

Place Marketing Buyer Behaviour: A Model of Australian Convention Sites

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Abstract

This study examined the buyer behaviour of professional convention organizers with respect to the selection of a host city. Discrete choice modelling was employed to analyse data from a choice experiment involving 20 site selection attributes. The majority of the attributes were found to be statistically significant, but the most influential factors were cost of the convention venue, food quality, suitability of the plenary room, the accommodation mix, proximity of participants to the host site, and the quality of exhibition space. The study finds that, although the characteristics of the meeting facilities are particularly important, an attractive host site must offer strengths in a broad range of other attributes, if the site is to be successful in an escalating competitive environment.

Introduction

The marketing of places has today become an important and active area of marketing activity. Places may be marketed for a wide variety of reasons (Kotler, Haider and Rein, 1993). These include to attract visitors and tourists, residents, investors, and businesses; to lobby support in a bid to host a major event (such as an Olympic Games, soccer World Cup, or major conference), to influence public policy (such as drought or disaster relief, support programs for regional areas, or site for the location of a major piece of infrastructure such as the Melbourne Synchrotron); or to develop and display civic pride. One major sphere of place marketing activity surrounds the meetings and conventions industry as evidenced by the many Destination Management Organizations (DMOs), particularly Convention and Visitor Bureaux (CVBs), which place a great deal of emphasis on targeting the meetings and conventions market segment. While much is known about the type and range of factors that influence the buyer behaviour of host sites, little is known about the relative significance of each factor, making it difficult for destination managers to know where and how they should invest resources to enhance their competitiveness. This paper reports some results from an Australian study designed to answer these questions with respect to association-organised conventions.

Convention Site Selection

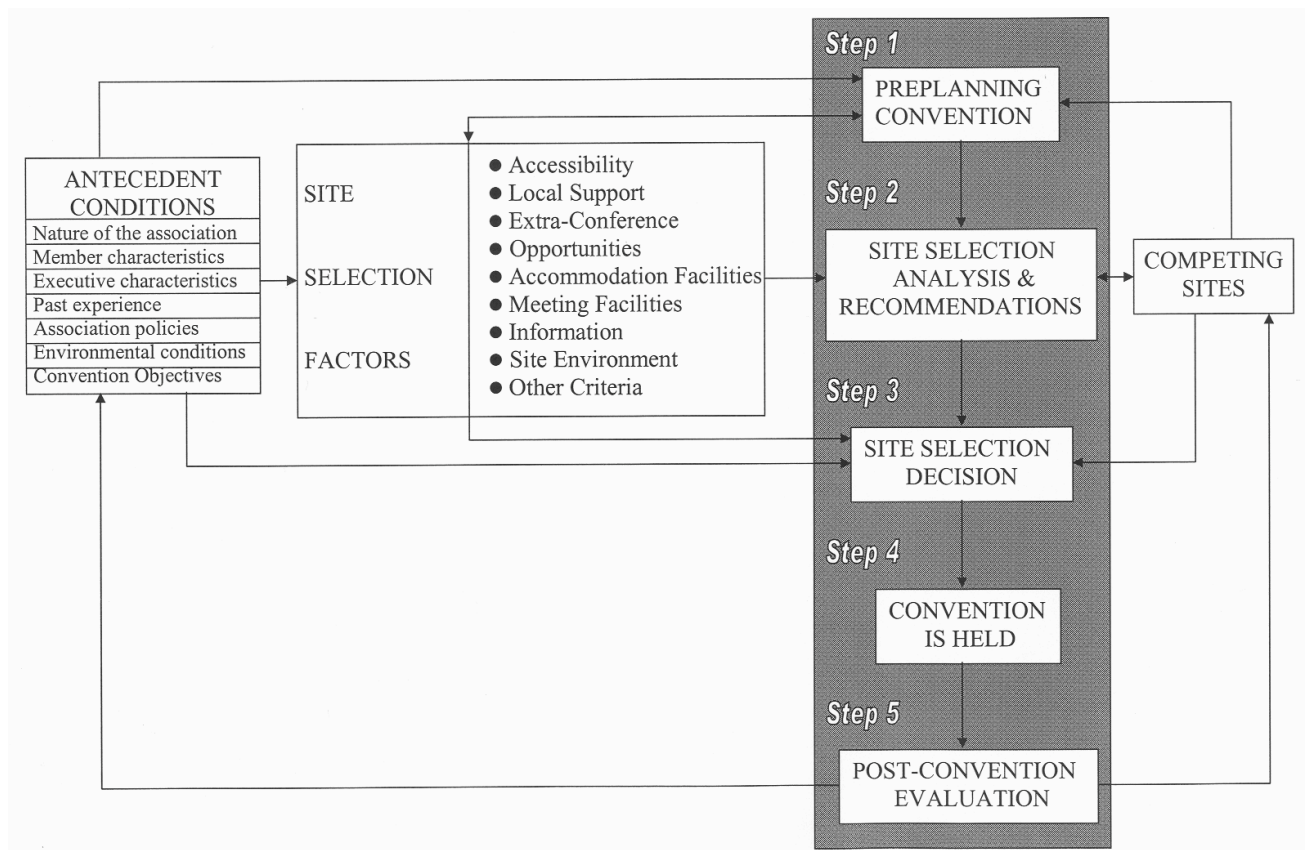
Many tourism destinations have increased the emphasis in their marketing strategies on the meetings and conventions market segment. For example, the Australian Commonwealth Department of Tourism's National Tourism Strategy

(1995) recognised “the meetings, incentives, conventions and exhibitions (MICE) industry as having significant growth potential” (p. 1).

Although trade and professional magazines on the meetings and conventions industry frequently publish ‘checklists’ of the various factors that professional meetings managers or conference organizers use to assess the suitability and attractiveness of alternative potential host sites, there has been surprisingly little systematic, empirical, or academic study (Clark and McCleary, 1995; Fenich, 1992; Fortin and Ritchie, 1977; Oppermann, 1994; Rockett and Smillie, 1994; Var, Cesario and Mauser, 1985; Witt, Dartus and Sykes, 1992; Zelinsky, 1994). This present study addresses the issue of convention site selection by associations. It does not study corporate conventions or meetings.

Crouch and Ritchie (1998) undertook an extensive review of the literature in order to identify and evaluate the extent of knowledge concerning the factors which are believed to influence the choice of convention site by associations. On the basis of the 64 studies revealed in their review, several categories of site-selection factors were identified including site accessibility, local support by the host, extra-conference opportunities, accommodation facilities, meeting facilities, information, the site environment, and other factors. These factors influence the selection of a convention site as illustrated in Figure 1. There is little solid evidence indicating the relative importance of the various site-selection factors in general, or in particular circumstances. Hence, the aim of this study has been to address this need by modelling host destination convention site selection.

Figure 1: Conceptual Model of the Site Selection Process



Choice Modelling Methodology

The present study adopted choice modelling for reasons outlined in Crouch and Louviere (2001). Choice modelling requires choice data that can be obtained by observing and recording real or actual choices or choices made in response to hypothetical options. Observations of choices *reveal* the preferences of those making the choices; choices collected in real markets typically are known as Revealed Preferences (RP), whereas choices collected in hypothetical markets are known as Stated Preferences (SP) (Louviere, Hensher and Swait 2000).

Although the meetings and conventions industry collects some RP data, it generally does not provide information on options considered but rejected, rendering it unsuitable for this type of analysis. Hence, this study set out to gather SP data through the use of a survey designed as a choice experiment.

In the experiment, each respondent (conference planner) was asked to indicate their choice in a series of choice tasks in which possible hypothetical convention sites were described in terms of important site-selection attributes.

The choice experiment described different hypothetical sites defined by 20 attributes (see table 1); each attribute in turn was described by two, four, or six levels, resulting in a $2^{10} \times 4^9 \times 6^1$ fractional factorial design of 128 treatments divided into 8 blocks (survey versions) of 16 scenarios.

The survey consisted of three parts. The first part included a set of questions about the survey participant and the association with which the participant was involved in the role of evaluating host sites in Australia for the most recent convention, whether as an employee of, or as a consultant to, that association. The second part of the survey contained 16 scenarios, each describing a hypothetical convention site. The participant was asked to evaluate the information provided about each site and to indicate whether they would or would not recommend the site to their association. The third part of the survey obtained information about the last convention site and its attributes.

We identified 257 Australian meeting planners. Of these, 200 were eligible to participate in the choice experiment, and 134 initially agreed to do so. We ultimately received 86 completed responses by the cutoff date, resulting in a usable response rate of 43 percent.

Binary logistic regression analysis was applied to all attributes/levels simultaneously. Because the attribute levels in the design are discrete one can estimate their marginal effects by using effects-codes to represent the design matrix. Ordinary least-squares multiple regression analysis is inappropriate in this case because the dependent variable is binary, and hence responses are neither continuous nor homoscedastic. It also is worth noting that the number of survey responses per block varied slightly, so we weighted each case in the analysis to correct for over- and under-represented blocks (although there was little real difference in the weighted and unweighted results).

Results and Discussion

In order to compare the effects of the attributes in a common metric, we calculated the extent to which each attribute contributed to the overall log-likelihood of the choice model using binary logistic regression (the latter can be viewed as measuring the explained variance contributed by each attribute). This measure is obtained by systematically re-estimating the choice model 20 times, omitting each site attribute one-at-a-time. The latter process produces the model log-likelihood values associated with each attribute expressed as a difference in the overall model log-

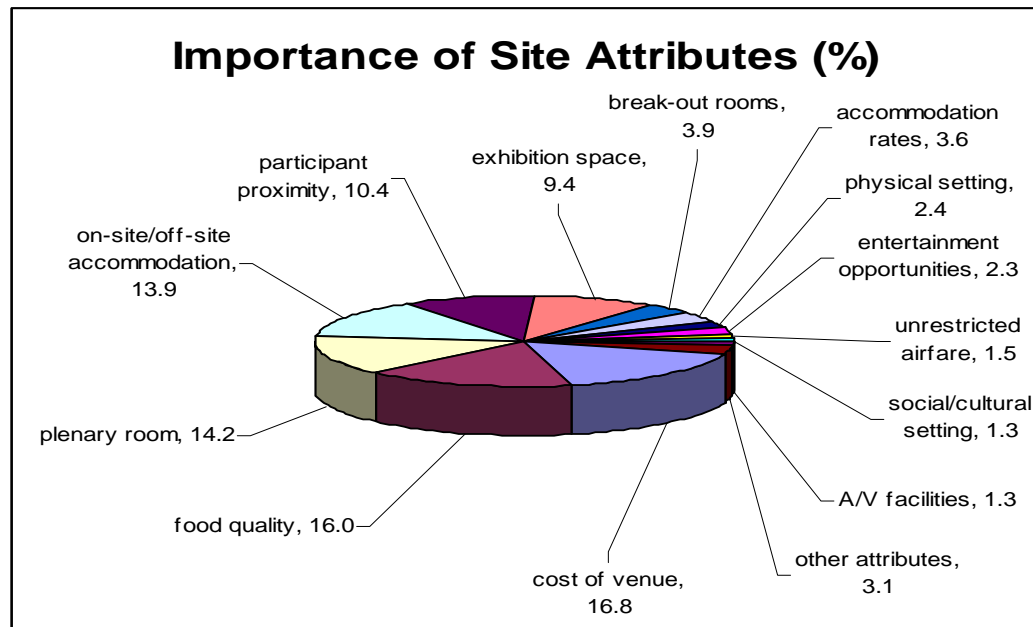
likelihood and the log-likelihood of a model without the attribute. The log-likelihood differences measure the relative impact of each attribute on the choice responses, and are meaningful in the case of orthogonal designs like the one we used in this study. Figure 2 summarizes these results and indicates that the most important attribute is the cost of the convention venue, which accounts for 16.8 per cent of the sum of the reductions in the model log-likelihood across all convention site attributes. Together with food quality, the suitability of the plenary room, the mix of on-site versus off-site accommodation, the proximity of participants to the site, and the quality of the exhibition space, these six attributes account for just over 80 per cent of the sum of the model log-likelihood reductions.

Conclusions and Future Research

The results provide evidence that 12 of the 20 site attributes investigated have a statistically significant effect on site choice. These factors were:

- proximity of the site to convention participants,
- percentage of convention attendees able to be accommodated on-site with the convention venue,
- accommodation conference rates,
- cost of the venue,
- perceived food quality,
- opportunities for entertainment, shopping, sightseeing, recreation and organized tours,
- uniqueness of the physical setting,
- uniqueness of the social/cultural setting,
- quality of the exhibition space,
- quality of the plenary room,
- quality of the break-out/session rooms, and
- the available range of audio/visual systems and facilities.

Figure 2



Six of these factors pertain to the *convention venue and facilities* while the other six factors concern *travel distance, cost and site accessibility, accommodation location and costs*, and the *setting, site environment and local assistance*. Convention destinations therefore need to pay primary attention to ensuring that their meeting and convention facilities are highly competitive with respect to their targeted meetings and convention market segment. In addition, however, other site features also play an important role, albeit, secondary but no less significant. Hence, a successful convention destination must also offer an accessible, enjoyable and interesting setting. A successful convention destination must offer a complete package if it is to perform well in this increasingly competitive market.

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