

International Convention Destination

Competitive Index

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Milos Milovanovic is a GainingEdge consultant with expertise in development of convention bureaus and destination marketing in emerging regions. He has over 12 years of experience in the meeting & conventions industry and he consulted on projects in Belgium, Denmark, Georgia, Israel, Italy, Jordan, Kazakhstan, Malaysia, Rwanda, Sri Lanka, etc.

Milos is one of authors of the International Convention Destination Competitive Index, which has been launched at ICCA congress in Dubai in 2018. Based on this methodology he has developed destination competitiveness reports for various meetings destinations.

Prior to joining Gaining Edge, Milos was the CEO of the Serbia Convention Bureau since 2007, whereas inaugural CEO he was instrumental in its establishment and development.

Milos has a diploma in Economics from the University in Belgrade and Master`s degree from Ecole Centrale Paris. In his previous career as marketing and project management specialist he has worked with universities, business associations, international donors and AID agencies creating a number of educational and training programs.

GainingEdge is a specialist consulting firm advising exclusively to the international business events industry. We specialise in issues related to establishing and managing convention bureaus, advice on the development and expansion of convention centres as well as the broader aspects of the international meetings industry.

Since 2004, our New World consultancy model has provided professional and careful attention to our clients who include convention bureaus, destination marketing organisations (DMOs), national tourism agencies, municipal councils, and convention centre developers. We work closely with international organisations such as ICCA and UNWTO in a variety of projects ranging from seminar content management, to facilitating workshops, and from research and studies to developing important reports.

Our comprehensive consulting expertise, capabilities and competencies help our clients tackle industry challenges, capitalise on opportunities and achieve operating excellence. We leverage on our extensive global knowledge and local market insights to provide a platform to our customers to share knowledge and market intelligence.

What makes a city competitive?

- **Product** – An international convention destination is essentially a place that can effectively facilitate meetings. Doing so requires essential product elements like airports, convention facilities and hotels. It also requires service elements like professional congress organisers (PCOs), Destination Management Companies (DMCs), transportation companies and a wide range of other meetings services companies.
- **Promotion** – A successful destination also needs to be actively promoted to the associations which are conducting the meetings. Destinations must bid to host conventions. Bidding requires well resourced convention bureaus working collaboratively with their local industry service providers and local hosts – the professionals that are engaged with the international association as a member because they work in the field that is represented by the association.
- **Political Will** – No destination will ever be successful if the policy makers are not committed. Infrastructure is needed. Destination marketing efforts invariably need government funding. Public policy affects the destination's marketability. Political support and engagement can often separate the strong from the weak.
- **Public Support** – Destinations that have strong levels of community engagement have a significant advantage over those who don't.

COMPETITIVE INDEX

DEFINITION



The *GainingEdge* Competitive Index is an assessment of how destinations compare, *in general*, in terms of the strength of their **product** offering as well as other factors that impact on destination selection.

The Index indicates that some destinations can reasonably be expected to host more or less meetings than others within the defined competitive set, based on their relative strengths.

The Index indicates how the city could or should be expected to perform based on product variables and all “other things being equal.”

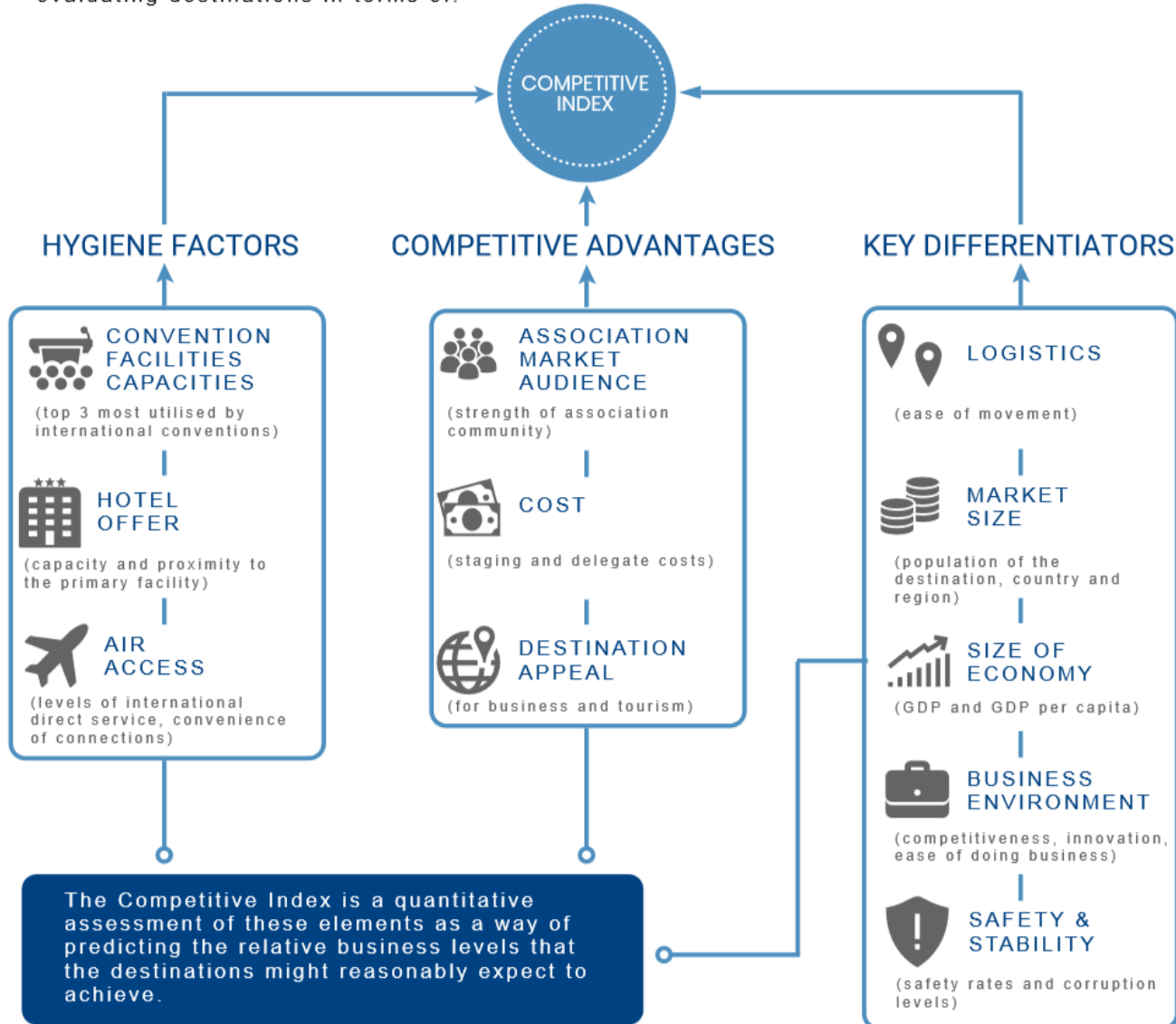
Competitive Index

What it is, and what it isn't

- The Competitive Index **is** suggesting that some destinations should reasonably be expected to host more or less meetings than others based on their relative strengths, including facility and hotel capacities, air service levels, cost, destination brand issues, strength of their local association communities, geographic locations and market conditions. The Index is more a quantitative assessment of these elements as a way of predicting the relative business levels that the destinations might reasonably expect to achieve.
- The Competitive Index **is not** an attempted measure of “the best” or the “most successful” international convention destinations. Many factors go into customer decision making about what destinations are best suited to their needs. So, the Index is not suggesting that any given destination is better than another, which would be a qualitative distinction.
- The Competitive Index doesn't assess destinations in relation to “input” factors, like the size of bureau budgets and sales teams, the strength of sales and marketing efforts, subvention levels, ... These latter factors can have a great impact on a destination's success, so they are competitive factors, but ones that can be adjusted or “controlled” for the purpose of responding to issues surrounding production levels.

METHODOLOGY

The Competitive Index is focused on the destination's meetings & conventions product issues, evaluating destinations in terms of:




















































The Index is quantitatively based and refers to data relevant for the last three years. A destination's strength in each of these factors is assessed based on 30 indicative data points, including 3rd party indices, other information sources and primary research.

The external data points include those provided by ICCA as well as other highly respected reports by organizations such as the World Bank, the World Economic Forum, United Nations, etc.

Competitive rankings - 2018

Top Global Destinations: Rankings for Competitive Strengths

Cities hosting 150+ conventions (ICCA Report for 2017 business)

City	Rank	Score	City	Rank	Score	City	Rank	Score
 Paris	1	780.0	 Madrid	19	642.4	 Helsinki	37	514.4
 Washington	2	740.9	 Rome	20	622.2	 Kyoto	38	506.1
 Barcelona	3	736.1	 Montreal	21	622.0	 Prague	39	504.2
 New York	4	730.0	 Vancouver	22	620.9	 Edinburgh	40	501.1
 Boston	5	717.3	 Seoul	23	615.4	 Bogota	41	492.4
 Singapore	6	715.8	 Mexico City	24	615.2	 Budapest	42	487.7
 Istanbul	7	714.2	 Shanghai	25	606.0	 Warsaw	43	483.9
 Toronto	8	709.9	 Taipei	26	595.8	 Cape Town	44	478.4
 Tokyo	9	708.0	 Brussels	27	595.3	 Zurich	45	477.8
 Berlin	10	703.6	 Dublin	28	594.6	 Athens	46	471.1
 Beijing	11	682.6	 Copenhagen	29	586.9	 Oslo	47	470.7
 Amsterdam	12	678.3	 Melbourne	30	578.8	 Lisbon	48	470.3
 London	13	675.4	 Munich	31	577.2	 Cracow	49	452.7
 Hong Kong	14	672.8	 Stockholm	32	575.0	 Buenos Aires	50	428.2
 Bangkok	15	672.7	 Dubai	33	559.6	 Lima	51	423.8
 Kuala Lumpur	16	665.8	 Sydney	34	529.1	 Belgrade	52	422.8
 Vienna	17	650.0	 Sao Paulo	35	527.3	 Porto	53	405.2
 Milan	18	643.9	 Rio	36	521.3	 Santiago	54	380.8

Competitive rankings - 2018

Regional Rankings for Most Competitive Cities

Cities hosting 150+ conventions (ICCA Report for 2017 business)

Europe

City	Rank	City	Rank
Paris	1	Munich	14
Barcelona	2	Stockholm	15
Istanbul	3	Helsinki	16
Berlin	4	Prague	17
Amsterdam	5	Edinburgh	18
London	6	Budapest	19
Vienna	7	Warsaw	20
Milan	8	Zurich	21
Madrid	9	Athens	22
Rome	10	Oslo	23
Brussels	11	Lisbon	24
Dublin	12	Cracow	25
Copenhagen	13	Belgrade	26
		Porto	27

Asia

City	Rank
Singapore	1
Tokyo	2
Beijing	3
Hong Kong	4
Bangkok	5
Kuala Lumpur	6
Seoul	7
Shanghai	8
Taipei	9
Kyoto	10

North America

City	Rank
Washington	1
New York	2
Boston	3
Toronto	4
Montreal	5
Vancouver	6

Latin America

City	Rank
Mexico City	1
Sao Paulo	2
Rio	3
Bogota	4
Buenos Aires	5
Lima	6
Santiago	7

Australia

City	Rank
Melbourne	1
Sydney	2

Africa& ME

City	Rank
Dubai	1
Cape Town	2

Competitive rankings - 2018

Top destinations in relation to business drivers

Hygiene Factors			Competitive Advantages				Key Differentiators			
Convention Facilities	Hotel Offer	Air Access	Association Community	Cost	Destination Appeal	Logistics	Market (Pop)	Economy (Size)	Business Environment	Safety & Stability
1 Bangkok	1 Paris	1 London	1 Brussels	1 Bogota	1 New York	1 Vienna	1 Beijing	1 New York	1 Singapore	1 Tokyo
2 Singapore	1 Singapore	2 New York	2 London	2 Cape Town	1 Boston	2 Kyoto	1 Tokyo	2 Boston	1 New York	1 Kyoto
3 Berlin	1 New York	3 Tokyo	3 Berlin	3 Belgrade	1 Washington	3 Copenhagen	1 Shanghai	3 Washington	1 Washington	3 Singapore
4 Barcelona	4 Toronto	4 Shanghai	4 Paris	4 Mexico City	4 Paris	4 Berlin	4 Seoul	4 Zurich	1 Boston	4 Copenhagen
5 Paris	5 Boston	5 Paris	5 Edinburgh	5 Istanbul	5 Madrid	5 Cracow	5 Kyoto	5 Oslo	5 Zurich	5 Zurich
5 Hong Kong	6 Washington	6 Beijing	6 Munich	6 Kuala Lumpur	5 Barcelona	6 Edinburgh	6 Mexico City	6 Dublin	6 Stockholm	6 Dubai
7 Toronto	7 Tokyo	7 Bangkok	7 Madrid	7 Cracow	7 Beijing	7 Amsterdam	6 New York	7 Berlin	7 London	7 Helsinki
8 Vienna	8 Vancouver	8 Istanbul	8 Rome	8 Budapest	7 Shanghai	8 Zurich	8 Hong Kong	8 Munich	7 Edinburgh	8 Hong Kong
9 Istanbul	9 Montreal	9 Dubai	9 Barcelona	9 Warsaw	9 Rome	9 Munich	9 Paris	9 Copenhagen	9 Copenhagen	9 Vienna
10 Mexico City	10 Melbourne	10 Seoul	10 Milan	10 Rio	9 Milan	10 Prague	10 London	10 Stockholm	10 Hong Kong/ Amsterdam	10 Amsterdam

NOTE: Air Access cities are listed in order of passenger volume. All 10 of these cities were given top values for air access along with Singapore, Madrid, Amsterdam, Hong Kong, Taipei, Kuala Lumpur and Sao Paulo and Washington.

Competitive rankings - 2018

Anatomy of the World's Most Competitive International Convention Destination

Paris		Factor	Possible Points	Score	Rank	Notes
 		Convention Facilities	200	166.0	5th	Shared 5 th position with Hong Kong
		Hotel Offer	150	150.0	1st	Shared 1 st position with Singapore and New York City
		Air Access	100	100.0	1st	Shared top marks with 17 other international hubs
		Association Community	100	78.0	4th	Over 1,900 associations have members in France and 542 are headquartered in Paris alone
		Cost (higher costs = lower ranks)	100	38.4	46th	Shared 46 th position with Washington
		Destination Appeal	100	82.0	4th	France scores top marks in National travel competitiveness and tourism arrivals
		Logistics	50	22.2	32nd	Paris has a high traffic rating so, less freedom of movement
		Market (population)	50	36.7	9th	Paris scores 20 out of 50 in terms of its market size
		Economy (size)	50	36.1	14th	Shared 14 th position with Vienna
		Business Environment	50	43.6	27th	Paris scored relatively high with 43.6 out of 50 points
		Safety & Stability	50	26.8	31st	While a relatively safe city, Paris scores in the mid-range of these 54 cities in crime statistics and perceptions of corruption
		OVER ALL	1,000	779.8	1st	

REPORT



COMPETITION ANALYSIS

The Index examines the relative competitiveness of destinations that are included in a competitive set.

The selection criteria for such a set are:

1. Rotation
2. Size
3. Business profile
4. Infrastructure
5. Perspective

The destination competitive index report consists of these main sections.



RATIO ANALYSIS

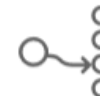
The Index provides the ability to determine the level of competitiveness for each of the 11 factors considered by international meeting planners. This analysis provides fact-based information about challenges which should be strategically addressed, as well as strong points which can be leveraged on when developing the destination's business events strategies.

FAIR SHARE ANALYSIS



For the purpose of the Index, fair share calculations for a destination use its competitive scores as the substitute for inventory factor. More facilities, more hotel rooms, better air service, etc. drive its score higher and therefore it captures a higher proportion of the business occurring within its competitive set. A destination's competitive score as a percentage (%) of the combined scores in a given set represents its proportional fair share of the total business procured by that set. So, if a destination's proportion of "competitive points" within a set is 10%, then it could reasonably seek to secure 10% of the total business secured by the set.

FAIR SHARE SCENARIO MODEL



The Fair Share scenario model illustrates how cities compare in terms of their "fair share" and in terms of their "momentum." The momentum shows if the destination is accelerating or decelerating in terms of number of international association meetings (ICCA statistics) which it has hosted, in a three-year series.

APPLICATIONS

<p>1</p> <p>COMPETITION ANALYSIS</p>	<p>2</p> <p>GOAL SETTING</p>	<p>3</p> <p>PERFORMANCE MEASUREMENT</p>	<p>4</p> <p>STRATEGIC VISIONING</p>
<p>The Destination Competitiveness Index is a useful source of information for such analysis and a helpful tool for establishing competitive sets.</p>	<p>The Index offers a tool for comparing the relative competitive strengths of destinations which in turn provides insights into how those relative strengths relate to business outcomes.</p>	<p>The Index will allow bureaus and destinations to strengthen these assessments based on a more sophisticated model, which sheds light on the issue of "comparability."</p>	<p>Sometimes we find that destination stakeholders (public and private) embark on visioning processes without any robust assessment of how visionary the goals actually are. The Index will provide a useful benchmark for visioning processes.</p>
<p>5</p> <p>STRATEGIC PLANNING</p>	<p>6</p> <p>STRATEGIC RESOURCING</p>	<p>7</p> <p>STRATEGIC PRODUCT DEVELOPMENT</p>	<p>8</p> <p>COMMUNICATION & BRANDING</p>
<p>Once destinations have established meaningful visions and goals, the next step is putting in place strategies that will drive success. The Index will provide useful insights into focus issues that will underpin those strategies.</p>	<p>As destinations set goals and develop a more rational focus on competitive sets and relative performance levels, they will be more capable of evaluating the resource needs that will be required to achieve their strategic goals.</p>	<p>The Index will help destinations compare themselves to others in relation to key product issues. If they want to increase their competitiveness, they will have an easier time identifying the factors that require the most attention and validating to policy makers and the industry what needs to be done.</p>	<p>The Index will help identify key issues that need to be addressed in a destination's communications processes.</p>



**CITY “X” CONVENTION
PRODUCT**



**CITY “X” COMPETITOR
IDENTIFICATION**

City “X” Competitive Index = 486.5 / 1,000

Factor	Score	Possible Points
Convention Facilities	127.8	200
Hotel Offer	48.22	150
Air Access	16.85	100
Association Community	32.28	100
Cost	58.24	100
Destination Appeal	55.65	100
Logistics	32.25	50
Market (population)	30.45	50
Economy (size)	28.82	50
Business Environment	30.62	50
Safety & Stability	25.32	50
OVERALL	486.5	1,000

The overview of a destination’s meeting business product against the key criteria gives an assessment of its competitiveness, for each of the 11 selected factors, as well as the overall level of competitiveness defined by total number of index points. (e.g. 486.5)

Each factor has been assigned a weighting based on a model which utilizes algorithms to calculate a point score in each category. Overall of the factors, a maximum 1,000 points scoring system has been applied.

Principles used to select destinations in City “X” competitive set are:

- 1. Rotation:**
- 2. Size:**
- 3. Business profile:**
- 4. Infrastructure:**
- 5. Perspective:**

Based on the criteria above and in consultation with the Destination Marketing Organization, destinations selected as City “X” primary competitive set are:

Competitors	2013	2014	2015	2016	2017	2018
City A						
City B						
City C						
City D						
City E						
City “X”						
Comparative City						

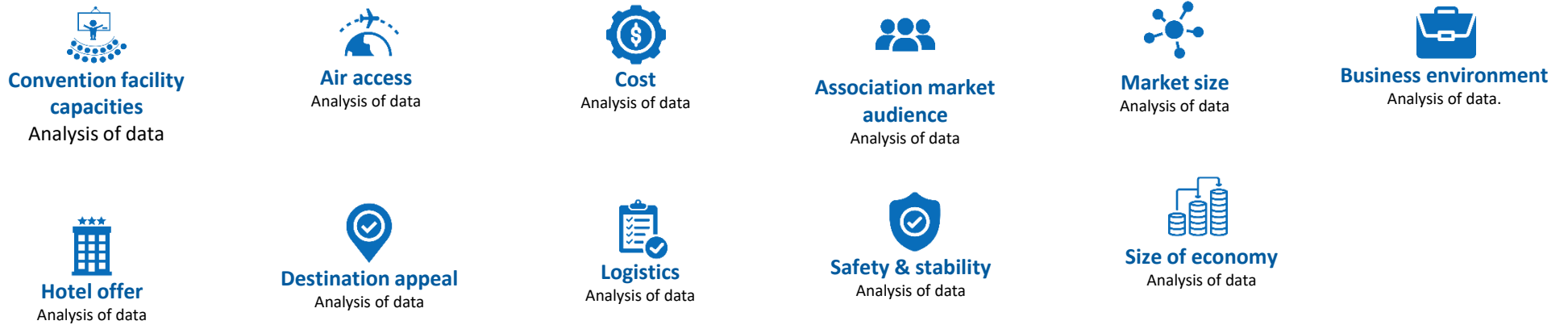
The number of international conventions hosted 2013-2018 (source: ICCA)



The assessment of all destinations, against the selected 11 factors (business drivers) and according to the same algorithm, gives the final results that represent the competitive position of each destination, within the defined competitive set.

Factor/ Destination	A	B	C	D	E	"X"	Comparative City
Convention Facilities						127.8	
Hotel Offer						48.22	
Air Access						16.85	
Association Community						32.28	
Cost						58.24	
Destination Appeal						55.65	
Logistics						32.25	
Market (population)						30.45	
Economy (size)						28.82	
Business Environment						30.62	
Safety & Stability						25.32	
OVERALL						486.5	

e.g. City "X" has a solid competitive position, as the 3rd most competitive destination within the set. However, this is just a starting point for further competitive analysis.



City "X" Summary:

The Competitive Index provides the ability to determine the level of competitiveness for each of the 11 selected factors or business drivers considered by international meeting planners.

Meeting Facilities	Hotel Offer	Air Access	Association Community	Cost	Destination Appeal	Logistics	Market	Economy	Business Environment	Safety & Stability
City "X"			City "X"							
										City "X"
		City "X"								

←————→
←————→
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Hygiene Factors
Competitive Advantages
Key Differentiators



Analysis of data

Deeper insights into the strong and weak points of City "X" convention products can be obtained if we consider each of the factors in relation to the average value for the entire competitive set and thus get a specific ratio for each of the business drivers.

This analysis provides fact-based information about challenges which should be strategically addressed (Weaknesses), as well as strong points (Strengths) which can be leveraged on when developing City "X"'s business events strategies.

Factor/ Destination	A	B	C	D	E	City "X"
Convention Facilities						+ 23.4%
Hotel Offer						
Air Access						- 19.8%
Association Community						+ 18.2%
Cost						
Destination Appeal						
Logistics						
Market (population)						
Economy (size)						
Business Environment						
Safety & Stability						-14.6%
OVERALL						

 Strengths

 Weaknesses



A fair share calculation can be very useful in terms of projecting sales, goal setting and as an indicator of a competitor’s performance against other products in its competitive set.

For the purposes of the Competitive Index, fair share calculations for destinations uses their competitive scores as the substitute factor for inventory. More facilities, more hotel rooms, better air service, etc. drive its score higher and it thus captures a higher proportion of the business occurring within its competitive set.

Bureaus can use fair share analysis as a means of assessing their own past market performance as well as for setting future goals and measuring future performance against those. Fair share analysis can also provide useful insights into the future business projections for proposed new inventory. So, fair share analysis can add support to business cases for investments in new inventory.



The Momentum shows if the destination is accelerating or decelerating in terms of number of international association meetings which have hosted, in a three-year series.



Responses to a fair share deficit

If a destination were to find that it is performing below its fair share it has an opportunity to engage stakeholders in remedial action. The first step would be to evaluate other destination factors that might attribute to the shortcoming. Often a lost business analysis could shed light on these. It’s important to keep in mind that for destinations to perform better than their fair share within a competitive set, others have to perform worse than their fair share. The net sum of fair share variances within a competitive set is by definition, zero.

Perspectives on a fair share surplus

A destination that is enjoying a fair share surplus might also find it useful to evaluate why since in these situations there is always a downside risk. If your share is high, then someone else’s is low. If such deficits in other parts of the set disappear, your share goes down. Complacency can lead to future disappointments. Your share advantage may be due to a temporary weakness by others in your competitive set, and such weaknesses may some day be remedied.

Destinations	2013	2014	2015	2013-15	2016	2017	2018	2016-18	Change
A									
B									
C									
D									
E									
City "X"									
TOTAL									



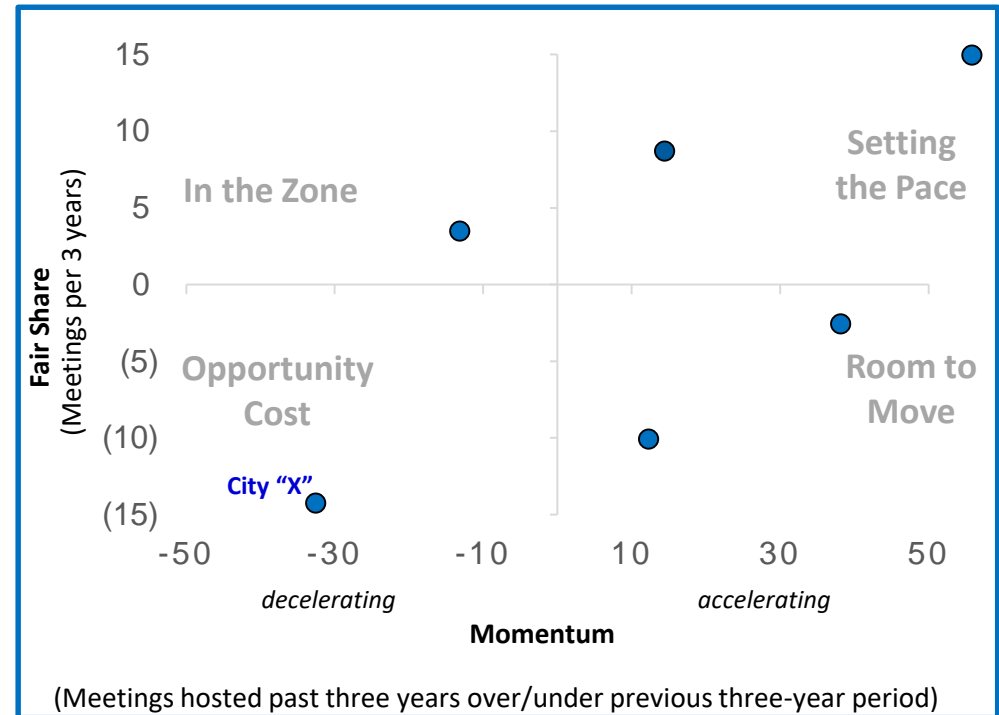
**FAIR SHARE
SCENARIO
MODEL**

The Fair Share scenario model illustrates how cities compare in terms of their “fair share” and in terms of their “momentum.”

- **On Fair Share** - they plot either above or below the midline to the extent that their actual meetings hosted vary from their fair share.
- **On Momentum** - they plot to the left or right of the midline based on their % growth or decline in meetings hosted in the three-year period between 2016 – 2018 compared to the three-year period prior to that (2013-2015).

**FAIR
SHARE
DYNAMICS**

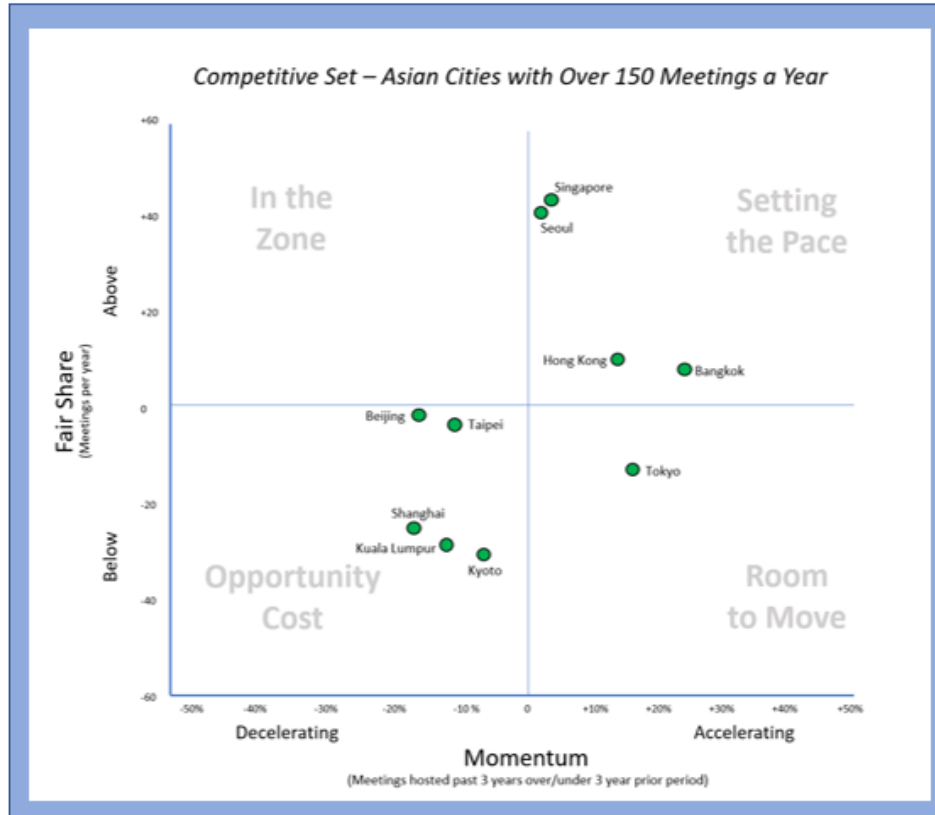
- **“Opportunity Cost”** quadrant: Decelerated to some extent. This means that they should look to accelerate their bid win pace significantly. This is also saying that they have an opportunity to improve their position in a relatively short period.
- **“In the Zone”** quadrant: Already above fair share but have decelerated. This suggests that they are hosting fewer meetings on average than they did before but remain ahead of their fair share.
- **“Setting the Pace”** quadrant: Have accelerated and achieved results above their fair share. This position is sought after, but at the same time, this position can also be a threat, because this may be due to a temporary weakness by others.
- **“Room to move”** quadrant: Accelerating, but their results are still below fair share, which means that they need to keep growing.



The 4 quadrants in this Fair Share scenario model:
Setting the Pace – destination is above the fair share and is accelerating
In the Zone – destination is above the fair share and is decelerating
Opportunity Cost - destination is below the fair share and is decelerating
Room to Move - destination is below the fair share and is accelerating



Illustration of Fair Share Dynamics among the top 9 Asian Destinations



The Model Explained

On fair share destinations plot either above or below the midline to the extent that their actual meetings hosted vary from their fair share. On momentum they plot to the left or right of the midline based on their % growth or decline in meetings hosted in the three year period between 2015 – 2017 compared to the three year period prior to that.

Cities in the “Opportunity Cost” quadrant have decelerated to some extent when comparing the two three-year periods, while their number of meetings hosted is below their notional fair share. This means that they should look to accelerate their bid win pace significantly. This is merely saying that they have an opportunity to do even better.

While Tokyo is accelerating it remains slightly below its fair share level, so has “Room to Move” in terms of hosting more meetings.

“In the Zone” are cities that are already above fair share but have decelerated. This suggests that they are hosting fewer meetings on average than they did before but remain ahead of their fair share. None of the top Asian destinations happen to fall into this category.

The fair share analysis is illustrative only. How a city plots on the scenario map will depend on which cities it chooses as a competitive set.



Business goals:

- To get into (or to keep) the 'accelerating' zone, Destination "X" should achieve exact number of international association meetings in the next year, and to keep growing in coming years.
- Also, Destination "X" should aspire to get in (or to keep) the zone above its fair share in future years, which is another parameter to set business goals.
- Based on this parameters, the number of international association meetings which should be occurred in Destination "X" in coming years can be projected, and which would secure strong position within the defined competitive set.

Destination	2019	2020	2021	2022
City "X"	No of meetings	No of meetings	No of meetings	No of meetings

Competitive Index helps to benchmark Destination "X" against other international convention cities which it deems as its closest competitors.

Destination Report includes:




EXECUTIVE SUMMARY

- Competitive Position
- Competitive Analysis
- Performance Measurement
- Fair Share Scenario Model
- Goal Setting
- General Conclusions

Based on its competitive position, identified gaps, projected business goals and general conclusions, the set of strategic recommendations can be offered to Destination "X", which would include advise on:

- 1 Realistic Business Goals
- 2 Strategic Visioning & Planning
- 3 Strategic Resourcing
- 4 Product Development Efforts
- 5 Competitive Advantages & Mobilize Assets
- 6 Communication & Branding



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