

Cooperation between Convention Bureaus in Light of Empirical Research

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Abstract

The stakeholders' cooperation in region (micro level) is recognized the basic source of cities' competitive advantage in the meetings market. Though the cooperation also occurs between destinations (at the mezzo level), the existing studies rarely present it from this perspective. Cities on the meetings market are represented by specialized organizations, namely convention bureaus (CBs), whose function is to build and develop relations. The article aims to identify the significance of this function in the CBs operation, in face of progressive competitive processes. To achieve the research goal, an internet survey was conducted, addressed to the managers of the convention bureaus. The obtained data has been analyzed applying the Importance-Performance Analysis (IPA) method. The results of the study indicate a low priority for cooperation with other convention bureaus.

Keywords: convention bureau, meetings industry, competitiveness, cooperation, cities, destinations

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Introduction

The importance of cooperation among destinations is growing in terms of gaining and sustaining the competitive advantage (Jegdić et al. 2016, 43; Mariani et al. 2014, 4). Haven-Tang, Jones and Webb claim that networking is one of seven key factors for destination competitiveness' creation on an international meetings market, along with leadership, branding, skills, ambassadors, infrastructure, and bidding. In this case, networking should not be perceived as cooperation between local entrepreneurs engaged in a destination product creation, because the need for such action seems quite obvious. It ought to be rather understood, as stressed by the mentioned authors, to be a question of building a network of cities to share information and past experiences in order to win several editions of periodic meetings for a group of cities (Haven-Tang, Jones, and Webb 2007, 114–118). A city's representative in such collaboration can be a convention bureau due to its roles—e.g., partnership/alliance builder (Wang 2008a, 194). Wang (2008b, 152), Fyall, Garrod and Wang (2012, 11), Żemła (2014, 241), and Jegdić et. al. (2016, 35) suggest the cooperation has been widely researched in tourism at the micro-level (between various stakeholders in the destination), whereas the mezzo-perspective (inter-destination) has received significantly less attention, in particular between the cities' representatives, the convention bureaus. The existing literature focuses on general motives for destinations' collaboration, factors facilitating and inhibiting the cooperation and its outcomes (Naipaul, Wang, and Okumus 2009; Wang et al. 2013; Żemła 2014).

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Based upon the presented circumstances, that is, the increasing role of cooperation between destinations for the competitive advantage sustenance, the roles of convention bureaus (CBs), the tasks performed (with special focus on collaboration with other CBs), and the limited subject literature, it is justified to conduct a research to address the significance of interorganizational cooperation between convention bureaus. The article aims to identify the importance of the cooperation from the convention bureaus top management's point of view. In order to collect the empirical data an on-line survey was conducted amid 82 CBs worldwide. Subsequently, an Importance-Performance Analysis (IPA) method has been applied to evaluate the gathered information.

1 Cooperation of cities in the meetings market

The meetings market represents an operational environment where cities are the leading receptive areas, particularly in the case of attracting larger events and conventions. This is due to the character of demand reported, the meetings industry's structure and the favorable circumstances that the urban destinations create for the events' organization (Cró and Martins 2018; Crouch and Brent Ritchie 1997; Crouch and Louviere 2004; Davidson and Cope 2003, 10; Getz 2004; Huo 2014, 82–83; Law 2002, 97–125; Nelson and Rys 2000; Rogers 2013, 13, 63). Given the benefits which the cities can achieve from developing the MICE sector (Borodako, Berbeka, and Rudnicki 2016, 212; Falk and Hagsten 2018; Golden-Romero 2007, 2–4; Swarbrooke and Horner 2001, 8–9) and the fact that the number of congresses, conferences and other meetings that rotate internationally is limited (Mair 2014, 46; Pike 2015, 123), the destinations compete with one another for the right to host them (Houdement, Santos, and Serra 2017, 128; Naipaul, Wang, and Okumus 2009, 462–463; Piechota and Zmysłony 2016, 119–123). Notwithstanding the foregoing, what can be observed is that cities also find common areas in which they cooperate, namely:

- joint promotion and marketing,
- lobbying,
- research,
- education, knowledge exchange, training programmes, and
- bidding (Colston 2015; Davidson and Cope 2003, 83–84; Pike 2015, 123; Rogers and Davidson 2015, 13–14).

Convention bureaus are mostly responsible for actions in the above mentioned fields. They are multifunctional organizations acting on behalf of cities in the meetings market (Gartrell 1988, 21; Getz, Anderson, and Sheehan 1998, 331). Hence, they perform tasks in the following domains: destination/community marketer/promoter, destination image/brand developer, industry coordinator, advocate/supporter/facilitator of tourism projects, economic driver, builder of community pride, partnership/alliance builder, destination planner/manager, destination product developer (Wang 2008a, 194). From the perspective of cities' cooperation, a role of partnership/alliance builder seems to be a key function of these institutions. However, the models of urban destinations' cooperation undertaken by CBs are not uniform. They may vary in terms of—e.g., geographical reach, partners' number, partnership's profile (tab. 1).

The presented case when competitors decide to undertake joint initiative and to collaborate refers to the concept of cooptation. It is based on the assumption that rival entities cooperate with one another and align their goals to a certain level in order to gain mutual benefits. For destinations, this statement underlines the need for cooperation between them to market their product more effectively and meet competition at the regional or global level. Thus, cities cooperate with one other to achieve a higher value of competitive advantage in the marketplace (Edgell 2016, 123; Wang 2008a, 164–165).

Available research drawing mainly from transaction cost-oriented, resource-based-oriented, strategy-oriented and learning-oriented perspectives proves that destinations can achieve competitive advantage through:

- regional product enhancement,
- information and knowledge sharing,
- resources pooling,

Tab. 1. Characteristics of the selected convention bureaus' cooperation models

Feature	Variant	Example
Geographical reach	<ul style="list-style-type: none"> • international • global 	<ul style="list-style-type: none"> – Association of Australian Convention Bureaux (AACB) – Global Association Hubs Partnership (GAHP)
Number of partners	<ul style="list-style-type: none"> • bilateral • multilateral 	<ul style="list-style-type: none"> – Barcelona and Vienna Convention Bureaus' cooperative joint activities – Oficinas de Convenciones y Visitantes Latinoamérica y El Caribe – Asociación Civil (211 cities) – Three City Alliance
Profile of partnership	<ul style="list-style-type: none"> • general • specialized 	<ul style="list-style-type: none"> – BestCities Global Alliance – The Energy Cities Alliance (energy refers to oil and gas industries, as well as mining resource industries)

Source: Own elaboration upon Rogers (2013, 115), Colston (2015), and websites of above mentioned organizations

Tab. 2. Factors of convention bureaus' successful cooperation and potential failure causes

Factors of successful cooperation	Potential failure causes
<ul style="list-style-type: none"> • common operating philosophy • common but complementary products • frequent communication • geographical proximity • efficient and effective exchange of resources for mutual benefits • presence of collaboration champion (leader) • mutual trust • homogeneity of target market • fair share of benefits and responsibilities 	<ul style="list-style-type: none"> • different priorities • different marketing directions • limited resources • general mistrust and suspicion among collaborating parties • instances where particular stakeholders fail to recognize the real value of collaboration and remain closed to the benefits of working together • politics and governance • power imbalances • competition

Source: Own elaboration upon Naipaul, Wang and Okumus (2009), Wang et.al. (2013), and Fletcher et. al. (2017)

- cost reduction and sharing,
- higher efficiency through joint activities/synergy effects, and
- greater market penetration/share (Jegdić et al. 2016, 43–45; Naipaul, Wang, and Okumus 2009, 476–479; Pike 2015, 123; Wang et al. 2013, 290–296).

In order to establish profitable collaborative relations, convention bureaus have to analyse success factors and possible hazards to mitigate (tab. 2). Although cooperation between convention bureaus may bring certain benefits for the destinations and develop a new, competitive advantage, this task is one of several duties carried out by CBs. In these circumstances, the relevant question is to what extent convention bureaus perceive it to be a priority in their operation. The results of research conducted on this issue are presented further in the text.

2 Method

An online survey was carried out on convention bureaus' tasks. The questionnaire was e-mailed to managers of foreign and Polish convention bureaus in June-July 2016 and February-March 2017, respectively. It was sent to 290 representatives of convention bureaus acting in cities included in ICCA ranking (International Congress and Convention Association) and to 11 Polish entities. In result, answers from 82 managers were collected (9 of them came from Poland). Respondents assessed the importance of listed tasks and their convention bureaus' performance in fulfilling them. The scale from 1 to 5, where 5 meant very important task and excellent performance was used. The list of tasks included cooperation between convention bureaus and eleven other activities of these institutions:

- answering the inquiries of events' organizers
- searching for request for proposals and making bids

- providing direction for local meetings industry's development
- conducting research on local meetings industry
- creating the destination meetings industry product (combining the local entities' offers)
- coordinating local meetings industry's activities and creating local cooperation environment
- indicating the importance of meetings industry in a city
- promoting the destination meetings industry product, mediating between:
 - event organizers and entrepreneurs from local meetings industry,
 - local meetings industry entrepreneurs and local government, and
 - entrepreneurs in local meetings industry and related industries (e.g., finance, culture, recreation).

In data analysis the Importance-Performance Analysis was used. Originally it was created by Martilla and James (1977) to assess consumers' satisfaction from services as combination of service's attributes importance and company's performance in providing them. However, it was also applied to other areas e.g. measuring destination attractiveness or competitiveness (Caber, Albayrak, and Matzler 2012; Enright and Newton 2004; Go and Zhang 1997; Mihalic 2013). In research described in this paper IPA method was used to prioritize convention bureau's tasks and indicate, what is the meaning of cooperation among these institutions. The method's core is to calculate mean scores of importance and performance and present them on IPA grid to provide one of four practical recommendations: (I) concentrate here, (II) keep up the good work, (III) low priority, and (IV) possible overkill (Martilla and James 1977).

3 Results

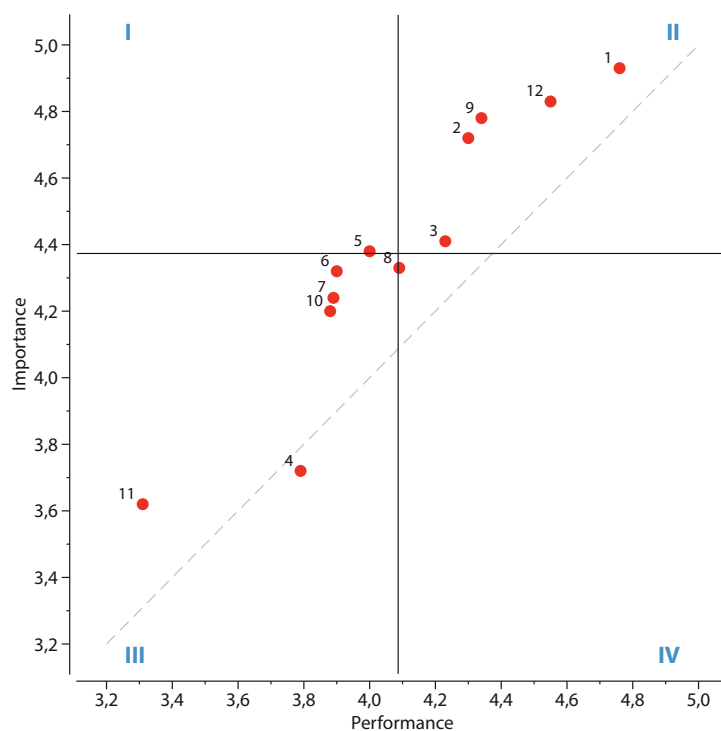
Managers of 82 convention bureaus participated in the research. The survey included CBs from Europe (61%), North and South America (17% and 10% respectively), Asia (6%), and Australia and Oceania (6%). They had an average of 23 full-time employees. The institutions represent different organizational forms. Half of them act as public-private partnerships, but an answer that they frequently provided was also the option "other" (28%), which shows the diversity of operational circumstances for CBs. The main part of the questionnaire referred to organizations' activities. The results of measuring importance and performance of institutions' tasks are presented in figure 1.

Cooperating with other convention bureaus is one of the least important activities and realized to the smallest extent. A lower score was given only for mediating entrepreneurs in local meetings industry and related industries. Both tasks are located in III quarter, which refers to activities with the low priority. Cooperation is also the only task with higher performance than importance. However, it should be noted that results for all tasks are fairly high because of values above 3 in a 5-point scale. Convention bureaus focus mostly on answering the inquiries of event organizers and destination promotion (activities with the highest scores and located in II quarter—keep up the good work).

4 Discussion and conclusion

The paper focuses on explaining the importance of the cooperation between convention bureaus, with regard to recent trends of growing significance of collaboration among destinations for securing the new source of competitive advantage. Some authors (Fyall, Garrod, and Wang 2012; Jegdić et al. 2016; Żemła 2014) claim that the stakeholders collaboration within the destination does not produce the competitive advantage anymore, but is required to avoid producing a distance towards the main competitors. Regardless of the advantages derived from convention bureaus' interorganizational cooperation, the conducted studies showed CBs rate their collaboration relatively low in the hierarchy of tasks. This is partly in line with the conclusion presented by Wang et. al. (2013) that the cooperation's achievement has not been common or could be partial.

Based upon the Importance-Performance Analysis, the cooperation among convention bureaus is the activity the organizations should resign from. However, considering the high results in terms of importance and performance for the majority of the activities performed, it can be stated that



- 1 - answering the inquiries of events organisers
- 2 - searching for request for proposals and making bids
- 3 - mediating between events organisers and entrepreneurs from local meetings industry
- 4 - cooperating with other convention bureaus
- 5 - providing direction for local meetings industry's development
- 6 - conducting research on local meetings industry
- 7 - creating the destination meetings industry product
- 8 - coordinating local meetings industry's activities and creating local cooperation environm.
- 9 - indicating the importance of meeting industry in a city
- 10 - mediating between local meetings industry entrepreneurs and local government
- 11 - mediating between entrepreneurs in local meetings industry and related industries
- 12 - promoting the destination meetings industry product

Fig. 1. Importance and performance of convention bureaus' cooperation against the background of other tasks undertaken by these institutions

the CBs ought to, firstly, focus on the core operations and to gradually extend their scope, depending on the available resources. Moreover, the research outcome might have been biased by the rare implementation of convention bureaus' cooperation. The fact the CBs collaboration is not widely practiced may be a sign of advanced development of the local meetings market in the cities engaged in the cooperative initiatives, as well as seeking the new competitive advantage's source through innovative initiatives. The paper highlights the need for the further research regarding the inter-destination cooperation in the meetings market, showing its significance amid the core convention bureaus' tasks. The motives for the cooperation formation or its failure require more in-depth empirical studies.

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