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I EXECUTIVE SUMMARY

MANAGING TRAVEL & ACCOMMODATION

The aim of this UFI *Insight* on Travel and Accommodation Management in the Exhibition Industry is to give some "insight" into the challenges the exhibition industry currently faces in dealing with the travel and hospitality industries. Although travel and accommodation management is accessory to the major task of tradeshow management, successful facilitation contributes overall to exhibitor and visitor satisfaction, to repeat business and to the show's global reputation.

Like the exhibition industry itself, travel and accommodation are subject to the constraints of supply and demand.

Travel accounts for an important share of the exhibition organizer's and visitor's budgets, while exhibition and trade fairs only represent a small percentage of overall travel business, creating a lop-sided relationship between the exhibition and travel industries and their relevance to each other.

Although this undermines the exhibition organiser's negotiating position to obtain preferential rates for exhibitors and visitors, the recent expansion of the Low Cost Carrier (LCC) network in many parts of the globe and the wide diversity of travel options available via the Internet have in many cases relieved exhibition organizers of the need to facilitate airline travel.

Negotiations can be successful with national railways, providing scheduling and routing customised to the needs of fair visitors departing from multiple destinations. Packages may include other features such as a voucher for the official catalogue and free public transport to the fairgrounds.

The expansion of LCCs and the growing complexity of travel distribution channels and methods of procurement are some of the mega-trends in the travel and travel distribution industry outlined in the report. The others relate to the emergence of carbon footprint concerns, shifts in the global exhibition market generally from mature to emerging markets and specifically to locations with outstanding infrastructure.

On the accommodation side, scarcity of rooms, inflated rates and minimum packages combined with restrictive cancellation clauses are the main problems encountered. The difficulty lies in negotiating with hotels governed themselves by corporate yield management policies, once again creating a rather lop-sided relationship. Trade fairs and exhibitions are often considered "high season" so premium rates and minimum packages are imposed.

When this occurs, alternative solutions to traditional hotel accommodation close to the exhibition venue may be sought. These include extending the hotel "pool" to less expensive hotels in the surrounding area or in near-by cities and chartering transport to the exhibition centre. Another trend is for new exhibition centres to own their own hotel, either via full acquisition or joint venture.

However, in a situation of mutual dependence, hotels and exhibition organisers generally recognise the need for a viable business relationship. Working with the local hotel industry successful partnerships can produce joint programmes guaranteeing fair rates for visitors while providing a valuable marketing tool for hoteliers. Exhibition organisers can also partner successfully with their local authorities, city tourist bureau and airport to improve overall visitor services.