

THE INSIDER'S PERSPECTIVE

THE STATE OF SUBVENTION POST PANDEMIC

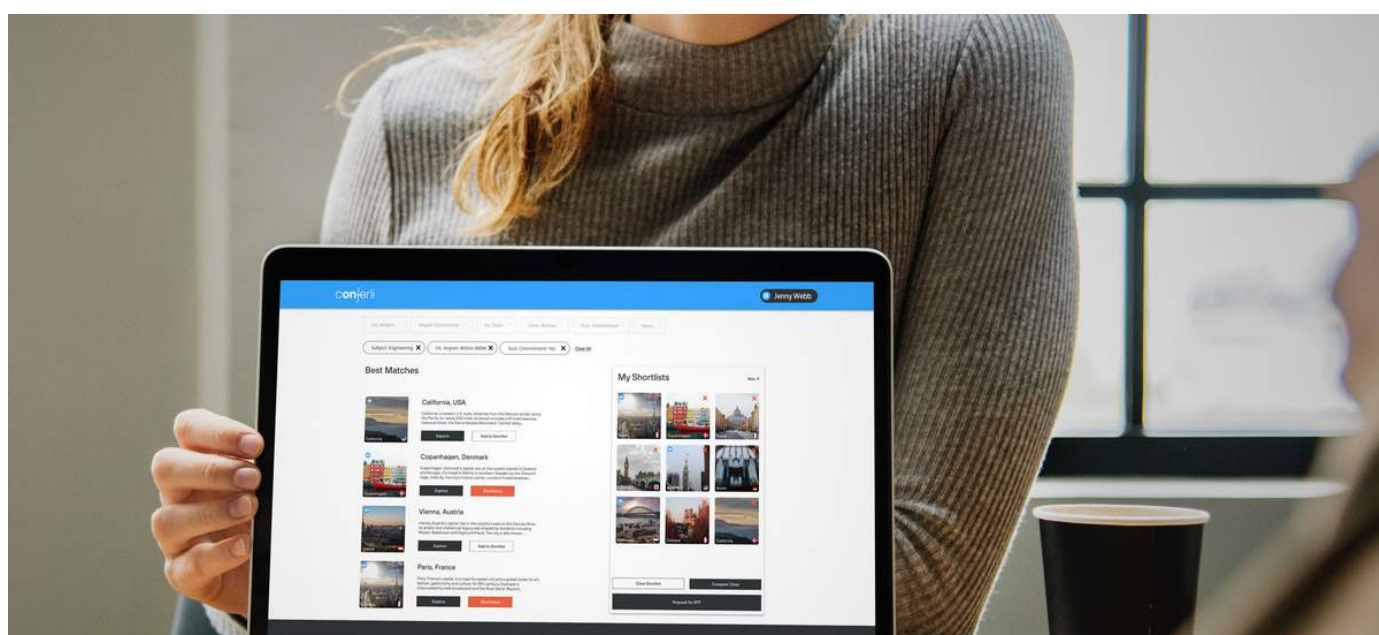


ABOUT CONFERLI

Conferli is a conference matchmaking platform for organizers, venues and destinations. Our aim is to level out the playing field in the event industry, enabling events of all shapes and sizes to find best-suited destinations - easily and efficiently.

We do that by creating access to independent benchmarking data, supported by smart technology and fueled by our passion for the conference world.

www.conferli.com



ABOUT THE AUTHOR

Nienke van der Malen has a broad expertise in the event industry, with over 15 years of experience in various functions. Most recently, she worked as Director of The Hague Convention Bureau. Working in the conference industry her entire career, Nienke had one ambition - to build a platform that connects associations, venues and destinations.

She noticed that creating and maintaining these connections can be challenging and that the entire event industry would benefit significantly from having better access to each other. This is how Conferli.com was created.

INTRODUCTION

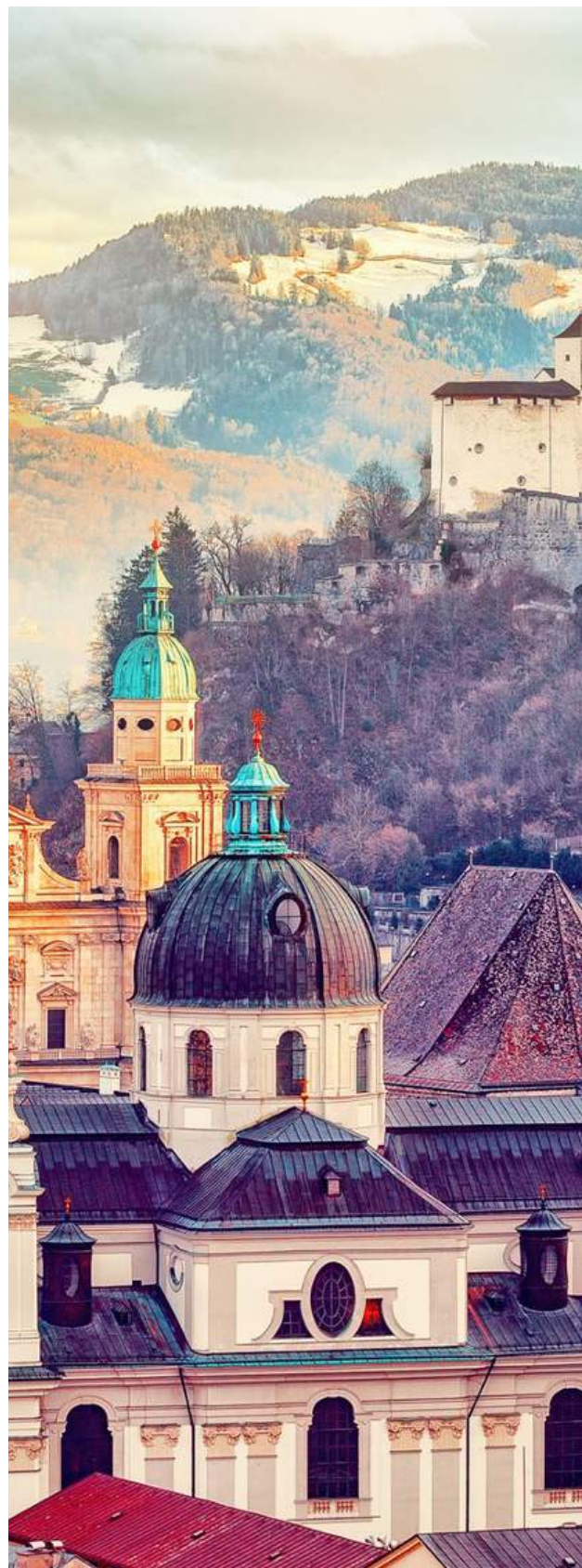
Subvention is a widely discussed topic in the event industry. Where one sees it as a poorly justified incentive, others see it as a necessity and a business enabler. Decennia have passed since subventions were first introduced in the event industry and as our industry evolves, so do the practice and the attitudes around the subject.

At the same time, only very little has been written about it. Why? Is it the lack of information that is available? Or is it because most subventions are tailored to the needs of the organizer, with a general lack of best practice? Or is it that destinations are not willing to give away their sales strategy?

Besides that, it is not transparent and it is not clear who is offering what. Now with the digital revolution and new technologies penetrating the event industry, it might be the time to change that. Especially in this stage of the pandemic more and more associations are replanning their annual events, the question of the validity of the subvention practice should be raised.

Many associations are in need of financial aid and some destinations take the lead in this by offering financial support in return for events. Conferli felt it was time to conduct a market study in order to reflect on the status of subvention. In this report you will read about the situation regarding subventions before the pandemic and what different types of subventions are offered now.

This report further discusses the emerging trends and summarizes key findings.



SCOPE AND METHODOLOGY

This study is conducted to get a clear understanding of the European state of Post-pandemic Support for event organizers. A survey was sent to 150 European Convention Bureaus. 80 Convention Bureaus participated in the survey (Appendix 1). Several of the Convention Bureaus were approached with a follow-up request for more information regarding their offer.

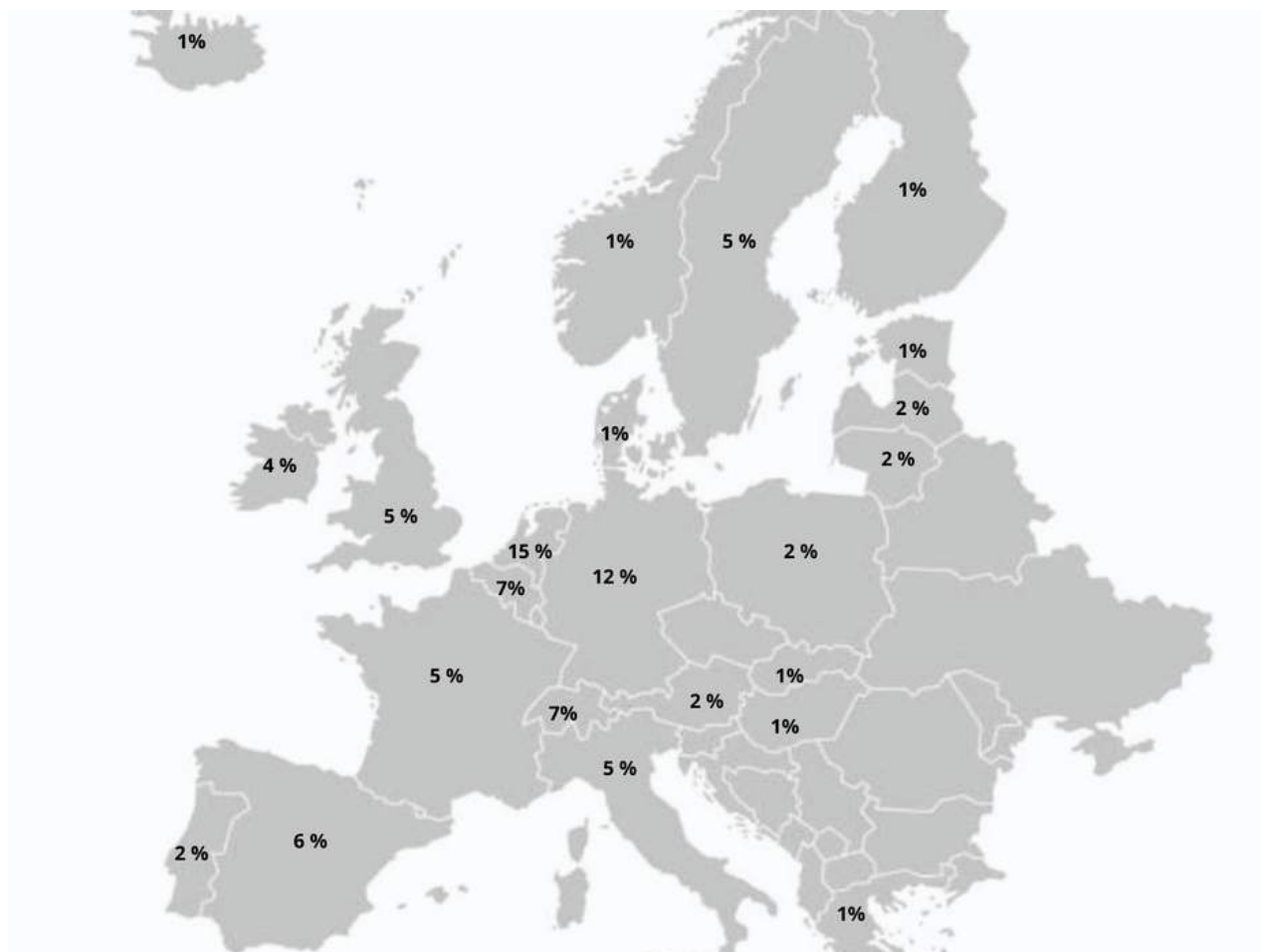
Our aim was to map out various perspectives from as many stakeholders as possible. As Conferli currently only operates in Europe, the research was limited to European destinations. The results are examined on the pan-European scale and used to draw general trends and conclusions, as not to promote a specific fund, destination or region. In the report you will find best practices and quotes, these are all collected with the approval from the study participants.

The results from this report are integrated in the database of Conferli.com, which now makes it possible to filter destinations by type and availability of subvention.



RESPONDENTS

The map below shows the geographic distribution of the study participants.



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*Live meetings are slowly coming back
and our aim is to support all kinds
of events as much as possible!*

Go Vilnius

”

SUBVENTION IN GENERAL

Many governments around the world recognize the impact from conferences as an economic catalyst. It can strengthen the ecosystem of a city, it brings people together, it leaves a higher spend in a city than a tourist, it can drive inward investments, employment and exports.

Subvention is the practice of governments providing direct financial incentives to event organizers, in order to attract them to a country/ destination. In general two types of subventions can be identified:

1. Cash Subvention – a financial grant which is directly paid to event organizers
2. In-kind Subvention – it can include various forms of indirect support such as discounts on venue or accommodation, sponsoring of civic receptions, contribution to marketing, city branding etc.





PRE PANDEMIC RESULTS

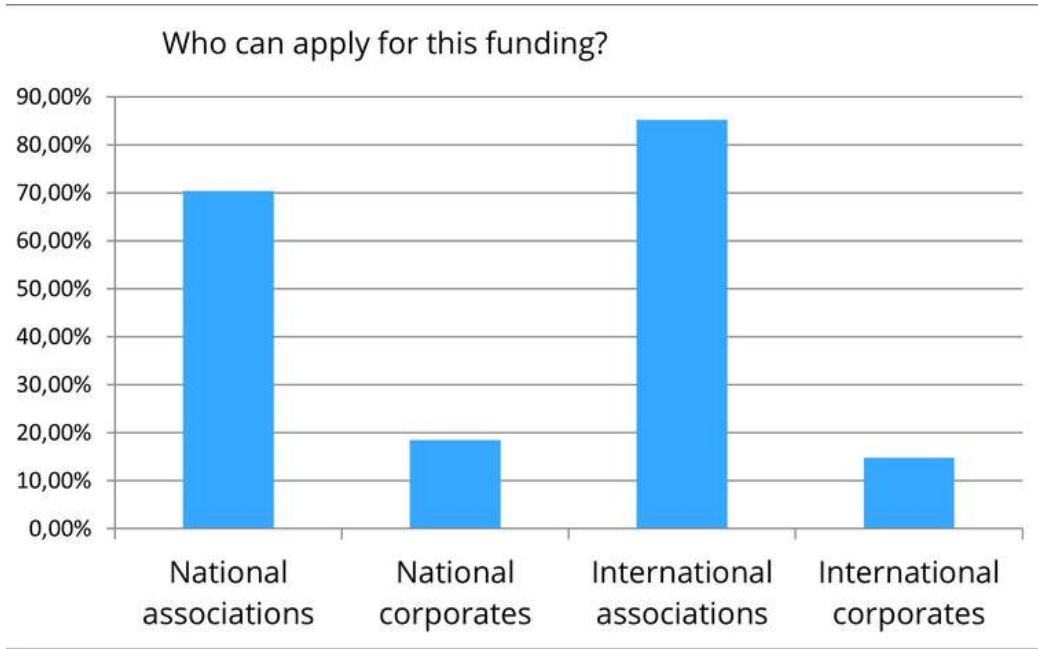
PRE PANDEMIC SUPPORT

70% of the Convention Bureaus in the survey offer subvention to conference organizers
30% do not offer subvention, due to it being a governmental decision. However they are open to exploring subvention options in individual cases.*



WHO CAN APPLY?

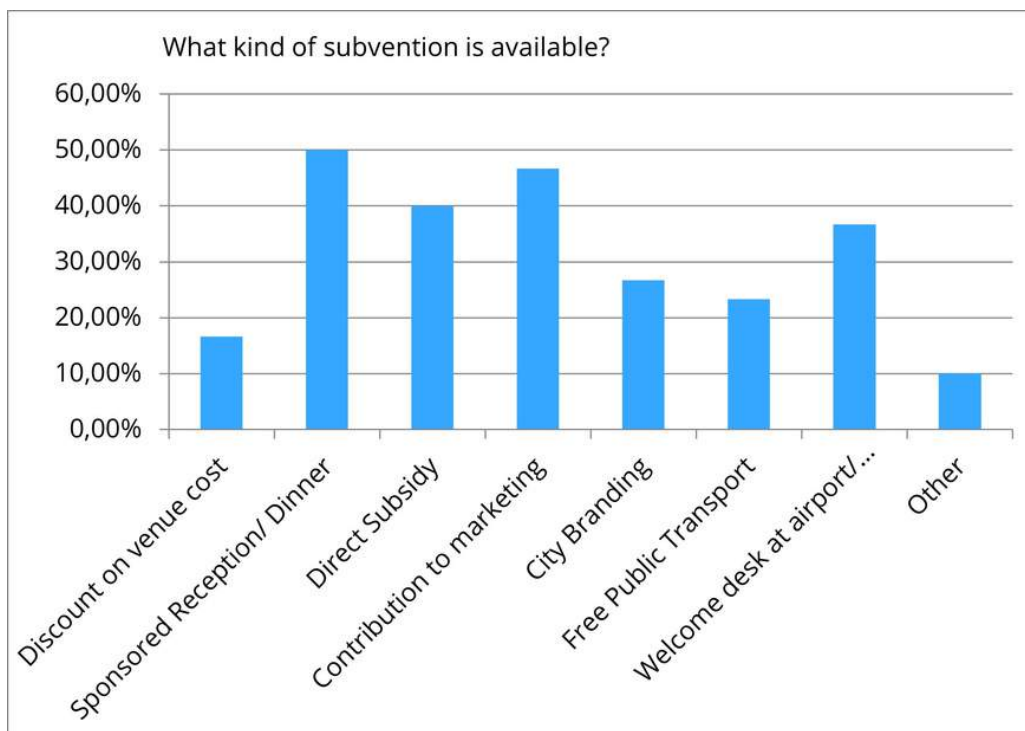
Eighty-five percent of destinations offer subvention to International associations and 70% of destinations offer it also to national associations. And we see now that in less than 20% of the cases corporate clients can apply for the funding as well.



*Please note that out of the 80 participants only 50% answered this question.

TYPE OF SUPPORT

The most common given forms of subvention are a sponsored reception and a direct contribution to the marketing spend of an organization. The second most common type of subvention is a direct subsidy in the form of a cash payment. Travel grants and covering of speaker costs were also mentioned here.




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The MICE department of Noordwijk Marketing assists you with tailor made advice for your meeting, conference or congress. When subventions are needed we can liaise with.

Noordwijk Marketing

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An aerial photograph of a coastal city, likely Genoa, Italy, featuring a dense cluster of buildings with red-tiled roofs. The city is situated along a curved coastline with a body of water visible on the left. The image is overlaid with a large blue diagonal shape in the bottom-left corner, which contains the text. The overall lighting is warm, suggesting a sunset or sunrise.

POST PANDEMIC RESULTS

ADDITIONAL (POST-CORONA) FUNDING TO SUPPORT ORGANIZERS

26% of the respondents stated offering specific “post-pandemic funding” in order to attract business events to their destination. In 80% of these cases the destinations that offer such subvention already offered a form of subvention before the pandemic but they changed the terms & conditions or made other funds available.

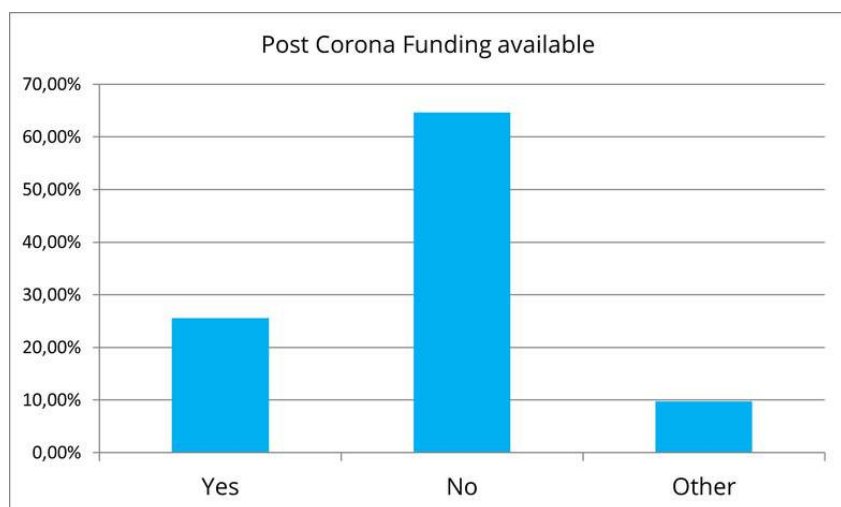
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As this health crises has levelled the playing ground between destinations, subventions offer a definite way to stand out. Having a possibility to rely on a destinations support, could be the deciding factor for meeting planners while choosing where to go with their event.

Made Pandis-Raie, VisitTallinn Convention Bureau

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The far majority is not offering extra post-pandemic support to attract more conferences to their destination, however many of the convention bureaus explained that they increased the level of support they offer, especially on hybrid events. For example, 98% of the convention bureaus are offering extra support on this by means of Marketing Support, Recommendation/ Introduction to hybrid venues, Consultancy on process, Consultancy on which platform to use, Local moderators introduction and Local producers introduction).



From the respondents that selected “other”, 40% are in the process of developing a post-pandemic subvention support program but it wasn’t approved during the time of this research. At the same time, 50% of respondents already do offer subvention but not extra on due to COVID-19.

Tallinn doesn't offer direct financial support yet (hopefully this will change shortly), but we do offer free public transport for delegates visiting the city. This means that after arriving to the Tallinn Lennart Meri airport your delegate can take a 10-15-minute tram ride directly to the city center. And use the privilege of public transport throughout their stay. All the delegates will have a QR-code based ticket, which means that the events footprint will be even smaller as there is no need for paper/plastic tickets

Made Pandis-Raie, VisitTallinn Convention Bureau

Looking at the destinations that had offered extra financial support before the start of the pandemic, we see that Northern Ireland and The Netherlands are leading the way in also offering “post-pandemic” subvention. Among the respondents who offer such support, 20% came from Northern Ireland and 20% came from The Netherlands. These are followed by Switzerland and Austria (10% of respondents from each country) Denmark, France, Germany, Italy, Latvia, Lithuania, Malta and the UK (5% from each country).

New £1m Belfast and Northern Ireland Conference Support Scheme

To support tourism recovery, Tourism Northern Ireland, Belfast City Council and Visit Belfast have launched a major new scheme help associations to host their conference and meetings in Belfast/ Northern Ireland.

About the Scheme;

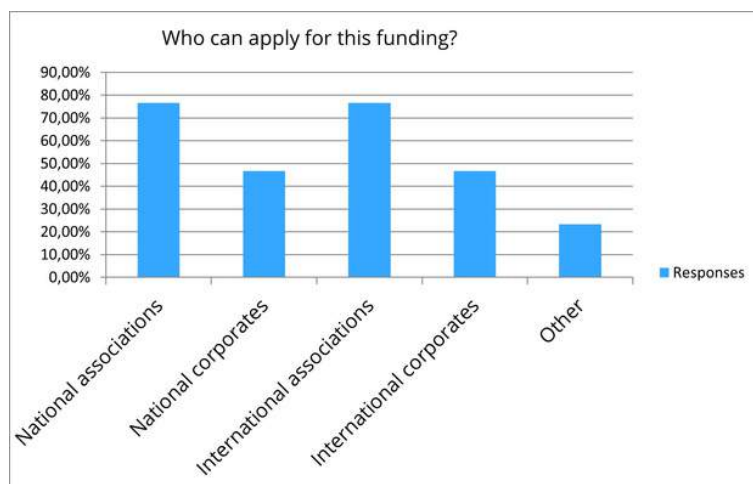
- Open to not for profit associations bringing a minimum of 100 out-of-state delegates for at least one night
- Awards of £5,000 – £100,000 available
- Funding will be determined based on the number of attendees in-person (£50 per out-of-state delegate)
- 75% of funding can be claimed in advance of the event with 25% claimed after a successful post event evaluation
- Applications can be made now for conferences taking place from 2022 – 2030

Funding will be provided for spend against eligible costs such as:

- Venue costs (including AV, technical and hybrid costs)
 - Exhibition marketing
- Pre-conference marketing costs
 - Delegate transfer costs
 - Speaker costs

SUBVENTION RULES AND REGULATIONS

When looking at the difference between “pre-pandemic” & “post-pandemic” support, we see that nowadays also corporate event organizers may have the opportunity to use the support (in 50% of the respondents). Before Covid-19, only 20% of destinations provided such opportunities for corporate events. When responding to the question with the option “other”, the participants specified various other beneficiaries of subvention: for example incentive travel and trade fairs.

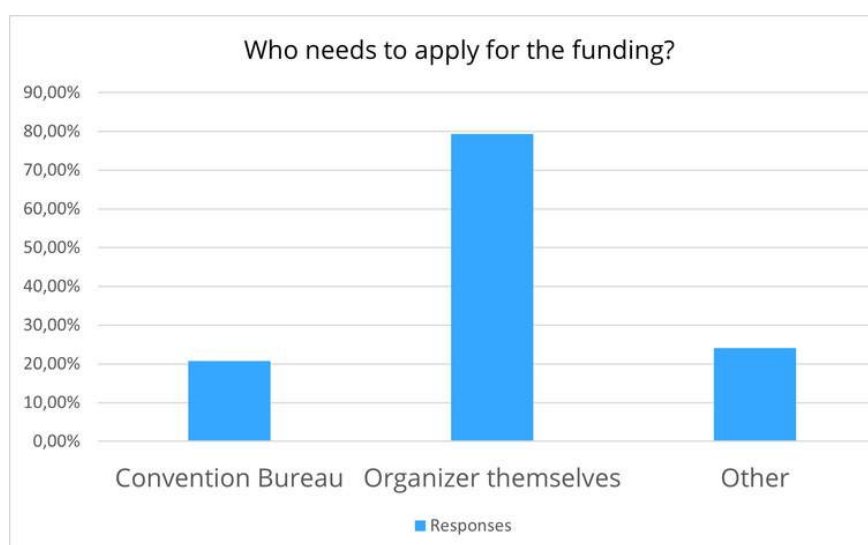


The City of Helsingborg has a fund in order to develop Helsingborg as an event and tourist destination, to ensure a varied and rich range of events. The aim is to create a good mix of experiences so the city will be more attractive to visit, live and work in.

Malin Hollgren
Helsingborg Convention & Event Bureau

WHO NEEDS TO APPLY?

In the large majority of cases, it is the association or the corporate organizers themselves who need to apply directly for the funding at the municipality. In 20% of the cases it is the Convention Bureau who is doing that as an extra service. It was also reported that in 24% of the cases it was the Agency/ PCO who needs to apply for the funding.



TYPE OF SUPPORT

When comparing the results for the type of support offered we see that the majority (75% of the respondents) is “direct subsidy”. The extent of the subvention is decided by a few different factors. A few popular ones are: the number of delegates attending the conference, the number of days the conference is at the destination and if the topic of the conference fits the knowledge ecosystem of the city.



In 25% of the cases the subvention is a fixed amount given per delegate. It shows that this amount can vary enormously between € 30 and € 250 per delegate.

There is no fixed format on how to apply and when to apply for subvention, but in all cases the subvention needs to be requested and granted before the start of the event and will be paid after the event takes place. In the far majority (83%) of responses, to be eligible for the “Post-pandemic” subvention, the event needs to be booked in 2021 or 2022. Furthermore in most cases it needs to be a minimum overnight stay of 1 night and at least 50 delegates. Some helpful links with more information can be found in the reference part at the end of this market study.

In 90% a direct cash subsidy is given to the organization, in 10% of the cases this is done by a sponsored reception or venue. This development also shows a huge change compared to “pre-pandemic” where only 40% of the destinations that offered subvention also offered a direct subsidy.

Austria and The Netherlands also offer a special Guarantee fund in order to offer more security to event organizers in cases of uncertainties.

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The Pre-Financing & Guarantee Fund (VGF) was set up by the Dutch Ministry of Economic Affairs, the Netherlands Board of Tourism & Conventions (NBTC) and some 20 companies from the congress industry. The idea behind the VGF is to create jobs and give an economic impulse to our national economy. We want to stimulate as many conference organizers as possible to come to the Netherlands with their international conference by reducing their financial risks.

We can reduce these financial risks by offering two schemes:

The Pre-financing scheme which offers a free of charge loan to boost an organisers cash flow so you can pre-pay any invoices you might have.

The Guarantee scheme which offers a free of charge financial guarantee should you have a conference deficit caused by disappointing delegate numbers.

For both in-person conferences as hybrid conferences the Pre-Financing & Guarantee Fund (VGF) can potentially offer financial reassurance and peace at mind for you as an organiser. Even during or post these uncertain times of COVID the VGF will still be there to (financially) support you.

Both schemes can be combined.

Paul Gruijthuisen - Project leader

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**Pre-financing &
Guarantee Fund**



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The funding aims at enabling the planning and implementation of events in spite of COVID-19. The subsidy consists of the compensation for the financial disadvantage resulting from a cancellation due to the COVID-19 crisis or from a considerable restriction of the event. In this way, incentives for the organization of events shall be set and the negative effects of the COVID-19 crisis on the event industry shall be mitigated.

The funding is available for both physical or legal persons as well as event planners. It will be available for planned meetings and activities, for the purposes of entertainment, amusement, physical and mental exercise, and the delight of the participants. This includes business-to-business and business-to-consumer events, congresses, fairs, opportunity markets, as well as cultural events and sports events. The same applies to meetings of the corporate market.

The subsidy can be as high as up to 90% of the costs of the event.

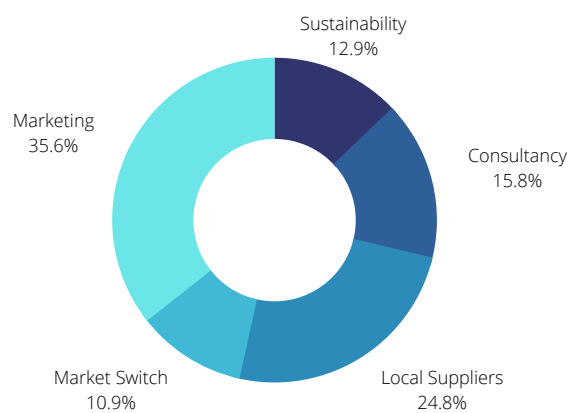
*Martina Hundstorfer
Österreichische Hotel- und Tourismusbank GmbH*

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THE CHANGING ROLE OF A DESTINATION

In a previous research, done by Rob Davidson from MICE knowledge, The impacts of the Pandemic on Convention Bureaus in Europe, we see that 31% of the Convention Bureaus were negatively impacted and endured cuts on their governmental funding. With a lack of direct RFPs coming in and a reduction in costs and staff, they needed to prove their relevance and stay up-to-date with the changing market needs.

In this stage of the pandemic, we have asked the Convention Bureaus how they see their future role. The general tendency was observed that while the bidding process for congresses had nearly stopped they needed to rethink their focus and become future-proof.



In 13% of the respondents the destination decided to focus on sustainability. They have launched a sustainability strategy and given sustainability a much bigger focus. Staff members and partners have been trained and sustainability has become an integral part of the strategy of the Convention Bureau. In the past, there was never enough time to focus on this, but now it has become increasingly important.

In 16% of the respondents, the role of the convention bureau changed from 'acquisition partner' to knowledge partner/ consultant. In some situations knowledge transfer has resulted in new opportunities to network more intensively. More mediation and DMO services are currently required. CVBs now have a much bigger role when coming to negotiate with local authorities. The work is more diversified, there is much more flexibility when proposing solutions and the tendency is to make event organizers' lives easier by providing "no stress" possibilities for events. Furthermore the learnings from the pandemic help CvB's in advising planners with a profound knowledge of meeting formats, safe and healthy protocols and service providers. You also see that destinations are much more involved in the planning phase, e.g. with connecting sponsors and taking over PCO tasks. Stronger relations have been established with universities, research institutes, knowledge hubs and academia.



Our role as trusted advisor is much more important. Information can be found online, yet expertise and a good match also has to do with the human touch.

Delft Convention Bureau



In 25% of the cases, destinations decided to place a sharper focus on their local suppliers such as venues, accommodations, AV suppliers etc. Especially in the beginning of the pandemic. The organizers needed a lot of assistance for postponements to find new venues, cancellations etc. Stated is that the reality has changed, as has the reality of the entire world. CVB's see it as an added responsibility in guiding and supporting the various local companies and their partners. The relationship with local partners has been tightened and a more cooperative approach has been realized. The function as an information platform and interface with the city administration has intensified.

“

Supportive role for venues, hotels and other suppliers. Competition became colleagues and there is a strong cooperation between different suppliers and convention bureaus.
Visit Antwerp

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In 11% of the cases the destinations reflected on the change of market. Where in the past they have had an international focus, they have now changed to a solely European focus, or a closed by country focus. There are even bureaus that for the next two years will only focus on national events.

The far majority of respondents (36%) changed their marketing strategy and focused on internal strategies and marketing plans. They all saw that their job changed with the increase of virtual and hybrid events. Hard work has been done to equip the destinations with the necessary technology for hybrid and digitalization, to train staff and venues and to adopt marketing strategies with this 'new' format. Furthermore a lot of work has been done in order to get websites up to date, adjust social media strategies and to equip the sales managers with the right toolbox.



In general it is noticed that the short-notice nature of requests has increased enormously. In addition, customers are demanding a generous interpretation of the cancellation policy. Since the pandemic, customers also require more space than before COVID-19. This means larger premises for fewer delegates.

The respondents are of the opinion that the industry will continue in this trajectory of constant adaptation and reinvention - only in this way will they be able to assert themselves and attract business for their destination.

But in general they also observe that customers are eager to return to the traditional benefits of conferences - a perfect environment for connecting with colleagues, sharing experiences and a range of networking opportunities.

“

We need to be flexible, transparent and adaptable in our contractual policies and to consider the physical flexibility within venues. We have to help our clients to build confidence in their potential audiences, to make delegates feel safe to travel again and be welcomed visitors to our city.

Geneva Convention Bureau

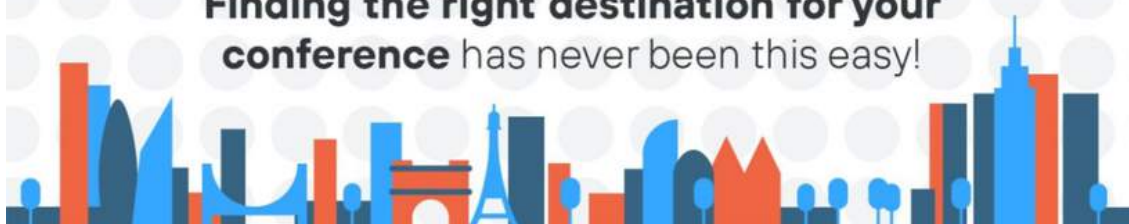
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Conclusion

Although not that much has been written about subvention it shows that even before COVID-19 it was a common practice amongst destinations to offer this type of support. During this study we found out that convention bureaus are interested in the topic, and were eager to participate and to learn from each other. Of course we also found that there are still destinations that are not open about their subvention rules and regulations.

As stated in the beginning of this research, not a lot has been written about subvention and we are proud to be able to contribute with a market study that gives a good reflection on the current state of the European event industry. During this market research we have discovered that transparency regarding subvention is still a difficult topic although for event organisers it is sometimes their life line to a new event. For this reason we have decided to integrate (with approval from the respondents) the information regarding subvention into the database of Conferli. This information makes it possible to search for destinations that do offer subvention and compare them to each other.

Finding the right destination for your conference has never been this easy!



THANK YOU FOR READING

Questions or suggestions, please contact us



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Appendix 1: convention bureaus that participated

Amsterdam&partners	Hannover Marketing und Tourismus GmbH	Örebro Convention Bureau
Basel Convention Bureau	Helsingborg Convention & Event Bureau	Paris Convention and Tourism Board
Bergen Convention Bureau	Helsinki Convention Bureau/Helsinki Marketing	Porto Convention & Visitors Bureau
Bern Convention Bureau	Ibiza Convention Bureau	Portoroz tourist board
Bled Tourist Board & Convention Bureau, Bled, Slovenia	Istanbul CVB	Rimini Convention Bureau / Italian Exhibition Group
Bordeaux Convention Bureau	Jurmala City Council (Tourism department)	Rostock Convention Bureau
Bratislava Tourist Board	KölnTourismus GmbH	Rotterdam Partners
Bremen Convention Bureau	Kraków Convention Bureau	Salzburg Convention Bureau
Budapest Convention Bureau	Lausanne Montreux Congress	Sevilla Convention Bureau
ConferenceLeeds	Leiden Convention Bureau	Sitges Convention Bureau. Sitges Council
Congresregio Twente	Leuven Convention Bureau	Stuttgart Convention Bureau
Convention Bureau Liège-Spa Businessland	Lisboa Convention Bureau	The Hague & Partners
Convention Bureau Roma E Lazio	Liverpool Convention Bureau	Thessaloniki Convention Bureau
Convention Bureau Toerisme Veluwe Arnhem Nijmegen	Ljubljana Tourism / Convention Bureau	Turismo Torino e Provincia Convention Bureau
Convention Bureau Wroclaw	Lucerne Convention Bureau	Uppsala Convention Bureau, Destination Uppsala
Copenhagen Convention Bureau	Maastricht Convention Bureau	Utrecht Convention Bureau
Cork Convention Bureau	Mainzplus Citymarketing GmbH	València Convention Bureau
Delft Convention Bureau	Malta Tourism Authority	Venlo Convention Bureau
Dublin Convention Bureau	Meet in Reykjavik - Iceland Convention Bureau	Vienna Convention Bureau
Düsseldorf Convention	Meet Riga / Itar	Visit Antwerp
Frankfurt Convention Bureau	Meet in Genk Convention Bureau	Visit Belfast
Galway Convention Bureau	Milano & Partners	Visit Tallinn Convention Bureau
Geneva Convention Bureau	Nice Côte d'Azur convention bureau	Visit.brussels
Glasgow Convention Bureau	Noordwijk Marketing	Visit Berlin/ Berlin Convention Office
Go Vilnius	Nuremberg Convention and Tourist Office	Zaragoza Convention Bureau
Gotland Convention Bureau	Only Lyon Tourisme et congres	Zurich Convention Bureau
Haarlem Marketing	Opatija Tourist Board	

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- <https://www.conferenceleeds.co.uk/organise/>
- <https://www.utrechtconventionbureau.nl/uploads/media/616421fecc5d8/incentive-fund-utrecht-region-en.pdf?v1>
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