatalias, 2006; Thomson, 2006). It is widely accepted that the greatest level of growth for the sector has occurred post 1994. Prior to this time, the industry did exist on a smaller, more informal scale, with tourism bodies such as SAACI having been in operation for twenty years. There was a limited amount of business travel during the apartheid years, much of which was 'kept quiet for political reasons' (Tatalias, 2006).

Since 1994, South Africa as a destination has grown in prominence with tourism in the country developing at various stages of growth and stagnation. South Africa appears to be on a positive upturn at the moment in a phase of consolidation. From a media perspective, Thomson (2006) highlights that there are now more people in South Africa who are able to speak authoritatively on the topic of business tourism. International experts are now more interested in the destination, gaining more knowledge of the inner workings of the country and exploring South Africa's contribution in a global context.

Challenges Facing the Business Tourism Sector

A number of factors were highlighted by these industry respondents as being important challenges to address and overcome in order for the business tourism industry in South Africa to really thrive.

The primary convention centre venues and facilities in South Africa are considered to be world class, playing a major role in the growth of the business tourism sector. The country has several tiers of venues. The first tier consists of the convention bureaus in Cape Town, Johannesburg and Durban which are all considered to be strong contenders in the market. The second tier takes into account those venues in cities, such as Bloemfontein and Port Elizabeth, which are growing in domestic awareness. On a third tier, venues in smaller cities such as Nelspruit are starting to secure their space in the market. This is evidence that product development is now taking off (Taylor, 2006). According to Taylor (2006), however, 'for any strategy within a destination ambit, you need to have a 50/50 partnership between the convention bureau (CVB) and convention centre to make the international association business work.' Currently, there are no stand-alone CVBs on any of the provincial or city levels that are driving the business tourism focus. The FRIDGE study supports this stance in the comparison between South African CVBs and successful international examples, which have 'dedicated CVBs with a strong market presence' (Grant Thornton and Prodigy Business Services, 2006b: 41).

Another challenge raised is that there are not enough accommodation establishments in the metropolitan hubs where South Africa is focusing on development of business tourism. According to Tatalias (2006), each of the main hubs needs to build more three star, four star and five star properties, especially in close proximity to the convention bureaus, in order to meet the mid-week demand. This would enhance marketing of the destination and create positive competition. Thomson (2006) argues that accommodation establishments are not the only factors to consider: 'You can't have a nice shell with lots of people going into it if your technological infrastructure isn't there, if your road infrastructure isn't there, if security isn't there, if air access is a problem.' A centralised body for the industry needs to embrace these challenges and drive the necessary improvements.

Human capital is another critical area of consideration for the success of the industry. The lack of interest in membership by South African professional conference organisers (PCOs) on international bodies such as ICCA, SITE and MPI is problematic for the future. Membership with domestic associations such as SAACI has benefits on a domestic scale. When competing for international business against PCOs from Canada or the UK, for example, international organisers claim international membership advantage which currently allows prominence over South African organisers (Taylor, 2006). On another level, the current structure of tourism bodies and employment contracts can be questioned.

Contractually, many tourism boards in South Africa serve three-year contracts, which limit their ability to yield maximum benefit for the industry. In comparison with international trends, a longer tenancy of five to ten years commitment allows for more significant growth in business tourism (Taylor, 2006). Human capital and skills development are also critical in hotels and accommodation establishments if business tourism needs are to be met. According to Tatalias (2006), the service quality in five star properties in particular needs to be reviewed. Hotel management should regard business clients as top businessmen 'in a different league' to package tourists (Tatalias, 2006). From a skills perspective, South Africa internationally is recognised for excellence in training top staff for the hotel industry. Nevertheless, due to factors such as black economic empowerment and the lure of foreign currency earnings, the country has a problem in retaining these superior skills (Tatalias, 2006). According to Taylor (2006), 'the whole industry needs vision, direction and electricity' in order to compete and deliver success.

South African Tourism's research highlights Safety and Security as one of the primary challenges facing the future of the business tourism sector in this country (South African Tourism, Segmentation Report, 2002). It was noted that Sandton Convention Centre allegedly lost a conference bid in 2006 purely on the basis of crime (Pringle, 2006). Public safety is being addressed by national and provincial governments, however, the perception exists that a lot more needs to be done (South African Tourism, 2002).

In terms of airlift, a destination and its potential growth is restricted by the air carrying capacity of its major carriers. South Africa is serviced by many of the major carriers, albeit the stretched capacity at peak periods is damaging potential opportunities. Capacity and direct flights are two critical areas for the business tourism sector to address (South African Tourism, Segmentation Report, 2002). Many people consider the long-haul distance from the two key source markets - Europe and the USA - prohibitive in encouraging new business. Drewe (2006) highlights his method of counteracting the objection that South Africa is isolated at the tip of Africa: 'I sell South Africa as a short haul destination from Europe. There's hardly anywhere you can get on the plane at 20h00, have your dinner, go to sleep, and wake up at 08h00 - it's like sleeping in a hotel, and you're on the same time zone.'

The Role of Industry Organisations

From a subjective viewpoint among industry respondents, none of the industry bodies are currently driving the necessary growth of business tourism in South Africa. The private sector is highlighted as the key driver in this void, as companies have decided to promote the sector themselves for the benefit of their individual companies (Drewe, 2006; Rivett-Carnac, 2006). South African Tourism's marketing role is viewed as useful to an extent. Nonetheless, there is a general undercurrent that South African Tourism is not listening to the needs of the industry. There appears to be some confusion in the industry as to what the various bodies do and should be doing in terms of business tourism, and therefore no clear drivers have thus far emerged. This is synonymous with the findings of the FRIDGE study (Grant Thornton and Prodigy Business Services, 2006b: 2). South African Tourism currently channels marketing activities and responsibility through the provincial business tourism units. According to Taylor (2006), this model of the current marketing structure in South Africa is flawed, as provinces do not have a branding role to play internationally. The marketing of cities as destinations is the global norm and therefore it is strategically irrelevant to rely on provincial marketing.

SAACI, EXSA, BAASA and SAMIF are mentioned as industry bodies with potential to promote business tourism, albeit their achievements to date are limited (Tatalias, 2006; Taylor, 2006; Thomson, 2006). SAMIF, in particular raises criticism, as a number of improvements are required in order to obtain the backing and support from all groups and make a notable difference to the industry. It is, however, felt that SAMIF does have a place in the industry and it is still 'early days' for the federation (Tatalias, 2006). Key roles, which industry respondents expect SAMIF to fulfil, are those of industry watchdog, representation body and networking opportunities. Without an effective spokesperson, regular meetings, opportunities for effective networking, learnership programmes and a regular income stream it will prove difficult to deliver on these key roles (Rivett-Carnac, 2006; Tatalias, 2006; Thomson, 2006).

An effective association requires a neutral individual in the chair who does not have other political agendas to adhere to or achieve. It is also essential that fair representation is given to all categories of the sector ranging from convention centres to destination marketing companies and professional conference organisers. If these points can be addressed, SAMIF would then be able to play a much greater role in facilitating management of industry issues and informing South African Tourism on marketing and strategic direction. This would then result in one well-articulated voice being channelled through to government so that well-supported issues can be heard (Rivett-Carnac, 2006).

Components of Business Tourism in South Africa

Industry respondents were questioned as to which business tourism components were viewed as the most significant for the South African context. According to Drewe (2006) 'all are vitally important and all equally important for SA. We have a vibrant industry and facilities to handle all of those... [segments]'. In South Africa, association conferences are viewed as critical for a successful business tourism sector (South African Tourism, 2002; Taylor, 2006). A growth of convention centres will result in a greater importance being placed on conferences and exhibitions while the incentive component is gaining ground in South Africa as the country provides top class incentive offerings to the international market (Taylor, 2006). Aside from the big events, the smaller groups of business travellers and smaller meetings are equally important for South Africa (Tatalias, 2006).

According to much of the academic work conducted internationally, conferences and exhibitions tend to be grouped into the same category for research and understanding (Law, 1996; Rogerson, 2005). It is generally argued that there is potential for exhibitions to increase their role in the business tourism mix in South Africa (Drewe, 2006; Rivett-Carnac, 2006; Tatalias, 2006; Taylor, 2006; Thomson, 2006). As evidence of this, Rivett-Carnac (2006) highlights the volume of applications for exhibition support thus far received by the dti's funding scheme EMIA (Export Marketing and Investment Assistance), indicating a healthy growth of the industry. During his employment with the Sandton Convention Centre, Drewe (2006) reports a significant growth in exhibitions, despite a general opinion that the exhibition industry has already peaked.

It is believed that there is an opportunity for an increase of the South African exhibition sector domestically, regionally and internationally. According to Taylor (2006), 'growth needs to come from our own backyard', which will result in a greater international focus. Regionally, South Africa can position itself as *the* platform on the African continent, appealing to neighbours who rely on South Africa as their easiest export market (Rivett-Carnac, 2006). Internationally, the scope for association confex (combination of exhibition and conference as one event) business is huge with potentially greater spin-offs (Drewe, 2006; Tatalias, 2006). From whichever viewpoint, the exhibition sector clearly has a significant role to play.

A booming exhibition industry is indicative of a healthy economy. Exhibitions are a good method of combating seasonality challenges and can increase the geographical spread of business activities. They can be used strategically as a channel to increase tourist spend in a destination during the exhibition / confex as well as through repeat visitation. Sales and leads can be turned into income generators and

further independent business. With the condition that exhibitions are well executed, they have the capacity to play a key role in positioning South Africa internationally.

In recent years, South Africa has become a recognised competitor in the global business tourism industry, with the capacity to deliver a significant product offering to an increasingly demanding audience. In comparison with other major established and emerging destinations, South Africa needs to implement a number of interventions in order to yield the maximum potential of business tourism. Government's vision for tourism, outlined in the Tourism Growth Strategy, provides a useful measurement tool for the industry and tourism bodies to develop this potential.

Of significance in this chapter is the crossover between the findings of the secondary research, through analysis of recent literature, with that of primary research conducted through an interview process with active members of the industry. This supporting stance shows that a similar understanding of opportunities and challenges for the sector have been highlighted by private-sector individuals, government and tourism bodies. The key to success will be how these findings are converted into a workable solution for the industry as a whole.

In the following chapter, the business tourism industry is further dissected to address some of the primary issues related to the exhibition component of the business tourism mix, with specific emphasis on the role of exhibitions in the South African context.

CHAPTER 4

THE SOUTH AFRICAN EXHIBITION INDUSTRY

Introduction

The advantages of exhibitions over other marketing mediums are numerous. In 2007, the Exhibition Association of Southern Africa (EXSA) defines exhibitions as powerful tools for:

- Bringing your customers and most active prospects to you
- Meeting pre-qualified prospects
- Allowing you to meet your market face to face
- Allowing you to demonstrate products, answer questions and overcome objections
- Using all five senses to communicate a message
- Representing the market place in one place and time, bringing together suppliers, buyers, purchase influencers, consultants and media

According to Browne (2006), '90% of any industry could market their products through an exhibition. It gives the exhibitor the exposure they are looking for, to talk to people, to interact with people, to talk about their product.'

Previous local research has attempted to ascertain an overview of the industry, however for various reasons such as lack of reliable data and resistance by organisations in supplying confidential information, the exhibition sector has been largely ignored. This critical lack of information is highlighted in the latest research findings (2005) conducted for EXSA. 'In order to quantify the actual economic impact of the exhibition industry in South Africa, an in-depth economic impact study is essential. This will greatly assist in clarifying the monetary value and impact of the exhibition sector in the South African tourism industry' (Heath et al, 2005). This situation parallels the international findings, in which the NEDLAC FRIDGE study, commissioned in 2006, states categorically that they 'have been unable to determine the size of the global exhibitions industry' (Grant Thornton and Prodigy Business Services, 2006d).

In 2002, South African Tourism's research unit undertook investigations into the value of exhibitions for South Africa. The research identified a trend that the majority of international exhibition visitors are regional and therefore South Africa would need to look towards SADC and the rest of Africa to obtain visitors for international exhibitions. This was not viewed as a viable attraction as the estimated figures at that stage for regional exhibition arrivals was 0.47 million. The percentage of long haul visitors was

not deemed significant enough to warrant further attention. The primary reason given for de-prioritising exhibitions, was the 'lack of data on the South African exhibitions market... [which] ... prevented us from assessing how attractive the market is' (South African Tourism, 2002).

The aim of this chapter is to establish the importance of the exhibition industry, according to players and stakeholders within the industry. A better understanding of the industry will show how this effective marketing medium is capable of being a useful tourism tool to grow and promote South Africa's business tourism sector. The primary research conducted for this chapter involves structured interviews with South African professionals working in the exhibition sector. The selection of interviewees was specifically intended to reflect a cross-section of the industry, from the various backgrounds of exhibition organisers, venue management and suppliers to the industry. Topics covered in the interviews include the role of the exhibition industry in South Africa from both marketing and tourism perspectives as well as the evolution and future of the industry. These findings are original and add value to a largely blank canvas of existing understanding.

The secondary research looks specifically at the structure of the industry in South Africa, the role of the national body, the Exhibition Association of Southern Africa (EXSA), and a review of the top shows nationally. Findings from an independent study of EXSA databases and criteria will be explored, using only EXSA members for the analysis in order to set parameters for the research. A case study of Indaba – the annual tourism trade show – provides an overview of dynamics in the planning processes required for organising an exhibition. Exhibitions are a highly specialised field of marketing, one that is not widely understood and not easily accessible for study. Most marketing courses and textbooks give little more than a short chapter on the study of this medium, therefore exhibition knowledge is predominantly gained through experience and dedication to the industry. It is necessary to note that this case study aims to unpack the 'behind the scenes' operational elements of an exhibition, and not the economic impacts of an exhibition. The chapter closes with an analysis of the future of the exhibition industry in South Africa.

The Role of Exhibitions within a Business Tourism Context

Exhibitions are viewed as one of the four primary components of business tourism. Academics and professionals in the industry often group exhibitions and conferences together, as the two industries are allied and have similar characteristics (Law, 1996; Swarbrooke and Horner, 2001). Yet, for people working in the industry, this combination is only applicable for a 'confex', where an exhibition is held alongside a conference (Browne, 2006; Downing, 2006; Mainsheard, 2006). Where there is a gathering of like-minded people from the same industry for the purpose of a conference, an adjacent exhibition provides the best direct marketing platform for the industry for information dissemination and promotion of products relevant to that industry (Mabena, 2006). According to Hex (2006), exhibitions are used to carry a large portion of the budget for a confex covering the costs of the conference element. For those trade shows catering to a wider base and/or a more general industry, there may not be a demand for a dedicated conference alongside the exhibition. Consumer shows especially tend towards pure stand-alone exhibitions catering for families and groups as social outings rather than as business events (Swartz, 2006). In this case, pure exhibitions need to be defined and categorised as a separate entity to conferences.

In discussing the definitions of business tourism, several respondents felt that the current components of business tourism are limiting as they do not account for other prime revenue earners such as sports tourism (Browne, 2006; Mabena, 2006). For example, Soccerex 2006 in Dubai created massive tourism potential for Dubai and will offer similar opportunities when it comes to South Africa in 2007. This football convention brings together 3000 professionals and 250 exhibitors from 75 countries, developing an awareness of the host destination's potential for repeat visits (www.soccerex.com). Following the 2006 Nedbank Golf Challenge in South Africa, the winner, Jim Furyk, announced that he would be taking some leisure time in Cape Town with his wife, highlighting that the direct spin-offs from these other forms of tourism are equally lucrative for a destination.

Significantly, exhibition organisers in South Africa do not automatically associate themselves as being part of the tourism industry as many see exhibitions primarily as a specialised form of marketing. Industry debate arose in 2006 with the adoption by EXSA of the Tourism BEE Scorecard and Charter (Department of Environmental Affairs and Tourism, 2005) as opposed to the marketing charter which was still being drafted. The charter incorporates a scorecard measurement, assisting products in the industry to identify their current black economic empowerment levels and improve any gaps in their profile (Department of Environmental Affairs and Tourism, 2005). The adoption of this charter has resulted in more exhibition companies viewing their business from a tourism perspective.

Another issue that has drawn exhibitions into the tourism spotlight has been the issue of the TOMSA levies. The Tourism Business Council of South Africa (TBCSA) currently manages the TOMSA levy, which is a fund used for the international marketing promotions of South Africa. The levies are raised by South African tourism products and discussions are underway for the exhibition industry to be included in this mix. Southern Africa Tourism Update includes an article on this issue in 2006 demonstrating the conflicting views of the industry. According to Carol Weaving of Thebe Exhibitions, 'on the one hand the levy will mean an increased budget to market business tourism generically, and on the other the industry will see the results of such marketing through increased business' (Southern Africa Tourism Update, 2006). Taking a different stance, Dirk Elzinga from the Cape Town International Convention Centre states that within the industry, 'we feel that the levy is so far away that we lose all control. Practically, it is almost unbelievable that it will happen' (Southern Africa Tourism Update, 2006). There is wide consensus that South African Tourism does not provide feedback on how the levies are spent and the funds go into a general marketing pool rather than being reserved specifically for business tourism. The debate has not yet been resolved.

Tourism Benefits of Exhibitions

Exhibitions have a direct spin-off in demand for hotel accommodation, flights, restaurants and entertainment with numbers ranging up to tens of thousands of attendees dependent on the nature of the exhibition. This spin-off is not only limited to visitors, exhibitors and media, as a vast amount of these facilities is required by exhibitions suppliers and service providers (Mattias, 2006; Mainsheard, 2006). As a result of the growth of the exhibition sector nationally, this spend incorporates both international and domestic business tourists (O'Connor, 2006). Several exhibitions combine the event with pre or post show tours allowing visitors an opportunity to experience more of the country, such as is the case with the tourism trade show Indaba (www.indaba-southafrica.co.za). This assists with the geographical spread of spending for a destination. In particular, smaller cities and rural areas which may not be able to attract and service the exhibition business directly, potentially can attract the exhibition attendee through the pre or post show tours and thereby derive tourism revenue for the area. Exhibitions can be used strategically as a channel to increase tourist spend in a destination during the exhibition/confex as well as through repeat visitation. In addition, the 37% of business travellers that return with their friends or family within the first five years of their business-related visit, boost the tourism industry even further (Anon, 2006c). According to Swartz (2006), South Africa 'has become one of the better places to attend an exhibition or conference'. The quality of exhibitions and stand designs in South Africa are viewed 'in the same league' with European shows and are 'better than the USA or Australia' (Swartz, 2006).

The sales and leads gained at an exhibition can be turned into income generators for companies driving the productivity of the economy. This may also translate into further tourism business for South Africa as independent travellers and company representatives make follow up visits. In conclusion, a booming exhibition industry is the sign of a healthy economy and brings a multitude of spin-offs. Provided exhibitions are executed well, they can play a key role in positioning South Africa internationally (O'Connor, 2006).

Evolution of Exhibitions in South Africa

According to Weaving (2007), using findings from the research firm Grant Thornton, the total direct expenditure of the exhibition industry is calculated at R74.3bn. It is estimated that in an annual cycle, the 'exhibition industry contributes R159.5bn to the national economy, of which R98.5bn (61.8%) is from trade deals and purchases, R56.8bn is in the wholesale and retail, catering and accommodation sector and R4.2bn in the transport sector' (Anon, 2007). In addition, it is estimated that the industry 'sustains a total of 924 100 jobs each year, of which 350 880 are sustained by the exhibition activity itself and 508 250 are in semiskilled and unskilled occupations' (Anon, 2007).

The impact of the exhibition sector on South Africa's economy today is self-explanatory, however, the role of exhibitions has increased significantly in recent years with notable growth occurring since 1994. Political change, establishment of venues, and an increased awareness of exhibitions as a marketing medium, are identified as the three primary factors contributing to the growth of the industry (Browne, 2006; Hex, 2006; Mainsheard, 2006; Swartz, 2006).

The most obvious reason for the growth of the industry is the coming of democracy in South Africa, which provided a platform for economic development. After Nelson Mandela was released from prison and in the lead-up to the first democratic elections for the country, South Africa 'became the place to be, the flavour of the month' (Mainsheard, 2006). This had a specific impact on those exhibitions with international components, such as SAITEX - the trade import and export exhibition (www.saitex.co.za). According to Browne (2006), international participation in another exhibition, Aviation Africa, grew by 25% during a two month period after the announcement was made about Mandela's release. The following year Aviation Africa doubled in size. For many industries, 1994 was the start of the boom years for South Africa. At this stage, the conference industry 'rocketed' and pulled exhibitions along due to their allied nature (Mainsheard, 2006). Tourism growth also sparked at this stage, further enhancing the business tourism sector by creating more scope for business to business events.

The second reason given for the growth of the industry is the establishment of venues, with several interviewees believing that the exhibition industry would not exist without appropriate venues. Looking specifically at Durban, Hex (2006) elaborates on the industry prior to the building of the International Convention Centre, when events were held in hotel rooms. Formerly, the largest space in Durban was to be found at the Elangeni Hotel with its maximum capacity of only 600sqm. From 1970, single purpose venues were introduced for events such as the 1980 World Orchid Show. After the event, the venue became a regular exhibition platform, creating a space for the introduction of consumer shows like the House & Garden Show. The Durban Exhibition Centre was built specifically for the 1985 Durban Expo, after which it was used for exhibitions. Only since 1994, has South Africa been able to enjoy the benefits of dedicated multi-purpose centres such as the International Convention Centre (ICC Durban), which has over 12 000 sqm of nett usable indoor exhibition space (www.icc.co.za).

During the boom of the 1990s, investors saw the potential for new venues resulting in several smaller venues being built. According to Mainsheard (2006), South African cities now have a surplus of venues, as compared to cities in Europe and the UK where the international trend is for one major venue per city which provides the base for the industry in that destination. The development of smaller conference type venues may be a direct response to the change in how business is conducted. Swartz (2006) notes that more people are inclined to hold their meetings away from their office in more relaxed surroundings and team building weekends have become a popular way to show staff appreciation. Local governments have therefore realised the potential value of conference and exhibition centres and committed funding for development and marketing (Rogerson, 2005).

Another reason for a shift in focus for exhibitions is highlighted by Mabena (2006), who attributes the growth in the trade show industry to a greater awareness that the exhibition sector can provide value to particular industries. Evidence of this is shown by the high attendance numbers at shows such as Auto Africa and Electra Mining. According to Downing (2006), 'exhibitions don't jump as much as other ad spends' and have therefore traditionally not been used as much as other mediums. This situation appears to be changing due to the aggressiveness of competitors in the market creating a greater awareness of exhibitions as a platform (Downing, 2006).

Major developments for exhibition organisers and venues

Reviewing the past twelve years, the exhibition industry has evolved for both exhibition organisers and venues. In the 1980s, Specialised Exhibitions and TML Reed were the primary exhibition organising companies in South Africa. With a breakaway of employees from these traditional organisers, a number of smaller organising companies were established. During the growth phase, the industry was able to sustain the numbers, however, the general viewpoint today is that the proliferation of 'one-man bands' has resulted in a lack of proper, effective organisers (Browne, 2006; Hex, 2006; Mainsheard, 2006). A significant consolidation phase began approximately seven years ago, with the establishment of Kagiso Exhibitions - a subsidiary of the large black empowerment group Kagiso Media - which bought out several of the smaller organising companies. At the same time, the Amsterdam-based RAI Group formed their South African branch and also embarked on a buy-out campaign. This group has subsequently sold their exhibition arm to the Thebe Tourism group. It was expressed by key industry stakeholders that there is 'still room for further consolidation' of the industry (Hex, 2006; Mabena, 2006; Mainsheard, 2006).

Another major development of the industry's evolution has been 'backward, not forward' according to Mabena (2006). In the industry there is still a proliferation of duplicate shows, which tend to dilute the target audiences and erode the industry of its value. While competition is good, it needs to be managed effectively so that venues can still obtain their business, while the content of the exhibitions need to meet the demand of the audience (Browne, 2006; Mabena, 2006). On the contractor side of the industry, there have also been a number of 'fly-by-night' companies that have caused damage in the industry leaving marketers doubtful of the value of their investment in the sector (Swartz, 2006). Regulation and control can assist in maintaining professional standards in the industry. It is argued that there is a need for effective certification of individuals and companies, as not all organisers understand the technicalities and reasons for certain regulations (Browne, 2006). Following a number of safety and security issues, such as the collapsed marquee at the Union Buildings during a presidential function, legislation has been introduced for the industry through the 'Safety at Sports and Recreational Events Bill'. EXSA's website defines that the bill 'recognises the promotion and protection of the physical well being and safety of all persons attending sports and recreational events' (www.exsa.co.za). This bill is likely to have a major impact on the industry, due to the expenses that will be incurred. Contractors will be required to provide their own equipment in the form of hard hats and visibility jackets and organisers are advised to employ a safety officer in order to comply with the new laws (Mainsheard, 2006; Swartz, 2006). Although this bill was due to come into effect in June 2006, it has not yet been fully implemented and monitored. It is observed by one respondent that 'at least there is now an act in place as a guideline' (Mabena, 2006).

With a greater awareness of the events industry in South Africa, it is noticeable that cities and local governments are providing support of events, conferences and exhibitions within their districts. According to Downing (2006), South Africa is still 'lagging behind' on this world trend. For example, the New York marathon receives prominent mayoral endorsement and attracts over 7000 volunteers which is significant in terms of city support (Downing, 2006). Exhibitions would benefit greatly from increased involvement by local governments and convention bureaus. For example, Indaba enjoys unique support from the City of Durban and Tourism KwaZulu-Natal, placing this trade show on a level far superior than many others in the same category.

In line with technological advances internationally, the exhibition industry has kept pace and is considered a leader in some areas. Several organising companies have upgraded their software capacity, using dedicated exhibition software packages such as ExpoCad to manage their floorplanning, logistics, accounting and database management (Mabena, 2006). Service providers have also moved with the trends in design and presentation packages to enhance client presentations (Swartz, 2006).

The growth of the exhibition industry in South Africa is demonstrated by the increased growth in awareness and support of exhibitions as both a marketing tool and tourism driver. In line with this, governments and venues can lend support for strengthening the industry to deliver professional business tourism results.

Structure of the Exhibition Industry in South Africa

The structure of this specialised industry is divided primarily into those companies which organise the shows, the venues that host the events and the myriad of suppliers providing their specific expertise, which all combine to create a highly interactive marketing platform.

Based on an analysis of the EXSA membership base, the categories of the industry are detailed in Table 4.1. Not all venues, organisers and suppliers in the industry are registered EXSA members, however, this table provides a guideline for the structure of the industry.

Table 4.1: EXSA Membership Statistics (Source: Southern Africa Exhibition Diary, 2006)

<i>Member Category</i>	<i>Number of companies</i>	<i>Comments</i>
Organisers	33	Independent groups of organiser members total 28 companies – a number of regional offices are included in the total
Suppliers	112	Combining designers, stand builders and technical service providers to the industry, this is the largest EXSA category
Venues	11	The major convention centres and venues are all EXSA members
Associates	9	Consisting of a range of government bodies and associations

Organisers:

The established show organisers in South Africa have participated in the industry for a substantial amount of time. The general trend in the industry is that people either tend to stay with the industry for a short period of time and move into other industries, or they devote their careers to the development of the sector. The passion for the industry is evident as exhibitions are not recognised for their financial appeal. Two of the interviewees came from family backgrounds in exhibitions, whereas others came from a range of paths such as sales, advertising and marketing, architecture, teaching and even geology. As there are no professional qualifications in South Africa currently to train as an exhibition organiser or supplier, it is a largely neglected industry in terms of professional career choices. By contrast, in the USA certification is more established and is largely driven by the industry bodies. In South Africa, to become an exhibition organiser, individuals tend to study communications, marketing or hospitality as avenues into the industry. From a supplier perspective, there are a range of entry points, such as design, architecture and trade skills such as shopfitting and electrics. In many cases, interviewees explained that they 'fell' into exhibitions without necessarily intending to stay with the industry on a long-term basis. According to Hex (2006), the skills required for a successful career in exhibitions are 'self motivation and an ability to organise'. In addition, respondents argued that passion and drive and the 'buzz of on-site adrenalin' are other factors that keep individuals 'addicted' to the industry (Browne, 2006; Downing 2006; Mainsheard, 2006).

Interviewees were asked for their subjective opinions regarding the top South African organising companies. In no particular order, all interviewees mentioned the same companies in their ratings. Kagiso Exhibitions & Events, which consists of an established generation of professional exhibition organisers, is viewed as having the largest proportion of leading shows. Hex (2006) states that 'it is really the individual show manager that makes or breaks the company'. Exhibitions for Africa is considered to retain its share of the market with a batch of good trade shows to their name. Thebe Exhibitions and Events and Specialised Exhibitions also rated highly. Numerous smaller operators received recognition for various reasons such as quality, organisational ability and ownership of particular industries (Browne, 2006; Downing, 2006; Hex, 2006; Mabena, 2006; Mainsheard, 2006; Swartz, 2006).

Suppliers:

Analysing the EXSA membership database, it is evident that there is a vast amount of subsidiary businesses that participate in and are affiliated to the exhibition industry. Use of EXSA members as preferred suppliers is recommended as a guarantee of professionalism, albeit it is not an enforced criteria for show management. Therefore, the EXSA database merely provides a guideline to the number of companies working in the exhibition space. Some service providers are highly specialised and dedicated to the exhibition industry, whereas other providers are able to service other industries in a more generic role. Figure 4.1 highlights some dominant types of service providers in the industry, namely signage, furniture hire, carpet hire, audio visual and lighting suppliers.

Of the 38 EXSA members servicing the design and stand builder sector, several of these companies cross-over the various categories in terms of supplying a range of services. It is calculated that half of the companies provide custom build services (i.e. designer stands), 26% of the companies provide portable structures and system-build services and 28% of the companies are shell scheme providers (EXSA, 2006). From a subjective viewpoint among interviewees, the following opinions were established regarding the 'heavy artillery' side of the industry, i.e. those suppliers that provide a complete package including stand build, carpets, electrics and furniture. Oasys Innovations, Exhibition Stand Systems (a subsidiary of Kagiso Exhibitions & Events), Eyethu (now part of Kagiso Exhibitions & Events) and 3D Group were mentioned consistently (Browne, 2006; Downing, 2006; Hex, 2006; Mabena, 2006; Mainsheard, 2006; Swartz, 2006).

When reviewing the suppliers of custom build exhibition stands and system build exhibition stands, there is a greater variance in the leading companies. This finding is largely dependent on subjective opinion and regular use of preferred suppliers. Set-Squared, Progroup, Design & Display, Scan Display and Set Build all received mentions by interviewees. In terms of special stand designs, there are a greater number of companies and individuals offering this service to the industry, allowing for a greater scope of competition and creativity.

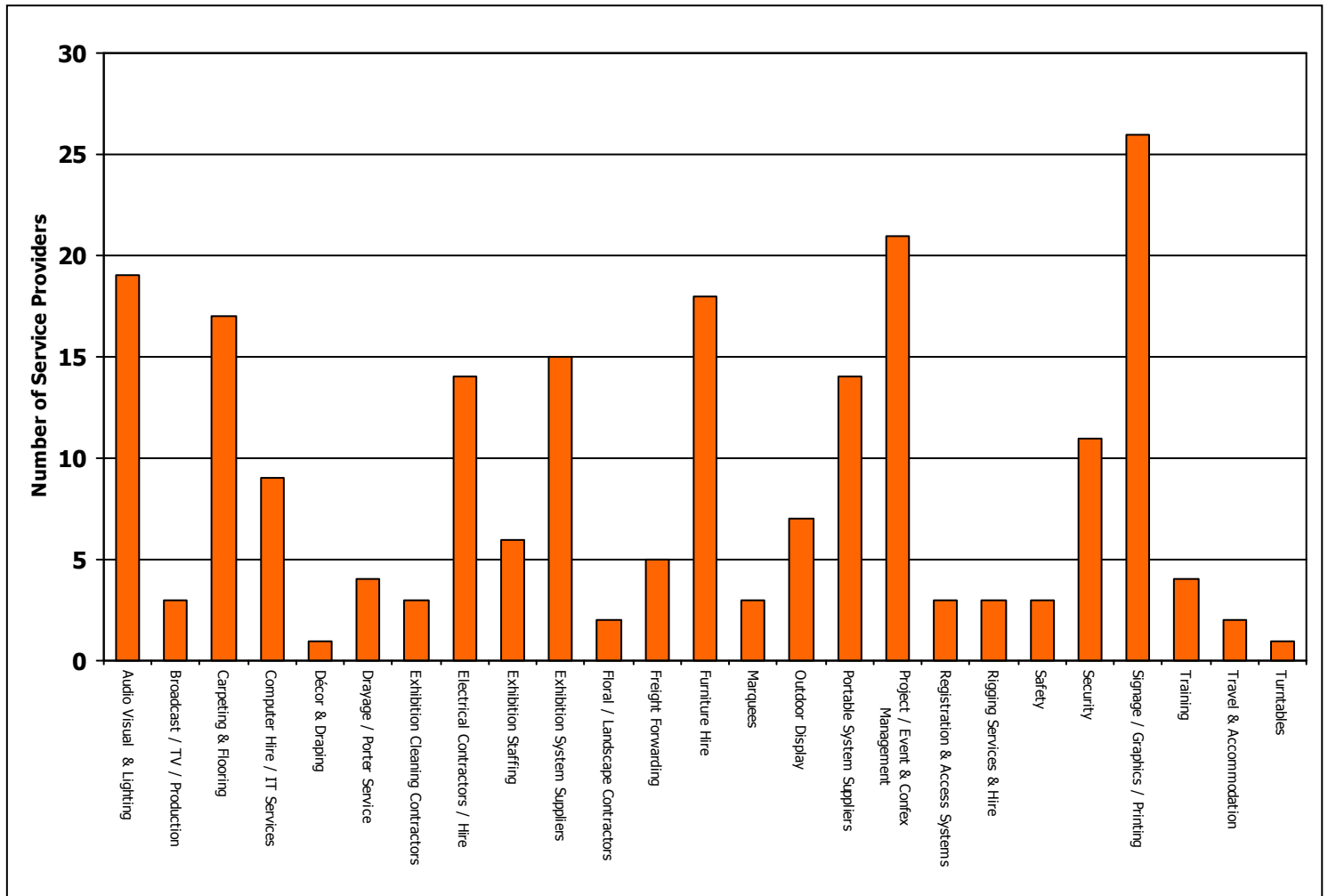


Figure 4.1: Cross section of service providers to the exhibition industry in South Africa
(Source: Southern Africa Exhibition Diary, 2006)

Exhibition Footprint in South Africa

In line with Rogerson's (2005) findings outlined in Chapter 3, regarding the business tourism geographic spread in South Africa, the exhibition footprint shows similar patterns. The metropolitan hubs of Johannesburg, Cape Town and Durban host the vast majority of exhibition business. Smaller, regional-focused exhibitions do take place. Nevertheless, it is evident that the most populated areas with their superior facilities attract the greater numbers.

In reviewing the greatest potential for growth in the major hubs, interviewees were asked their subjective opinions for each city's future. The general consensus is that Cape Town holds the greatest appeal internationally as a destination, Durban has the most effective city council and Johannesburg will naturally thrive as the business capital of the country (Browne, 2006; Downing, 2006; Mainsheard, 2006; Swartz, 2006). A city's growth potential for exhibitions is largely dependent on the nature of the event or exhibition and is synonymous with the industry that the exhibition serves. The majority of trade representation for most industries is based in Gauteng, making it a viable location for the continued development of trade shows. For consumer shows, however, it is felt that Gauteng is 'over-traded' offering too many exhibitions to a jaded audience (Browne, 2006). General consumers in Cape Town and Durban are perceived to be more accepting of consumer-based events and more likely to support new shows. For example, Aerospace and Defence, which relocated to Cape Town in 2006, attracted 70 000 visitors over the two consumer days (Browne, 2006).

According to Mabena (2006), the three city hubs should be viewed from a different perspective, that each destination has something different to offer from which they could be leveraging success. Durban has been actively positioned as 'the playground of the Zulu kingdom', a 'city of fun and energy' offering leisure opportunities such as the A1 Grand Prix. By contrast, Cape Town appeals to a more 'laid back audience, with people who want to relax but also have fun' (Mabena, 2006). One example of this focus on arts and culture, is the annual North Sea Jazz Festival. Johannesburg is 'industrial through and through, a place for hard core business on a more serious level' (Mabena, 2006). The buying community, the economic drivers and a great proportion of South Africa's manufacturing industry are based in the business capital, which naturally translates that Johannesburg holds the lion's share of the industry. According to Swartz (2006), the value of the exhibition contracting business in Johannesburg is two and a half times bigger than potential business in Durban and Cape Town combined.

With the establishment of the Cape Town International Convention Centre in 2003, there has been a significant increase in the number of exhibitions in the city as organisers seize the opportunity to capitalise on a new audience. As a destination, Cape Town is recognised as having greater appeal than Durban and Johannesburg for an international audience (Hex, 2006; Mainsheard, 2006; Swartz, 2006). In addition, with the development of the road infrastructure and an increase in hotel accommodation, Cape Town has the potential to take away a significant portion of business from Durban in future (Hex, 2006; Swartz, 2006). The city's convention bureau is recognised as adopting the 'most aggressive marketing campaign' of the three locations, which will aid the generation of international and national business (Bates, 2006; Pringle, 2006). Yet, Durban's city council and convention bureau is perceived to be 'very strong' in terms of effectiveness in international marketing, allowing for good competition between the destinations (Downing, 2006; Mainsheard, 2006). The extensions to the ICC Durban and the construction of the new multi-purpose events arena will enable the city to host larger business events and sports-based events, thus keeping Durban 'on the map' (Bates, 2006; Pringle, 2006). The city is also endorsing the destination as a venue for the film industry, in particular Bollywood, thereby raising the general profile of the city (Swartz, 2006). For all destinations, additional support facilities, such as accommodation and transport, contribute to the attraction of large conferences. With the implementation of the new Gautrain, Johannesburg's advantage in this regard will be unparalleled (Pringle, 2006).

All interviewees were asked their opinion on the various convention centres and venues in terms of functionality, professional staff, professional image, architectural design and additional facilities (accommodation, location etc.). Table 4.2 highlights these findings, showing the categories for which the various venues were recognised. The ICC Durban rates most highly in the opinions of all interviewees in terms of functionality, professional image and professional staff as well as supporting facilities. The single level exhibition space works extremely well for large events, coupled by the sweeping architectural design and double volume foyers that provide a good first impression (Browne, 2006; Downing, 2006; Mathias, 2006). For professional image and staffing, the Sandton Convention Centre (SCC) rated well. Nevertheless, the split level exhibition space and location in the heart of Sandton were mentioned as problematic factors (Browne, 2006; Dunbar, 2006). This prime location is, however, one of the positives for visitor attendance at a show, due to the proximity of entertainment and hotel accommodation (Pringle, 2006). The Cape Town International Convention Centre (CTICC) rates highly in terms of architectural design and its obvious international appeal as a destination. Yet, it is also argued that this venue can be limited in terms of the effective management of large scale events. The conference venues in CTICC are felt to be 'too far from the exhibition space', and the movement area for traffic flow 'can be constricting' (Dunbar, 2006; Hex, 2006). The Johannesburg Expo Centre, previously known as Nasrec, is considered by some as the only purpose built exhibition venue that is able to handle the large size stand

builds. Logistical aspects, such as the loading bays, parking and loading weights inside the halls surpass the capabilities of the other venues (Browne, 2006; Downing, 2006; Mainsheard, 2006). The location of the centre and the lack of hotel accommodation in the area are challenges for the Expo Centre management. Other smaller venues, such as Gallagher Estate and Sun City, were mentioned as part of the mix but did not stand out as exceptionally strong venues for exhibitions and conferences in this survey.

Table 4.2: Merits of South African exhibition venues (Source: independent interviews)

Functionality	Professional Staff	Professional Image	Architectural Design	Additional Facilities
ICC	ICC	ICC	ICC	
	SCC	SCC		SCC
			CTICC	CTICC
Expo Centre				

The Role of the Exhibition Association of Southern Africa

One institutional development, in terms of the growth of the exhibition industry in South Africa, is the growth of the representative association. It was observed by one industry expert that 'South Africa's fledgling exhibition industry is growing exponentially. The Exhibition Association of Southern Africa (EXSA) has a firm hold on development and prospects look good for the sector which is said to turn over R2-billion a year. EXSA's membership saw an increase of 17 per cent over the last year' (Costa, 2006). The association was established in 1980, developed from a base of shopfitting and window dressing suppliers. According to O'Connor (2006), EXSA's previous General Manager, the association previously had a primarily internal focus which has now been expanded to incorporate all players in the industry. Membership of the association has grown to 156 companies with separate forums dedicated to representing organisers, venues and suppliers. Regional representation was established in 2004 in order to grow membership in KwaZulu-Natal and the Western Cape to ensure all members have access to resources and enjoy the same benefits (O'Connor, 2006).

As the representation body for the industry, EXSA lists a number of benefits which can be leveraged through membership with the association. These benefits are detailed below under the two primary objectives that the association has defined as its goals.

1. To promote the exhibition medium within the marketing community

Marketing and communications services are provided by the association through press coverage, the official website and production of marketing material such as 'Exhibitions – the X-factor of marketing' and 'The Southern Africa Exhibition Diary' which is published twice a year. Regular monthly communication is conveyed electronically to members via the 'EXSA-llence Newsletter'. As indicators of professionalism, EXSA members are entitled to use official EXSA branding and benefit from industry accreditation. Show judging, stand judging and exhibition auditing, enhance credibility and highlight the opportunities that this marketing medium can offer agencies and companies (www.exsa.co.za).

2. To protect the interests of its members as well as exhibitors and exhibition visitors

Skills Development is viewed as a critical area of development for the industry to meet its transformation objectives and increase the skills capacity of the sector. EXSA assists the industry in encouraging exhibitor training and learnership programmes. In developing information sharing, EXSA has established alliances with domestic and international associations and government bodies. The association is also aiming to establish strategic alliances with the major convention bureaus in South Africa in order to grow the exhibition and business tourism sectors. In the capacity of industry watchdog, the association plays a role as mediator assisting members to resolve disputes effectively. This mediation function is also available to exhibitors and show visitors, should they have any issues with member organisers or suppliers. Lastly, the networking opportunities organised by EXSA, both official meetings and social functions, provide a good platform for industry interaction (www.exsa.co.za). The benefit of research applies to both objectives detailed above. Since 2002, EXSA has commissioned regular research to establish an understanding of the demographics of the industry and its contribution to the economy as well as marketers' perceptions of exhibitions and their reasons for participation.

As the official industry body, interviewees were questioned on their opinion of the role that EXSA is currently fulfilling or should be delivering in future. Overall, there was an equal division in terms of responses regarding EXSA's achievements of their set objectives. In the capacity of promoting exhibitions as a marketing medium, it was observed that 'more could be done' to achieve marketing ideals as there is potential for a much wider use of exhibitions by agencies and companies. In addition, it was argued that the marketing strategy 'needs to be re-assessed' in terms of effectiveness and reach.

Although EXSA is generally considered to be 'doing better now than five years ago', the sense of exclusivity appears to have been reduced, thereby minimising the value of the EXSA 'stamp of approval' (Mainsheard, 2006).

In promoting the interests of its members, exhibitors and visitors, the role of industry watchdog is considered to be restrictive as members are cautious of 'treading on toes' (Mathias, 2006). A stronger mediation process is required, which is currently being explored by the association (Mathias, 2006). Official certification is a critical area that needs to be considered in order to elevate the standards and practices of the industry, particularly with the introduction of the events bill. All interviewees agree that networking opportunities and social functions are matters in which the association is currently succeeding, yet these are also seen as the lesser important functions of the association.

The strongest criticism of the association appears to be that in order to become a professional body, the chairperson needs to be a neutral representative with no links to any particular company, nor favouring one sector of the industry over another. The US-based association IAEE is an example of 'best practice' with an independent, salaried chairperson that does not fulfil any additional company obligations and is considered a high profile position in the industry and wider economy (Downing, 2006). This is one aspect of EXSA that recently has undergone significant change with the appointment of Sharon Peetz, in 2007, as the Chief Executive Officer of the association. This is a new position that has been created in answer to some of the criticism from the industry for a more pro-active, yet neutral, leader. The current executive committee for 2007 demonstrates a cross-section of representation from the industry, in terms of organisers, venue management and suppliers.

EXSA's Executive Committee for 2007 includes the following representatives:

- Brian Kennedy - Oasys Innovation (Pty) Ltd (Chairperson)
- Lynn Chamier - Exhibitions for Africa (Vice Chairperson)
- Nigel Walker - Complete Exhibitions (Treasurer)
- Anita Mathias - Set Squared (Pty) Ltd
- Kevin Kennedy - Oasys Innovations (Pty) Ltd - Cape Town
- Lydia Hirschmann - Expogroup Africa (Pty) Ltd
- Mike Lord - The Coca-Cola Dome
- Shirley Shearer - Outdoor Exhibition Organisers
- Carol Weaving - Thebe Exhibitions and Events (Immediate Past Chairperson)

(EXSA Press Release, Feb 2007)

The new board and CEO plan to implement a number of changes to the association in terms of moving forward. In line with other exhibition associations globally, EXSA believes there is a need to incorporate 'events' into the association in a much stronger manner. This development would involve a name change and new branding exercise to include both exhibitions and events, thereby incorporating a number of suppliers and organisers who thus far have not received adequate representation (Peetz, 2007).

With regards to research, the majority of interviewees were unaware of the research that has been conducted, highlighting the need for improved internal communication in the industry. Detailed research findings are available to all members, with dedicated findings for the wider marketing community. These need to be promoted more as an important resource for the exhibition sector. In light of this constructive criticism, interviewees believe that EXSA does have a role to play as a representation body, so long as members' interests are promoted and the association tackles the critical areas of certification, watchdog and marketing.

South Africa's Top Exhibitions

On an annual basis, the exhibition industry is judged by its members and the awards are announced at a dedicated awards ceremony. The official results from EXSA's 2006 'Exhibition of the Year' Awards are detailed in Table 4.3. The primary categories are split into trade shows, consumer events and the combination exhibitions that cater for both trade and consumer audiences. Awards are also allocated for the top confex (rating the exhibition element of the confex only), and best visitor and exhibitor experience.

In notable comparison, interviewees were asked to rate their top exhibitions around South Africa. These results differed significantly from the official EXSA awards. For consumer shows, the Rand Show (organised by Kagiso Exhibitions & Events) is considered as one of the top shows nationally. With over 500 000 visitors on an annual basis, the attendance volume is testament to its value-for-money offering. In the trade show category, Indaba (managed by Kagiso Exhibitions & Events on behalf of South African Tourism) and Electra Mining (organised by Specialised Exhibitions) were proposed as offering good solutions to their relevant industries and providing a total package for the experience. SARCD, the gift, toy and décor exhibition, was also mentioned in this category. Crossing over both trade and consumer categories, Auto Africa (organised by Kagiso Exhibitions & Events) is recognised as potentially the best national exhibition. As the largest exhibition in the country, the show offers quality, interactivity and is highly experiential to meet the interests of its audience. Decorex Johannesburg (Thebe Exhibitions & Events) was also highlighted in this category.

Table 4.3: Official results from EXSA's 2006 'Exhibition of the Year' Awards

(Source: www.exsa.co.za)

Category	Exhibition Organiser	Exhibition Name
Consumer 1 – 6000m2	Three City Events	Baba Indaba – Cape Town
Consumer 6001m2 – Over	Outdoor Exhibition Organisers	Cape Outdoor Adventure & Leisure Experience
Trade 1 – 6000m2	Thebe Exhibitions & Events	Meetings Africa
Trade 6001 – 12000m2	Exhibitions for Africa	Markex & World of Events
Trade 12001m2 – Over	SARCDATrade Exhibitions	SARCDATrade Christmas 2006
Trade & Consumer 6001 – 12000m2	Thebe Exhibitions & Events	Decorex Cape
Trade & Consumer 12001m2 – Over	Thebe Exhibitions & Events	Decorex Johannesburg
Confex	Exhibitions for Africa	WISA
Best Visitor Experience	Kagiso Exhibitions and Events	Auto Africa
Best Exhibitor Experience	Specialised Exhibitions	Electra Mining Africa

According to EXSA's official judging criteria, a number of categories covering marketing, logistics management and overall impression, need to be assessed in determining the top quality exhibitions nationally. In addition, EXSA staff conducts one-on-one telephonic interviews with exhibitors and visitors who attend the various exhibitions to provide a fair representation of the event. Table 4.4 highlights the primary categories for review when judging an exhibition in South Africa according to the EXSA guidelines.

Table 4.4: EXSA judging guidelines (Source: EXSA Show Judging Form 2007)

Promotional Campaign	Quality of description and presentation by Exhibition Director
	Supply of a visual display of campaign materials
	Impact and quality of promotional campaign
	Innovative and/or new exhibitor promotion
	Innovative and/or new visitor promotion
Quality of Exhibition/ visual impact of exhibition	Immediate impact Registration / main entrance Signage – indoor and outdoor Innovation / extra effort in exhibition appeal
Disaster management / Security and Safety	Security presence and effectiveness Safety officer First aid Disaster management plan
Functionality	Layout of floor plan and general traffic flow
	Ease of parking and access to entrance and registration
	Location and accessibility of catering points
Events	Added value events eg. industry functions, AGM's, awards dinners, opening ceremony, conferences etc. (outside an exhibition)
Special Features	Workshops, demonstration areas or stage events (within the exhibition)
Social Responsibility	Social responsibility programme
Additional value items for exhibitors and visitors	Media Centre or Lounge Visitor Information booth Organisers Office

Case Study: Indaba

The following case study elaborates on the operational elements of an exhibition, using the annual tourism showcase, Indaba, which is the premier travel trade show on the African continent (www.indaba-southafrica.co.za). The planned execution of this event combines exhibition management with support from various city authorities, national VIP protocol units and South African Tourism, the owners of the exhibition. This study shows the profiling of the exhibition, exhibitors, visitors and special guests, highlighting the key 'touch points' that need to be achieved for the event to be a success. Source material includes project timelines, a mechanics planning document, media releases and input from the various bid parties who host the event.

Indaba is considered as South African Tourism's principal marketing platform as it is 'the one place and time in the year that the entire South African tourism industry is united in the pursuit of a common objective – to sell South Africa effectively in order to grow the industry and the economy' (South African Tourism, 2007). Every May, the exhibition brings together a 'showcase of Southern African tourism products and services including provincial authorities and provincial products; accommodation providers; tour operators; game lodges; transport; online travel; media publications and industry associations (www.indaba-southafrica.co.za).

The profile of the Indaba visitor comprises buyers, media, hosted groups and special guests. The buyer category is made up of the following groups: tour operators and wholesalers; business, retail, incentive and group travel agencies; ground handlers and conference organisers and various other specialist travel groups (www.indaba-southafrica.co.za). International travel trade buyers are the primary target audience for the exhibition and it is largely the responsibility of South African Tourism's country offices to recruit these buyers. As part of this recruitment process, a highly qualified hosted buyer programme is adopted to introduce new buyers to this all-encompassing showcase and the potential of the wider Southern African market. The hosted buyers are attracted from South Africa's core market countries, namely Europe (France, Germany, UK, Italy); USA; Asia (China, Japan, India) and Australia. Extensive coverage of the exhibition is managed by local and international media through television, radio, newspaper and dedicated travel publications (www.indaba-southafrica.co.za). Indaba is an important governmental platform for local, national and SADC officials involved in the tourism industry with as many as ten national tourism ministers from the SADC region attending the exhibition. VIP protocol units are dispatched to secure the venue during the period of the show, working in conjunction with city authorities and the organisers. During the exhibition, daily meetings of the Joint Operation Command team includes members from City Metro, the South African Police Service, VIP Protocol, Disaster Management, Netcare, the venue security, South African Tourism and the organisers. Together, this

group aims to ensure the safety of all visiting delegates during the period of the show and to highlight any potential risks that may occur.

According to statistics released by South African Tourism, Indaba 2007 recorded a total of over 12 200 attendees across the various categories during the four day exhibition, demonstrating a 'six percent increase on last year's attendance' exceeding South African Tourism's projection of 5%' (www.icc.co.za). The financial spin-off of the overall exhibition is calculated at approximately R257m, taking into account both direct and indirect spend (Moodley, 2006). According to Miller Matola, who previously headed up Tourism KwaZulu-Natal and now the ICC Durban, this expenditure includes 'accommodation and other ancillary costs such as construction of exhibition stands, catering, florists and hardware stores' (Moodley, 2006).

Tourism KwaZulu Natal, Durban Africa, the ICC Durban and the Ethekeweni Municipality form the bid parties, who host the exhibition in their city. This is the result of a tender process whereby the larger metropolitan areas in South Africa submit their bids to hold this auspicious event, committing significant funding over a three year period. Due to its ability to hold an event of this magnitude plus the attractiveness of the destination during May, Durban has secured the Indaba contract from 2007 – 2009, continuing its legacy as the home of Indaba since 1992 (www.indaba-southafrica.co.za). From 2001, the exhibition has been organised by an external exhibition management company on behalf of South African Tourism. Kagiso Exhibitions & Events took over the account, from South Africa RAI, in 2004 and was recently re-appointed for a second term (from 2007 – 2009) showing 'an affirmation of the expertise of the company to continue to position South Africa as a world class tourist destination at local and international trade exhibitions' (Southern Africa Conference, Exhibition & Events Guide, 2006).

Organising an exhibition with the complexity of Indaba takes a full annual cycle, in accordance with strict project timelines. The exhibition management company assumes the role of central co-ordinator among the various role players and specialist agencies such as public relations, media and communications, advertising, branding, freighting, stand building and numerous other suppliers. The project timelines cover the key touch points that need to be achieved by various groups, creating a tracking measurement tool to ensure successful results. These touch points include the categories of Exhibitors; Visitors; Marketing; Communications; Logistics and Financial. Annexure B shows a sample timeline highlighting the critical elements that need to be covered for each category at a certain stage in the planning cycle. Within the exhibition management team, dedicated staff members have specific roles to fulfil in the preparation leading up to the exhibition as well as on-site during the event.

From an exhibitor perspective, Indaba is in the fortunate position of being over-subscribed with exhibitor applications and therefore does not require a sales team to sell the floor space, which is the norm for exhibitions. The application process is managed via the Indaba website and is open for a limited period of six weeks. Exhibitor placements and stand allocations are done on a first-come, first-serve basis taking into account existing stand structures and preferential locations. These decisions are made with the input of provincial tourism authorities whose regional knowledge is invaluable (Kagiso Exhibitions & Events, 2006a). Incorporating both main standholders and their sharing companies, Indaba represents an average of 1600 exhibiting companies (www.indaba-southafrica.co.za).

Visitor, media and hosted buyer registrations are also managed via the Indaba website. The exhibition management company is responsible for the logistical arrangements involved in the planning and execution of the visitor policy and strategy. This is achieved in conjunction with South African Tourism's country offices, which assist in approving new trade buyers and delivering the hosted buyer groups. South African Tourism's media and communications department manages the media accreditation process to ensure that strict guidelines are followed. Official media accreditation is limited to media personnel who have covered tourism related articles, stories or programmes during the six months leading up to the show. Media representatives are limited to two personnel per company and may not include media advertising representatives (Kagiso Exhibitions & Events, 2006a).

South African Tourism plays a key central role for all marketing and communications, briefing various agencies on requirements for branding collateral, advertisements and promotional participation on other tourism shows. Kagiso Exhibitions & Events is responsible for follow-up on delivery and central co-ordination of all jobs. The theme for Indaba 2006 and 2007 was the 'Gold Standard of Travel Shows', highlighting both the financial importance of tourism for South Africa's economy as well as the quality of the event (South African Tourism, 2007a). All events running alongside the exhibition, from the Opening Ceremony to the 'Media Face-off' to the Networking Golf Day carry the 'gold thread'. Communications with visitors, exhibitors and stakeholders is managed through the show website in the form of newsflashes. Monthly core team meetings and bid party meetings take place in the lead-up to the show in May, increasing in frequency from February to April. These meetings are another measurement tool to ensure that all timelines are on track (Kagiso Exhibitions & Events, 2006a; 2006b).

The Operational and Financial aspects of the planning are the sole responsibility of the exhibition management company. These aspects include all logistical planning for the show such as appointment and management of services suppliers – for example suppliers of carpets, electrics, furniture and stand builders – and preferred suppliers for media centre management, daily news publisher, shuttle service provider, registration and website management companies. The operational aspect also includes regular

planning and liaison with the venue, ICC Durban. The exhibition management company manages all the financial matters, such as budget forecasting, payments, invoicing and debt collection (Indaba Timelines, 2006).

Overall, a complex, multi-layered trade show such as Indaba requires careful planning and significant exhibition experience to ensure a successful end product. In its simplest form, the exhibition showcases the Southern African tourism industry to the international travel trade buyers. Yet, the extensive planning and the number of specialists involved in making the show happen demonstrates what is required for a 'gold standard' exhibition.

The Future of Exhibitions in South Africa

According to marketing analyst, Chris Moerdyk, a developing trend that is encouraging for the exhibition sector in South Africa is that companies are 'looking for different ways to reach their target audience'. It is suggested that 'above the line, or classical, advertising is being challenged, while below-the-line advertising, which includes exhibitions, direct mail and sponsorships, is being paid far more serious attention by marketers' (Anon, 2007). This is viewed as a positive trend on which organisers, suppliers and venue owners can capitalise.

Using a fairly broad definition for international events, the NEDLAC FRIDGE study found that '90% of all business tourism meetings and events in South Africa are purely domestic', indicating that there is significant potential for this sector to grow its international focus (Grant Thornton and Prodigy Business Services, 2006b: 19). It is argued that this is a good starting point for future growth, as the 'development of the Business Tourism sector at trade shows is always enhanced by a strong domestic market. When allied to an equally impressive overseas Visitor – Buyer profile this gives a very positive image to the industry' (Flackett, 2005: 3).

South Africa's geographic location has both negative and positive elements to consider. According to Mabena (2006), South Africa is 'perfectly positioned' as the gateway to Africa, with a booming economy and perception of first world status which reduces European and American scepticism. Other industry experts see the potential of regional growth posing some challenges, and therefore caution against relying too heavily on this market. The African continent is prohibitive in size and distance for an influx of African attendance at exhibitions. Therefore, if shows are too specialised, the resulting audience often is too small (Browne, 2006). According to Hex (2006), the size of South Africa's economy forces the

industry into more general sector shows. Significantly, Hex believes that 'as the economy grows and as we get more international participation, so the segmentation of industries can occur' (Hex, 2006).

An increase of exhibitions is viewed as a potential way to grow the total value and significance of the exhibition sector, albeit this needs to be properly managed. Browne (2006) warns that 'if you're going to cannibalise the existing industry then how long will the increase actually last'. The challenge is to find industries that do not yet have an event, need an event, and then to ensure that there are sufficient buyers and sellers to sustain a show for that industry. It is important to bear in mind that not all industries are naturally inclined to supporting exhibitions as a marketing medium (Browne, 2006). Yet, even with the stabilising and consolidation of the industry as experienced over the previous decade, it is believed that there are still gaps in the market for new exhibitions in targeted fields (Mainsheard, 2006; Mathias, 2006).

In South Africa, there is a developing trend for corporates to consider other options besides the traditional exhibitions in order to deliver a maximum return on their investment. Some marketing divisions are implementing their own roadshows and events, sometimes as part of a greater campaign to supplement their exhibition participation. It seems that potential exhibitors are looking beyond exhibitions as the *only* solution for attracting targeted buyers (Swartz, 2006). In the USA, however, this trend differs. According to Lynn Chamier, vice chairman of EXSA and director of Exhibitions for Africa, 'among the nine marketing approaches used by US companies with annual sales greater than \$50m, exhibitions are now in third place, only 1.4 percentage points behind sales promotions, with advertising in first place' (Anon, 2007). Stronger promotion of exhibitions as a marketing medium, needs to be adopted in South African for the exhibitions sector to expand its share of advertising spend.

EXSA's module 3 research study conducted in 2004, received feedback from 60% of exhibition organisers who responded to a self-completion questionnaire. The following growth trends were identified for the industry:

- Positive growth in the average number of exhibitions per exhibition organiser (1.97 in 2001, 2.2 in 2004)
- Significant growth during the traditional tourism valley periods (May – September) highlighting major strategic opportunities from a tourism perspective
- 12% of responses received were for new exhibitions between 2002 and 2004
- Consumer exhibitions increased significantly since 2001

(Heath et al, 2005).

In spite of the cautious approach from interviewees, such research shows potential for the sector to experience positive growth in future. It was argued by respondents that marketing and advertising directors need to understand the value of this marketing medium in order to bring South Africa in line with global expectations for growth. Furthermore, it is necessary that the South African exhibition sector adopt a positive strategy to enhance growth from the African region and not rely on domestic growth.

This chapter has presented the key findings from a total of eighteen detailed stakeholder interviews on the exhibition sector in South Africa. Taken together these interviews provide new insight on the size, organisational structure and workings of the exhibition component of the South African business tourism economy. It must be concluded from the analysis of the industry that the exhibition sector in South Africa is dynamic and constantly evolving to meet the demands of exhibiting companies, advertising agencies and visitors, who often are 'spoilt for choice' in a highly competitive market. In South Africa, this development has resulted in a strong economic base, whereby exhibitions can be taken seriously as a viable marketing medium. The growth in awareness of exhibitions as a driver for business tourism has also moulded the way in which organisers, venues and suppliers view the industry. Currently, the exhibition sector is in a healthy state and gathering further momentum through the guidance of the national association. Organisers, suppliers and venue owners realise the importance of certification and standards in order to create a credible industry worthy of investment by exhibitors and visitors. In reviewing the leading tourism exhibition on the continent, it is clear to see how many groups are involved in the planning of an exhibition and the resultant financial spin-off that exhibitions can yield. In terms of future development, this momentum needs to be re-enforced through strategic long-term planning and mutual co-operation among the various sectors of the industry to capitalise on positive growth. This growth will result in exhibitions continuing to play a significant role in the overall business tourism sector in South Africa.

CHAPTER 5

CONCLUSIONS

An increased awareness of business tourism, as a highly specialised sub-sector of the tourism industry, has resulted in several researchers analysing aspects of business tourism in order to gain a better understanding of its dynamics and opportunities. A summary of key international findings is detailed below to contextualise the global industry, before assessing the significance of the business tourism sector in South Africa. Until recently, little attention was given to the potential of business tourism in South Africa. Nevertheless, reports such as the Tourism Growth Strategy, South African Tourism's Segmentation Reports and the NEDLAC FRIDGE study have exposed a lucrative, vibrant industry. A key component of business tourism, namely exhibitions, was selected in this report due to the fact that minimal academic research exists in this field in South Africa and the operational knowledge of this marketing medium/tourism driver is largely restricted to those working in the exhibition industry. This chapter highlights the conclusions of the primary interviews and secondary research conducted during the process of analysis and the policy recommendations that should be considered for future planning.

The term 'Business Tourism' refers to a specific form of business travel for the purpose of attending meetings, conferences, exhibitions, or incentive trips. Previously known as the MICE sector (Meetings, Incentives, Conferences and Exhibitions), different terminology has been used around the world, making it difficult to set global standards. A joint tourism report has recently proposed a new name for the industry – the Meetings Industry – with clearly defined terminology in order to include all facets of the industry (UNWTO, ICCA, MPI, RTE joint industry report, 2006).

The concept of people travelling for business purpose is not a new phenomenon, albeit the amount of people adopting this form of travel has grown significantly over the last 20 – 50 years. This change is dependent on regional developmental factors, with the fastest growth occurring in rich developed countries. With a change in demand for innovative and exciting destinations, developing countries are now starting to gain their share of this lucrative market. Internationally, business tourism has grown in recognition as a result of tourism professionals, governments and academics identifying distinctive characteristics and benefits that business tourism can yield (Law, 1996; Getz, 1997; Swarbrooke and Horner, 2001; Rogerson, 2005). Business tourists are considered economically attractive as their tourist spend provides a way for destinations to address seasonality issues and for countries to increase the geographic spread of their tourist offering, creating a spin-off for local suppliers and related industries. The resultant job creation to meet high standards of demand for business travellers, and the justification

for funding and infrastructure development, has the ability to benefit the host community and destination in a more impactful way than other forms of tourism or other development strategies (Swarbrooke and Horner, 2001).

The destination, and the various components that comprise the total tourist offering, has a key role to play in terms of balancing demand and supply conditions as well as managing the competitiveness of the destination (Swarbrooke and Horner, 2001; Lee and Josiam, 2004). In a continually demanding marketplace, a destination needs to constantly evolve and adapt in order to secure its share of the market. Development strategies, with a key emphasis on growing business tourism, are employed to attract new target audiences or to re-launch a destination. Developing countries in particular tend to view tourism as a means of generating foreign earnings, creating employment opportunities and attracting development capital, which is achievable through planning and effective implementation of strategy. In contrast, developed countries realise that tourism is not a solution to all problems, but rather an industry that can be used to enhance potential growth areas (Law, 1996). Business tourism can be used as a key driver for both national and regional economic growth, and as Dieke (1998) highlights, there is huge potential that can be derived in Africa through an effective strategic approach. Event tourism is a successful tool for development strategies to consider (Getz, 1997). Major sporting events, agricultural shows and cultural entertainment create focal points for both the host community and potential tourists, overcoming seasonality challenges and encouraging additional revenue into the destination. There are certain negative implications involved in hosting large scale events, making it critical that the positive effects outweigh any negativity, and tourism authorities ensure the correct balance is maintained, in order for an event to be deemed a success (Getz, 1997; Preuss, 2006).

The future of the business tourism industry bodes well for those destinations that can adapt and enhance their tourist offering in response to changing demands. Davidson's work (2006) highlights key international trends - focusing on new destinations, ongoing volatility in certain regions, transport preferences, corporate social responsibility and return on investment – which impact on the decisions of organisations regarding their participation at business tourism events. The new generation of business travellers, known as Generation Y, also needs to be persuaded to appreciate the value of attending business tourism events in a highly-developed technological age (Davidson, 2006).

In reviewing the international context of business tourism, the USA and Europe are the traditional world leaders for tourism contributors and tourism receipts. Significantly, the new emerging markets of China and India are starting to stake their claim in the market, thereby increasing the competition levels. Accelerating globalisation results in an increase of inbound and outbound opportunities, for all

components of the business tourism sector, and an increase of strategies to maximise this potential (Swarbrooke and Horner, 2001; Davidson, 2006).

In South Africa, tourism has gained significant status as the 'new gold' of the South African economy with the total foreign direct spend by tourists surpassing the foreign exchange earnings of gold in 2004. Global awareness of South Africa as a business tourism destination has also grown considerably. In comparison with countries of similar economies and business tourism sectors - namely Australia, Ireland, Singapore - the NEDLAC FRIDGE study found similar results in South Africa's realisation of business tourism goals (Grant Thornton and Prodigy Business Services, 2006j). In assessing the strategies and initiatives implemented in the various countries, several categories were identified, namely: establishment of a dedicated organisation; specific business tourism marketing campaigns and promotional materials; sponsorship of export marketing initiatives; bid support, grants and incentives and; development of key relationships. A key strength that the benchmark countries represent is the strong co-operation between government, private sector and other key stakeholders, adopting focused strategies and activities to ensure effective relationship building. This is a vital area in which South Africa has been criticised in recent reports, stressing the necessity for the situation to be improved (Grant Thornton and Prodigy Business Services, 2006j). One policy recommendation to improve co-operation in the industry, is the creation of a single business tourism forum as there is currently no single body representing the needs of all facets of the industry (Grant Thornton and Prodigy Business Services, 2006a). Various tourism and hospitality organisations / associations exist, with the South Africa Meetings Industry Federation positioning itself as representing the broad spectrum of business tourism associations. Owing to its short duration, the potential of this organisation is yet to be proved to a skeptical and critical industry who believes that a centralised, neutral body is essential to the functioning of the sector.

Various sources and studies quote varying numbers when looking at business tourism's actual contribution to South Africa's GDP and the overall role South Africa plays in the global tourism market, with quantifiable numbers ranging from R2.6 billion to R4.8 billion. With notable increases in business tourist numbers, a growth in the number of venues and good estimates for permanent employment statistics, the general consensus is that the industry is a positive, healthy contributor to the country's tourism industry, which has a significant impact on the economy (Grant Thornton and Prodigy Business Services, 2006a). In order to harness this potential, government has outlined several strategies, incorporating certain mandates and objectives for which organisations and products are required to strive. The Tourism Act provides South African Tourism with three primary mandates, namely to ensure a sustainable GDP growth, sustainable job creation and to use tourism as a medium for redistribution and transformation. This mandate is to be achieved through six key objectives allowing for a more focused approach. These objectives aim to encourage an increase in tourist volume; tourist spend; length of

stay; geographic spread; seasonality pattern and the promotion of transformation. Each of these objectives can be applied to business tourism resulting in specific strategies for the development of this tourism sub-sector.

A number of key recommendations are proposed in the NEDLAC FRIDGE study and are detailed below (Grant Thornton and Prodigy Business Services, 2006a).

- To better understand the market, it is necessary to develop a set of clear business tourism definitions and to develop a research programme to ascertain the size, nature and dynamics of the current status of the industry.
- South Africa's business tourism industry is largely domestic and corporate. There is an opportunity for South African Tourism and associations to educate key stakeholders on their selection of the most attractive target markets.
- In order to better market the country as a destination, the national authority, convention visitor bureaus, provincial governments and the new business tourism entity have a role to play in developing bid support programmes, improving communication about the industry's activities and achievements, implementing strategies to reduce seasonality and increase geographic spread of business tourism.
- Critical obstacles, such as a lack of airlift and public transport, crime and the capacity of business tourism associations to implement change, are cause for concern requiring a greater sense of awareness to drive change.
- Transformation and skills development in the industry is currently very slow. Through better use of available mechanisms, government can encourage accreditation and grading of products, the use of BEE suppliers, as well as identification of appropriate training programmes.

This detailed research study confirms these issues as key challenges for the industry to overcome, with the issue of human capital being one of the most crucial. In addition, the need for product development in second and third tier cities, as well as a focused drive to increase the number of suitable accommodation establishments in all cities, can enhance the overall tourist offering (Tatalias, 2006; Taylor, 2006).

These recommendations look at the industry as a whole, however, there are four primary components that make up the business tourism offering, namely conferences, meetings, incentives and exhibitions. Considering specifically the role of exhibitions within a business tourism context, this study shows that there is a growing awareness of exhibitions as a business tourism driver. Exhibition organisers in South Africa do not automatically associate themselves as being part of the tourism industry as many see exhibitions primarily as a specialised form of marketing. Recently, this focus has started to change with

debates, such as the adoption by the exhibition industry of the Tourism BEE Charter and the matter of the TOMSA levies, drawing exhibitions into the tourism spotlight.

It has been argued that exhibitions have the capacity to derive numerous tourism benefits. The direct spin-off is the demand for hotel accommodation, flights, restaurants and entertainment with numbers ranging up to tens of thousands of attendees dependent on the nature of the exhibition. These facilities are used by visitors, exhibitors and media, in addition to exhibitions suppliers and service providers. Several exhibitions combine the event with pre or post show tours, which assist with geographical spread for a destination, encouraging tourism spend in smaller cities and rural areas which would not have the capacity to service the exhibition business directly. Exhibitions are an effective channel to increase tourist spend during the event as well as through repeat visitation, whereby delegates return to the country separately with friends or family. Follow up visits by independent travellers also occur through sales and leads generated at exhibitions, translating into further tourism business for South Africa.

South Africa's exhibition industry has evolved and developed considerably in the past decade with the advent of democracy cited as the primary reason for the acceptance of the destination internationally. The establishment of world-class convention centres and accommodation establishments enable South Africa to attract and host large-scale quality exhibitions. There has also been a notable shift in focus in the perception of exhibitions, as marketers and advertisers realise the potential value of this effective marketing medium. Following numerous changes, including breakaways from larger organising bodies and a subsequent consolidation of the industry, the structure of the exhibition industry in South Africa is now more balanced, with a good concentration of professional organisers able to service the industry. Coupled with a vast array of designers, stand builders and technical service providers, South Africa is in a position to deliver top-quality exhibitions that rate highly in comparison with international standards.

In parallel with the business tourism geographic spread in South Africa, the exhibition footprint demonstrates similar patterns. The major metropolitan hubs of Durban, Cape Town and Johannesburg hold the majority share of the market, with each city offering a unique product and attracting a different portion of the market. The Exhibition Association of Southern Africa is tasked with ensuring equal representation for all facets of the exhibition industry, encouraging an even distribution of support. The objectives of the association include the promotion of the exhibition medium to the marketing community as well as the protection of its members, exhibitors and exhibition visitors. Mixed reviews have been received, however, regarding the success of these objectives. Critics highlight that a new marketing strategy needs to be adopted to incorporate exhibitions and events, widening the representation of the industry and creating a greater awareness of the marketing medium. It has been argued that a stronger mediation process and certification standards should also be considered as areas for improvement. The

primary criticism of the association is the role of the chairperson and the need for this figure to be a neutral representative with the ability to meet the needs of all members of the association. EXSA has recently implemented changes in this regard, with the appointment of a non-aligned chief executive officer.

A further function of EXSA is to judge the top exhibitions nationally, ensuring competitiveness and maintenance of quality standards in the industry. The premier travel and tourism exhibition on the African continent is Indaba, which showcases the Southern African tourism industry to the international market. Utilising Indaba as a case study, this report elaborates on the operational elements of an exhibition, assessing how the planned implementation of the event combines exhibition management with support from various city authorities and the national tourism body. The objective of the case study is to highlight some of the dynamics that are involved in the successful execution of a large-scale event.

Research highlights the potential for the future of the exhibition sector in South Africa. It is essential that the sector adopts a positive strategy to enhance growth from the African region and not only rely on domestic growth. This will encourage a greater awareness and understanding of the marketing medium, bringing South Africa in line with global expectations for the expansion of the exhibition industry. This development will result in exhibitions continuing to play a significant role in the overall business tourism sector in South Africa, with a potential for greater involvement in the future.

Considering the aims of this report, this study has contributed to a broader set of international literature on business tourism. The report positions business tourism within the South African context, assessing the development and challenges facing the sector. As a key component of business tourism, the report analyses the role of exhibitions in South Africa, incorporating an investigation into the internal dynamics of the country's exhibition industry and the operational elements involved in exhibition planning. Overall, the report serves to enhance debate on the significance of the business tourism sector in South Africa with a specific focus on the role of exhibitions.

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PRIMARY INTERVIEWS:

1. Business Tourism Industry:

Name	Designation	Company	Date Interviewed
Charles Drewe	Director	Charles Drewe & Associates	11 December 2006
Kate Rivet-Carnac	Director: Tourism	The Department of Trade & Industry	5 December 2006
Michael Tatalias	CEO	Southern Africa Tourism Services Association	5 December 2006
Natalia Thomson	Editor	Now Media	30 November 2006
Rick Taylor	CEO	The Business Tourism Company	20 October 2006

2. Exhibition / Conference Industry:

Name	Designation	Company	Date Interviewed
Adene Pringle	Exhibition Sales Manager	Sandton Convention Centre	30 November 2006
Anita Mathias	Client Service Director / Chairperson on Suppliers Forum	Set-Squared Exhibitions / Exhibition Association of South Africa	4 December 2006
Bobby Hex	Exhibition Consultant	Private	27 November 2006
Bruce Swartz	Director	Stand Out Design, a division of Randal Stewart International	9 December 2006
Craig Dunbar	Manager	Exhibition Stand Systems	27 November 2006
Jerry Mabena	CEO	Kagiso Exhibitions & Events	6 December 2006

Lynn Browne	Exhibition Manager	Kagiso Exhibitions & Events	4 December 2006
Paul Mainsheard	Director	Set-Squared Exhibitions	4 December 2006
Ryan Downing	GM	Kagiso Exhibitions & Events	4 December 2006
Vivienne Bates	National Marketing Manager	ICC Durban	Via phone and fax, November 2006

3. General Discussions:

Mandy O'Connor	General Manager	Exhibition Association of Southern Africa	7 September 2000
Jennifer Seif	Director	Fair Trade in Tourism	5 December 2006
Sharon Peetz	CEO	Exhibition Association of Southern Africa	24 May 2007