



TOURISM
ECONOMICS

AN OXFORD ECONOMICS COMPANY

Economic Impact of Meetings & Conventions in Virginia and Future Outlook

October 2024

VIRGINIA
IS FOR
MEETINGS
LOVERS



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INTRODUCTION

Research Overview

Meetings and conventions are an integral part of the Commonwealth of Virginia economy. Travelers attending conventions, trade shows, public shows, and business meetings generate significant economic benefits to households, businesses, and governments alike and represent a critical driver of the overall economy.

The Virginia Tourism Corporation (VTC) commissioned Tourism Economics to conduct research, analysis, and impact modeling to quantify the economic significance of meetings and conventions in Virginia and to provide a strategic outline of its future growth potential. The research is intended to improve understanding of the sector's importance and future steps to maximize its contribution to Virginia's economy.

For this study, the Commonwealth was divided into four regions: Central and Southern Virginia, Coastal Virginia, Northern Virginia, and Western Virginia.

To quantify the economic significance of the meetings and conventions sector in Virginia, Tourism Economics prepared a comprehensive model using multiple primary and secondary data sources, including a survey of destination marketing organizations and stakeholder discussions.

Impact modeling was based on an IMPLAN Input-Output (I-O) model for the Commonwealth of Virginia economy and for the four regional economies in Virginia. The results of this study show the scope of the meetings and conventions sector's impact in terms of direct visitor spending and operations, as well as total economic impacts, including employment, household income, and fiscal (tax) impacts.

*For purposes of this report, meetings are defined as a gathering of 10 or more participants for a minimum of four hours in a contracted venue. This includes business events but excludes social, educational (formal educational activities at primary, secondary, and university level education), and recreational activities. Consumer exhibitions are included.

KEY FINDINGS



Economic Impact of Meetings & Conventions in Virginia: Key Findings (2023)

Direct Spending Impacts (2023)

Meetings and conventions generated significant economic impacts in the Commonwealth of Virginia as meeting organizers and venues spent money to sustain operations, including spending on payroll, event operations, and general and administrative expenses.

In addition, travelers that attended a meeting spent money while at the event and at off-site establishments during their stay in Virginia, including at local restaurants, hotels, retailers, and recreation/entertainment venues.

Total direct spending associated with the meetings and conventions sector amounted to \$5.8 billion in 2023.



Total Economic Impact (2023)

The meetings and conventions sector's direct spending impact of \$5.8 billion generated a total economic impact of \$11.1 billion in the Commonwealth's economy, which supported 87,815 part-time and full-time jobs and generated \$594.1 million in state and local taxes.



SUMMARY ECONOMIC IMPACTS BY REGION: 2023 (\$ millions and number of employees)

	Statewide	Central & Southern	Coastal	Northern	Western
Total business sales	\$11,072.0	\$2,133.1	\$2,558.6	\$5,093.0	\$1,287.3
Direct business sales	\$5,807.4	\$1,042.9	\$1,335.9	\$2,734.5	\$694.1
Visitor spending	\$2,085.0	\$379.9	\$485.4	\$942.1	\$277.6
Meetings operations	\$3,722.3	\$663.0	\$850.5	\$1,792.4	\$416.5
Total personal income	\$3,923.2	\$771.5	\$806.7	\$1,942.2	\$402.8
Direct personal income	\$2,246.6	\$421.1	\$453.5	\$1,138.7	\$233.2
Total employment	87,815	15,787	21,632	38,134	12,262
Direct employment	56,703	9,372	13,753	25,523	8,054
Total taxes	\$1,412.8	\$280.5	\$306.5	\$661.7	\$164.1
Total state & local taxes	\$594.1	\$111.9	\$132.9	\$276.3	\$72.9
Total federal taxes	\$818.7	\$168.6	\$173.6	\$385.3	\$91.2
Direct taxes	\$787.7	\$148.1	\$165.5	\$379.1	\$95.1
Direct state & local taxes	\$334.7	\$60.2	\$70.8	\$160.0	\$43.7
Direct federal taxes	\$453.1	\$87.9	\$94.7	\$219.0	\$51.5

Source: Tourism Economics

Note: totals may not sum due to rounding.

DIRECT IMPACTS



DIRECT IMPACTS

The meetings and conventions sector generated \$5.8 billion in direct spending impacts in the Commonwealth of Virginia in 2023.

This section outlines the meetings and conventions sector's direct impacts, for 2019 through 2023 which ultimately serve as inputs for the economic impact model. The meetings and conventions sector's direct impacts are separated into two spending categories:

1. Spending at off-site establishments in the local economy by meeting and convention participants
2. Meetings operations

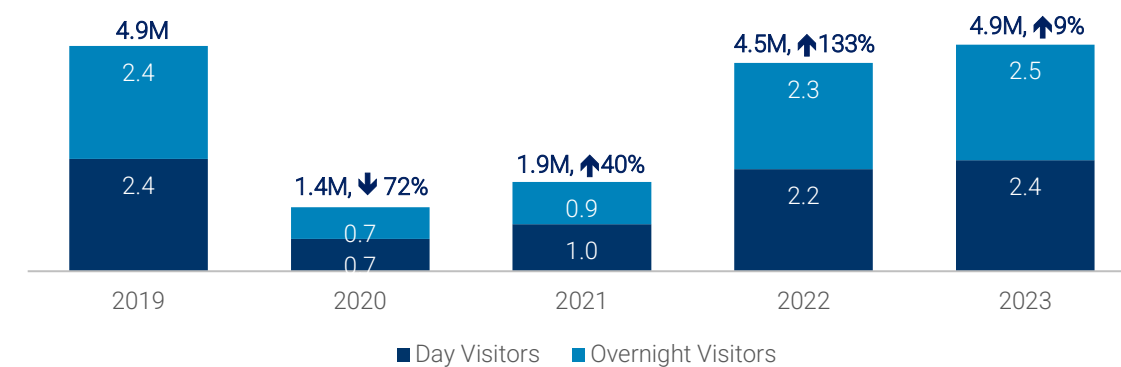
Meetings Travel Volume

In 2023, 4.9 million travelers attended a meeting in the Commonwealth of Virginia. Over half (51%) of the 4.9 million meetings and conventions travelers stayed overnight in the host community and 49% visited for the day. These meetings travelers spent money while at the meetings venue and at off-site establishments in the local economy, including local restaurants, hotels, retailers, and recreation / entertainment venues.

The COVID-19 pandemic impacted visitation in 2020 with the number of meetings and conventions travelers decreasing 72% between 2019 and 2020. The number of meetings and conventions travelers started to rebound in 2021 (1.9 million travelers), however, it took until 2023 to surpass pre-pandemic levels.

Meetings traveler levels and annual growth

(millions of travelers and year-over-year percentage change)



Sources: Virginia Meetings Survey, Longwoods International, Events Industry Council, U.S. Travel Association, STR, Cvent

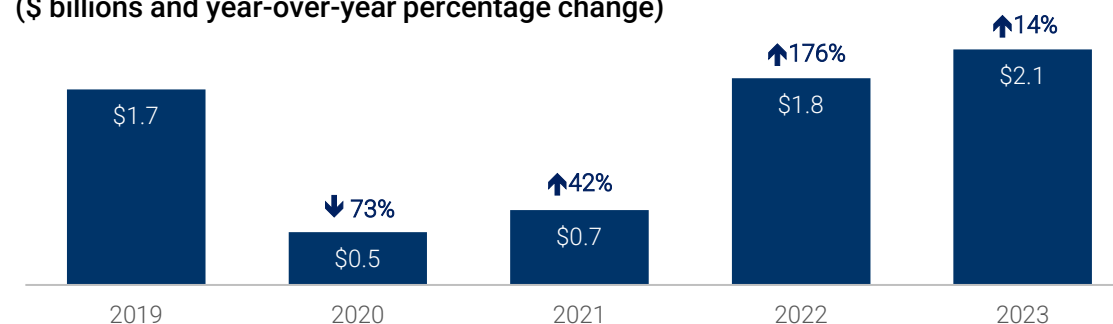
Meetings-Related Travel Spending

In 2023, the 4.9 million meetings and convention travelers spent \$2.1 billion in the Commonwealth of Virginia.

Spending by meetings and conventions travelers decreased at a faster pace than the volume of meetings and conventions travelers in 2020, falling 73% year-over-year to \$466.6 million. However, spending by meetings and conventions travelers spending rebounded at a quicker pace than volume, surpassing pre-pandemic levels in 2022.

Meetings-related travel spending and annual growth

(\$ billions and year-over-year percentage change)



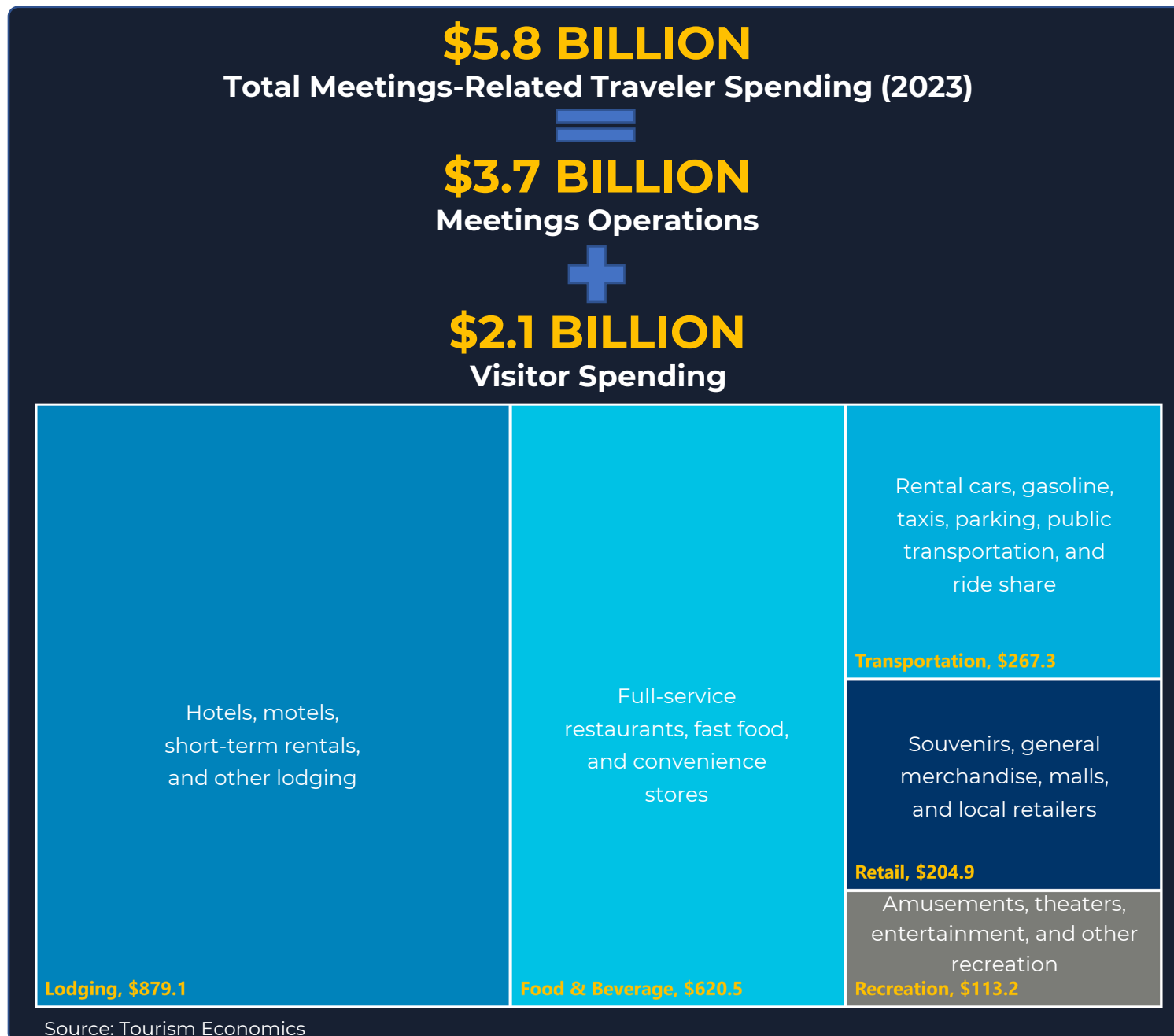
Sources: Virginia Meetings Survey, Longwoods International, Events Industry Council, U.S. Travel Association, STR, Cvent

Meetings-Related Travel Spending (2023)

Meetings and conventions travelers, meeting organizers, and venues spent \$5.8 billion across a wide range of sectors in 2023.

Meetings and conventions travelers, meeting organizers, and venues spent \$3.7 billion on meetings operations, \$879.1 million on lodging, and \$602.5 million on food and beverages in 2023.

Transportation, retail, and recreation rounded out spending, registering \$267.3 million, \$204.9 million, and \$113.2 million, respectively.



MEETINGS-RELATED TRAVEL SPENDING BY YEAR (\$ millions)

	2019	2020	2021	2022	2023
Total spending	\$4,818.2	\$1,299.6	\$1,844.9	\$5,098.7	\$5,807.4
Lodging	\$736.8	\$181.2	\$260.2	\$766.2	\$879.1
Food & beverage	\$493.0	\$146.2	\$202.0	\$537.9	\$620.5
Retail	\$193.2	\$53.1	\$73.3	\$182.7	\$204.9
Recreation	\$98.9	\$28.8	\$39.1	\$99.6	\$113.2
Transportation	\$208.0	\$57.3	\$87.7	\$244.2	\$267.3
Meetings operations	\$3,088.3	\$833.0	\$1,182.5	\$3,268.1	\$3,722.3

Source: Tourism Economics

Note: totals may not sum due to rounding.

MEETINGS-RELATED TRAVEL SPENDING BY REGION

CENTRAL & SOUTHERN REGION (\$ millions)

	2019	2020	2021	2022	2023
Total spending	\$926.7	\$237.2	\$344.3	\$910.1	\$1,042.9
Lodging	\$129.9	\$32.4	\$47.7	\$129.7	\$154.9
Food & beverage	\$95.0	\$25.6	\$36.1	\$95.3	\$110.4
Retail	\$38.6	\$10.0	\$14.3	\$34.0	\$39.1
Recreation	\$18.8	\$4.8	\$6.7	\$17.0	\$19.3
Transportation	\$46.5	\$12.3	\$19.1	\$49.2	\$56.1
Meetings operations	\$598.0	\$152.1	\$220.4	\$584.8	\$663.0

NORTHERN REGION (\$ millions)

	2019	2020	2021	2022	2023
Total spending	\$2,394.8	\$656.8	\$830.6	\$2,407.8	\$2,734.5
Lodging	\$358.9	\$83.3	\$103.8	\$339.3	\$370.0
Food & beverage	\$256.4	\$78.4	\$97.7	\$263.7	\$302.2
Retail	\$95.1	\$27.1	\$33.5	\$86.1	\$95.1
Recreation	\$51.8	\$16.2	\$19.8	\$51.5	\$57.9
Transportation	\$92.5	\$26.9	\$36.8	\$111.1	\$116.9
Meetings operations	\$1,540.1	\$424.9	\$539.0	\$1,556.2	\$1,792.4

COASTAL REGION (\$ millions)

	2019	2020	2021	2022	2023
Total spending	\$944.7	\$237.2	\$407.6	\$1,193.7	\$1,335.9
Lodging	\$156.4	\$37.5	\$65.5	\$200.5	\$225.7
Food & beverage	\$90.0	\$25.5	\$42.8	\$122.0	\$136.1
Retail	\$36.5	\$9.2	\$14.9	\$40.6	\$43.6
Recreation	\$20.1	\$5.1	\$8.4	\$22.2	\$24.7
Transportation	\$40.0	\$9.7	\$17.6	\$51.8	\$55.2
Meetings operations	\$601.8	\$150.3	\$258.3	\$756.6	\$850.5

WESTERN REGION (\$ millions)

	2019	2020	2021	2022	2023
Total spending	\$551.9	\$168.4	\$262.3	\$587.1	\$694.1
Lodging	\$91.6	\$28.1	\$43.2	\$96.7	\$128.4
Food & beverage	\$51.6	\$16.8	\$25.4	\$56.8	\$71.8
Retail	\$23.1	\$6.7	\$10.6	\$22.0	\$27.1
Recreation	\$8.2	\$2.7	\$4.2	\$9.0	\$11.2
Transportation	\$28.9	\$8.4	\$14.2	\$32.1	\$39.1
Meetings operations	\$348.5	\$105.6	\$164.8	\$370.5	\$416.5

Source: Tourism Economics

Note: totals may not sum due to rounding.

Source: Tourism Economics

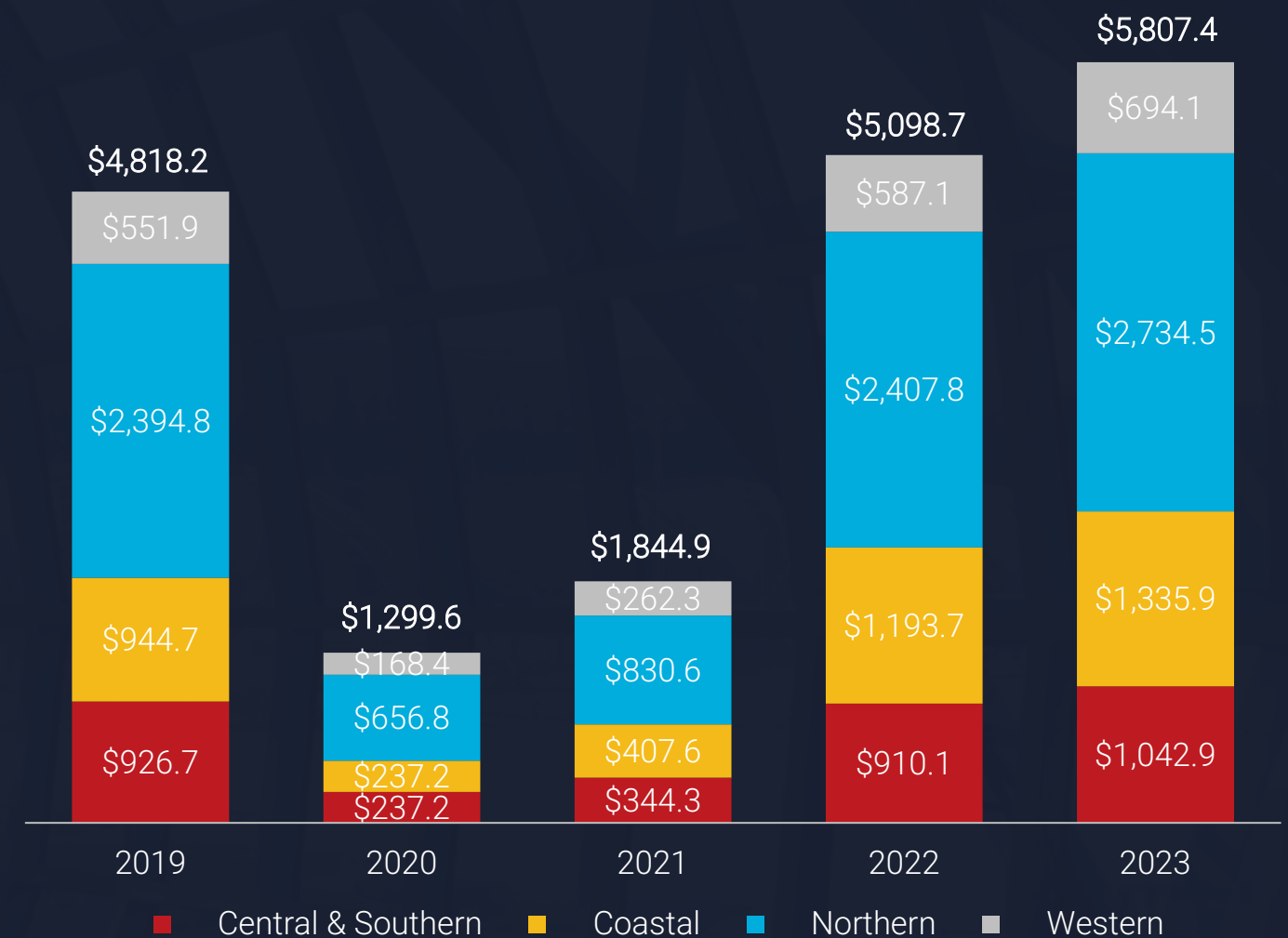
Note: totals may not sum due to rounding.

MEETINGS-RELATED TRAVEL SPENDING BY REGION

MEETINGS-RELATED TRAVEL SPENDING BY YEAR AND REGION
(\$ millions)

	2019	2020	2021	2022	2023
Total spending	\$4,818.2	\$1,299.6	\$1,844.9	\$5,098.7	\$5,807.4
Central & Southern	\$926.7	\$237.2	\$344.3	\$910.1	\$1,042.9
Coastal	\$944.7	\$237.2	\$407.6	\$1,193.7	\$1,335.9
Northern	\$2,394.8	\$656.8	\$830.6	\$2,407.8	\$2,734.5
Western	\$551.9	\$168.4	\$262.3	\$587.1	\$694.1

MEETINGS-RELATED TRAVEL SPENDING BY YEAR AND REGION
(\$ millions)



Source: Tourism Economics

ECONOMIC IMPACTS



Economic Impacts Methodology

Tourism Economics estimated the economic impacts of the meetings and conventions sector's direct spending using regional Input-Output (I-O) model based on a customized IMPLAN (www.implan.com) model for the Commonwealth of Virginia economy and four regional economies. IMPLAN is recognized as an industry standard in local-level I-O models.

An I-O model represents a profile of an economy by measuring the relationships among industries and consumers to track the flow of industry revenue to wages, profits, capital, taxes and suppliers. The supply chain is traced as dollars flow through the economy, representing indirect impacts. The model also calculates the induced impacts of spending. Induced impacts represent benefits to the economy as incomes earned as a result of direct spending are spent in the local economy, generating additional sales, jobs, taxes, and income.

The modeling process begins with aligning the direct expenditure measurements with the related sectors in the model (e.g. hotels, restaurants, retail, and recreation). The model is then run to trace the flow of these expenditures through the economy. In this process, the inter-relationships between consumers and industries generate each level of impact.

IMPLAN calculates three levels of impact – direct, indirect, and induced – for a broad set of indicators.

These include the following:

- Business sales (also called gross output)
- Household income (including wages and benefits)
- Employment
- Federal taxes
- State and local taxes

ECONOMIC IMPACTS FRAMEWORK

DIRECT IMPACTS

Virginia meetings and convention sector contribution measured by off-site visitor spending and meetings operations



RETAIL



ENTERTAINMENT/REC



FOOD & BEVERAGE



TRANSPORTATION



LODGING



MEETINGS OPERATIONS

INDIRECT IMPACTS

Purchases of inputs from suppliers



SUPPLY CHAIN EFFECTS



B2B GOODS & SERVICES PURCHASED

INDUCED IMPACTS

New consumption generated by household income impacts



INCOME EFFECT



HOUSEHOLD CONSUMPTION

TOTAL IMPACTS

Direct, indirect, and induced impacts



SALES



GDP



JOBS



INCOME



TAXES

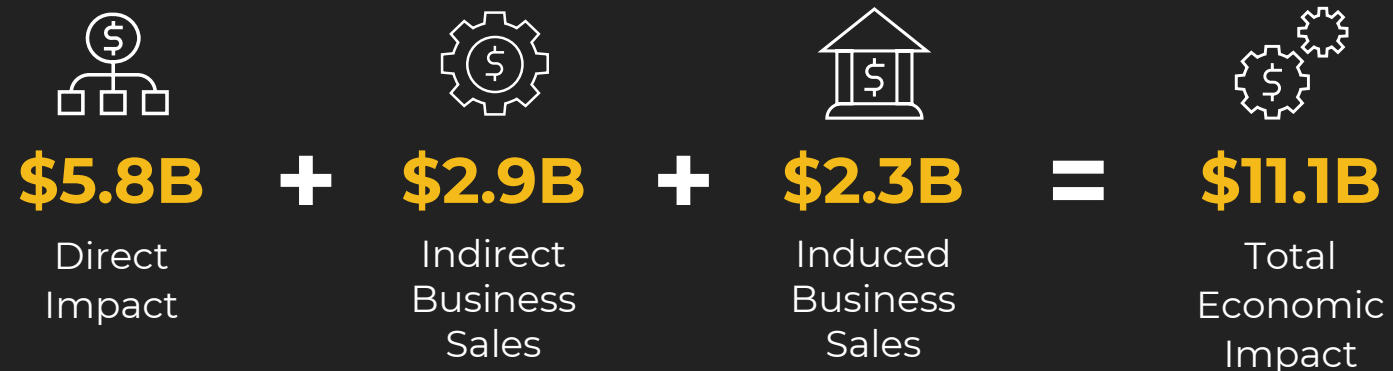
Economic Impacts

Business Sales by Industry

The meetings and conventions sector generated a total economic impact of **\$11.1 billion in the Commonwealth of Virginia in 2023.**

The \$5.8 billion in meetings operational spending and off-site spending by out-of-town meeting participants generated \$2.9 billion in indirect expenditures (purchases of inputs from suppliers) and \$2.3 billion in induced expenditures (new consumption generated by household income impacts), resulting in a total economic impact of \$11.1 billion.

Business Sales Impacts (2023)



Note: totals may not sum due to rounding.

ECONOMIC IMPACTS

BUSINESS SALES BY INDUSTRY (\$ MILLIONS), 2023

	Direct Business Sales	Indirect Business Sales	Induced Business Sales	Total Business Sales
Total, all industries	\$5,807.4	\$2,922.8	\$2,341.8	\$11,072.0
By industry				
Finance, Insurance and Real Estate	\$1,718.7	\$789.6	\$815.1	\$3,323.4
Business Services	\$2,045.0	\$936.3	\$216.0	\$3,197.2
Food & Beverage	\$620.5	\$129.1	\$160.0	\$909.7
Lodging	\$879.1	\$0.9	\$1.0	\$881.0
Retail Trade	\$204.9	\$27.7	\$170.7	\$403.4
Communications		\$275.2	\$117.1	\$392.4
Education and Health Care		\$7.6	\$359.3	\$366.9
Construction and Utilities		\$291.0	\$73.8	\$364.8
Other Transport	\$102.8	\$118.8	\$53.3	\$275.0
Personal Services		\$55.4	\$125.7	\$181.1
Recreation and Entertainment	\$113.2	\$33.6	\$32.7	\$179.4
Wholesale Trade		\$82.9	\$89.4	\$172.3
Gasoline Stations	\$123.1	\$1.2	\$11.5	\$135.8
Government		\$76.7	\$50.9	\$127.6
Manufacturing		\$71.3	\$46.3	\$117.6
Air Transport		\$17.3	\$12.8	\$30.1
Agriculture, Fishing, Mining		\$8.2	\$6.3	\$14.5

Source: Tourism Economics

Note: totals may not sum due to rounding.

Economic Impacts

Employment Impacts by Industry

The meetings and conventions sector generated a total employment impact of 87,815 part-time and full-time jobs in the Commonwealth of Virginia in 2023.

The meetings operational spending and off-site spending by out-of-town meeting participants directly supported 56,703 full-time and part-time jobs in 2023. Indirect and induced impacts generated 16,644 indirect jobs and 14,469 induced jobs.

Economic Impacts

Employment Impacts by Industry, 2023 (number of jobs)

	Direct Employment	Indirect Employment	Induced Employment	Total Employment
Total, all industries	56,703	16,644	14,469	87,815
By industry				
Business Services	24,185	6,571	1,418	32,174
Finance, Insurance and Real Estate	8,346	3,301	1,750	13,397
Food & Beverage	8,750	1,888	2,250	12,889
Lodging	9,113	9	10	9,132
Retail Trade	2,366	272	1,846	4,483
Education and Health Care		82	3,356	3,438
Other Transport	1,075	1,281	539	2,896
Recreation and Entertainment	1,690	481	497	2,668
Personal Services		596	1,597	2,193
Gasoline Stations	1,178	11	110	1,300
Construction and Utilities		627	156	784
Communications		483	234	717
Government		439	208	647
Wholesale Trade		259	267	526
Manufacturing		245	117	361
Agriculture, Fishing, Mining		57	84	141
Air Transport		40	30	69

Source: Tourism Economics

Note: totals may not sum due to rounding.

Economic Impacts

Labor Income Impacts by Industry

The meetings and conventions sector generated \$3.9 billion in total labor income in the Commonwealth of Virginia in 2023.

The meetings operational spending and off-site spending by out-of-town meeting participants generated \$2.2 billion in direct personal income, \$962.6 million in indirect labor income, and \$713.9 million in induced personal income, resulting in \$3.9 billion in total labor income in 2023.

Economic Impacts

Labor Income Impacts by Industry, 2023 (\$ millions)

	Direct Personal Income	Indirect Personal Income	Induced Personal Income	Total Personal Income
Total, all industries	\$2,246.6	\$962.6	\$713.9	\$3,923.2
By industry				
Business Services	\$1,295.3	\$489.2	\$111.6	\$1,896.1
Finance, Insurance and Real Estate	\$202.4	\$130.6	\$99.7	\$432.8
Food & Beverage	\$229.1	\$53.8	\$58.9	\$341.7
Lodging	\$334.2	\$0.3	\$0.4	\$334.9
Education and Health Care		\$3.9	\$197.7	\$201.6
Retail Trade	\$64.9	\$9.2	\$57.1	\$131.2
Other Transport	\$44.4	\$50.4	\$21.8	\$116.7
Personal Services		\$32.1	\$66.9	\$99.0
Construction and Utilities		\$55.4	\$13.9	\$69.4
Recreation and Entertainment	\$40.0	\$11.6	\$11.7	\$63.3
Government		\$40.4	\$18.9	\$59.2
Communications		\$41.2	\$16.8	\$57.9
Wholesale Trade		\$24.4	\$24.6	\$48.9
Gasoline Stations	\$36.2	\$0.3	\$3.4	\$39.9
Manufacturing		\$14.2	\$6.6	\$20.8
Air Transport		\$4.2	\$3.1	\$7.4
Agriculture, Fishing, Mining		\$1.4	\$1.0	\$2.4

Source: Tourism Economics

Note: totals may not sum due to rounding.

Fiscal Impacts

Tax Generation

The meetings and conventions sector generated \$1.4 billion in federal, state, and local governmental revenue.

The meetings operational spending and off-site spending by out-of-town meeting participants generated a total fiscal (tax) impact of \$1.4 billion.

The Commonwealth of Virginia government collected \$268.6 million, and the local governments collected \$325.4 million as a result of the meetings and conventions sector in 2023.

Fiscal Impacts

State and Local Tax Revenue, 2023 (\$ millions)

	State	Local	Total
Total taxes	\$268.6	\$325.4	\$594.1
Sales	\$134.5	\$44.5	\$179.0
Bed Tax	\$0.0	\$43.3	\$43.3
Personal Income	\$100.2	\$0.0	\$100.2
Corporate	\$9.7	\$0.0	\$9.7
Social Insurance	\$0.0	\$0.0	\$0.0
Excise and Fees	\$23.8	\$20.4	\$44.2
Property	\$0.5	\$217.3	\$217.8

Source: Tourism Economics

Note: totals may not sum due to rounding.

FISCAL IMPACTS

TOTAL TAX REVENUES (\$ MILLIONS), 2023

	Direct	Indirect / Induced	Total
Total Tax Revenues	\$787.7	\$625.0	\$1,412.8
Federal	\$453.1	\$365.7	\$818.7
Personal Income	\$186.8	\$135.4	\$322.3
Corporate	\$20.9	\$33.9	\$54.8
Indirect Business	\$18.2	\$16.8	\$35.0
Social Insurance	\$227.1	\$179.6	\$406.7
State and Local	\$334.7	\$259.4	\$594.1
Sales	\$93.1	\$85.9	\$179.0
Bed Tax	\$43.3	\$0.0	\$43.3
Personal Income	\$57.9	\$42.3	\$100.2
Corporate	\$3.7	\$6.0	\$9.7
Social Insurance	\$0.0	\$0.0	\$0.0
Excise and Fees	\$23.2	\$21.0	\$44.2
Property	\$113.6	\$104.2	\$217.8

Source: Tourism Economics

Note: totals may not sum due to rounding.

Economic Impacts By Region 2023

The meetings and conventions sector generated significant impact throughout the Commonwealth of Virginia – ranging from \$1.3 billion in the Western Region to \$5.1 billion in the Northern Region.

Central & Southern Region: In 2023, the meetings and conventions sector in the Central & Southern Region generated a total economic impact of \$2.1 billion, which included \$771.5 million in total labor income, supported 15,787 part-time and full-time jobs, and generated \$111.9 million in state and local tax revenues.

Coastal Region: In 2023, the meetings and conventions sector in the Coastal Region generated a total economic impact of \$2.6 billion, which included \$806.7 million in total labor income, supported 21,632 part-time and full-time jobs, and generated \$132.9 million in state and local tax revenues.

Northern Region: In 2023, the meetings and conventions sector in the Northern Region generated a total economic impact of \$5.1 billion, which included \$1.9 billion in total labor income, supported 38,134 part-time and full-time jobs, and generated \$276.3 million in state and local tax revenues.

Western Region: In 2023, the meetings and conventions sector in the Western Region generated a total economic impact of \$1.3 billion, which included \$402.8 million in total labor income, supported 12,262 part-time and full-time jobs, and generated \$72.9 million in state and local tax revenues.

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Total federal taxes	\$818.7	\$168.6	\$173.6	\$385.3	\$91.2
Direct taxes	\$787.7	\$148.1	\$165.5	\$379.1	\$95.1
Direct state & local taxes	\$334.7	\$60.2	\$70.8	\$160.0	\$43.7
Direct federal taxes	\$453.1	\$87.9	\$94.7	\$219.0	\$51.5

Source: Tourism Economics

Note: totals may not sum due to rounding.

An outdoor patio area at dusk, featuring a brick wall, string lights, and several tables with chairs. The patio is paved with brick tiles. In the background, there is a brick building with a sign that reads "ROCKSTAR GEMS" and another sign that says "BEEF-DOG". The sky is a deep blue, and the overall atmosphere is warm and inviting.

LOOKING AHEAD: RECOMMENDATIONS TO HELP MAXIMIZE THE FUTURE CONTRIBUTION OF MEETING EVENTS



Approach

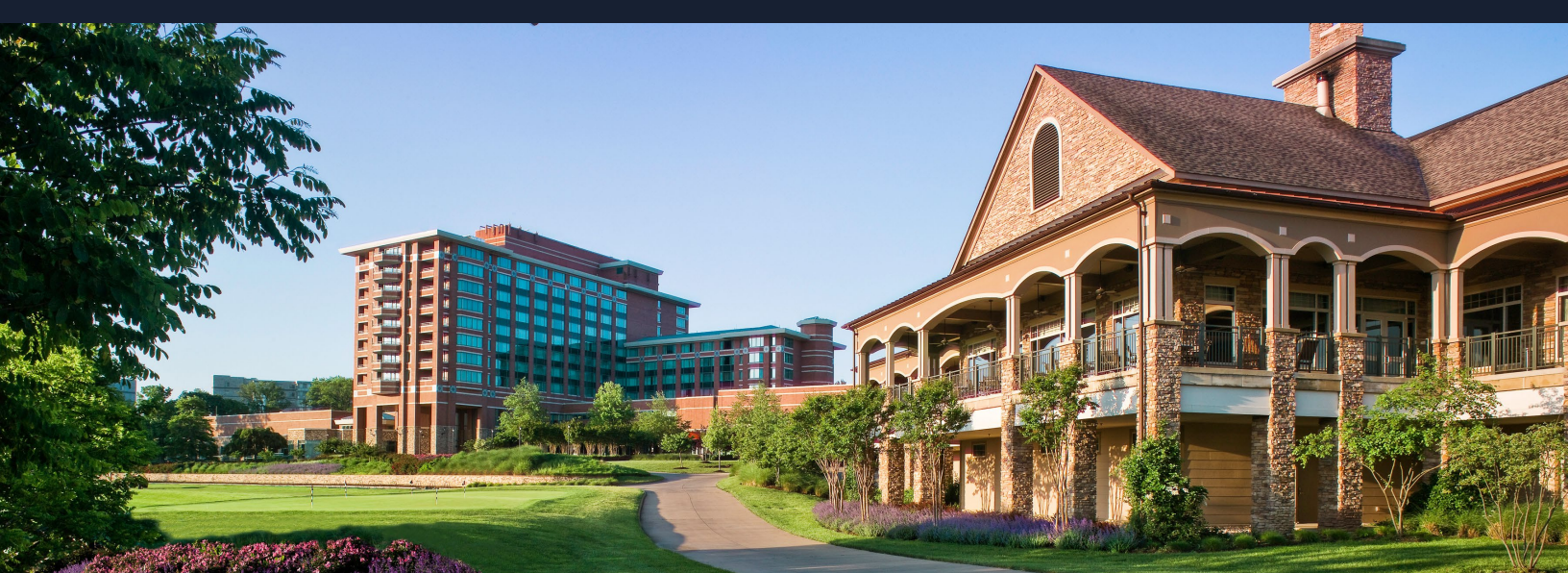
In addition to calculating the impact of the meetings and conventions in Virginia, Tourism Economics was tasked with providing a strategic outline of the sector's future growth potential. The research is intended to improve the understanding of the sector's importance and future steps to maximize its contribution to Virginia's economy.

As part of this effort, Tourism Economics, in partnership with the Virginia Tourism Corporation, developed and disseminated a survey to Destination Marketing Organizations (DMOs) in the Commonwealth of Virginia to help understand the main reasons for lost business, gain a better understanding of main out-of-state competitors, and any additional meeting venue developments planned.

In addition, a stakeholder engagement phase followed where conversations were held with key tourism stakeholders including DMOs and meeting planners to get their thoughts on market strengths, constraints, and opportunities.

Using the survey results and the stakeholder conversations hand in hand, this section presents recommendations to the Virginia Tourism Corporation and its stakeholders to support the meetings sector and maximize its future contribution. The recommendations fall under seven main categories: marketing, networking, connectivity, education, financial support, infrastructure, and research.

*Quotes are included anonymously in this report to ensure the confidentiality of insights provided by stakeholders.



Survey Results

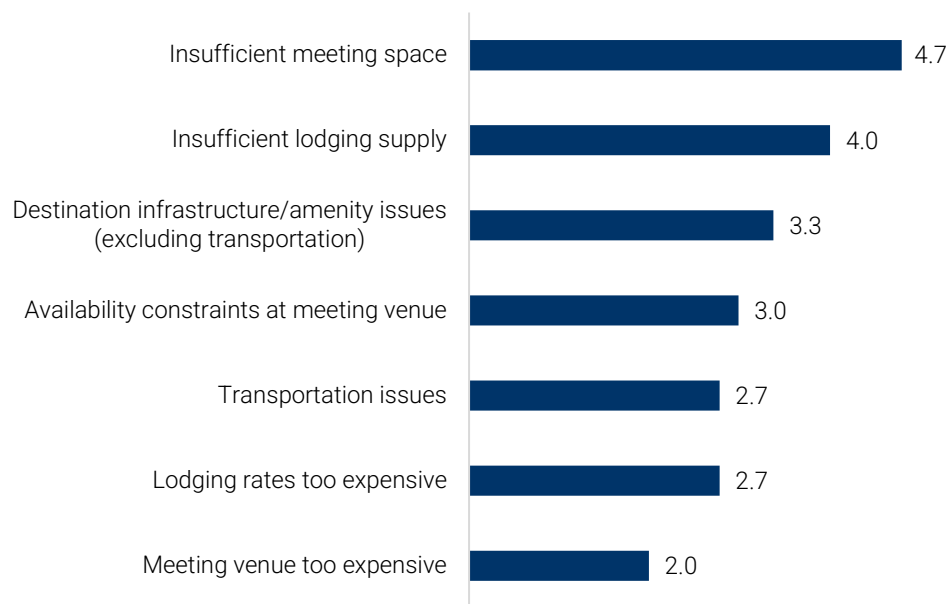
Reasons for Lost Business

The main reason for lost business was insufficient meeting space, as indicated by the survey, followed by insufficient lodging supply, and amenity issues.

The cost of the meeting venue was the least commonly reported reason for losing business for Virginia destinations.

Data collected by CVENT corroborated the survey results, which cited 'meeting space unavailable' and 'sleeping rooms unavailable' as the top two reasons for turned down business.

REASONS FOR LOST BUSINESS (5 being the most common reason)

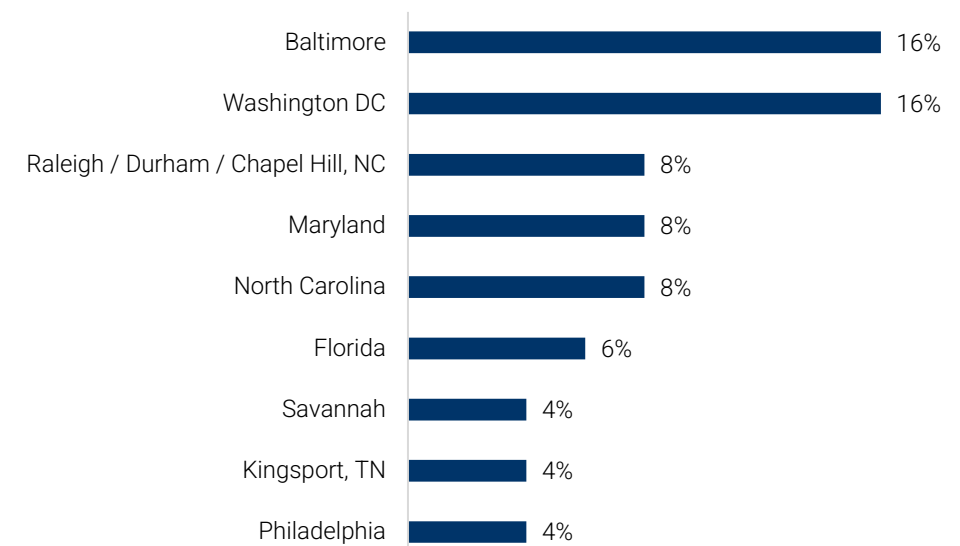


Source: Virginia Meetings Survey

Competitors

Washington DC and Baltimore were cited as the most common competitors as meeting destinations, where 16% of the respondent destinations cited them as competitors, followed by destinations in North Carolina and Maryland.

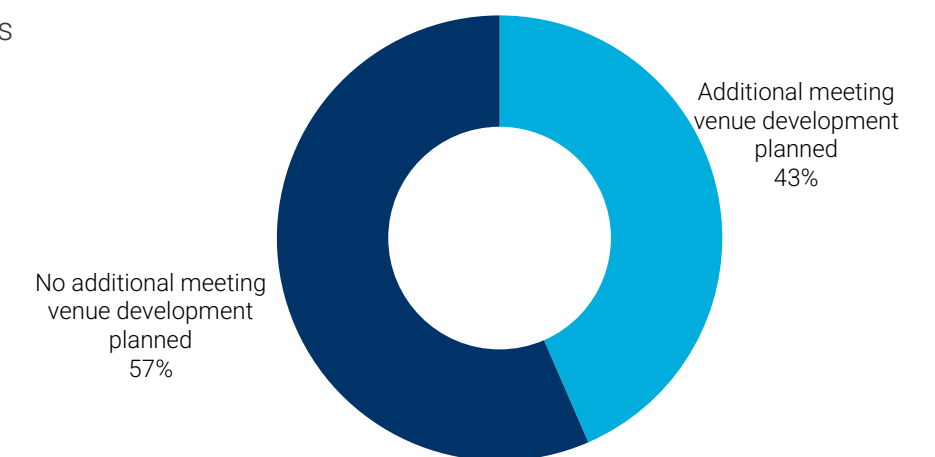
VIRGINIA'S MOST COMMON MEETING COMPETITORS (% cited as competitor)



Source: Virginia Meetings Survey

Meeting Venue Development

Four in 10 destinations reported planned meeting venue developments or expansions.



Source: Virginia Meetings Survey

FUTURE OUTLOOK

Trends affecting business meetings in Virginia

During the interview phase, stakeholders have identified the following trends as affecting the meetings sector in their destinations and in Virginia more broadly:

- **The post-COVID reality.**

The dynamic of business events has changed since the pandemic. With more organizations adopting either a hybrid or remote work culture, the pattern, size, and location of their meetings has changed. Some organizations have replaced some of their in-person meetings with virtual ones, while others have replaced their large annual events with smaller regional ones. This changing dynamic is still evolving and is yet to be fully captured and accounted for by destinations.

- **Recovery from the pandemic.**

Meetings have been slower to come back than sports and leisure, leaving meeting planners with many options to choose from. So, ensuring that meeting planners find what they need in a destination is becoming more important than ever.

- **Unconventional venues.**

Office vacancies represent an untapped asset in terms of meeting locations. Vacant offices could potentially be used as a meeting space, especially when in a center city location, serviced by neighboring hotels.

- **“Bleisure”.**

“Bleisure” (i.e. blending business and leisure travel) is an important concept that needs to be embraced and supported by destinations.

- **Competition.**

Competition is becoming very fierce as many destinations are either building or expanding existing convention centers to align to today’s meeting requirements.

- **Sustainability.**

Sustainability is becoming very important to meeting planners, creating the need for destinations to adopt sustainable practices from both an environmental and social perspective, and more importantly, ensuring their messaging highlights their efforts in that area.

- **Continued increase in cost.**

Costs are increasing (albeit at a slower rate), which is creating a more pressing need to create programs that fund incentives.

- **“Hidden gems”.**

There’s a tendency now to move away from the big cities and hold meetings in second-tier cities that are new destinations for many people, and that’s an opportunity for Virginia to market its destinations.



Recommendations

Marketing

- Develop a destination marketing plan for business meetings for the entire state.

Virginia is primarily seen as a leisure destination; it is not a typical meetings destination in organizers' minds, and so work needs to be done to make sure that it is seen as both a business and a leisure destination.

In addition, there would be benefits in destinations joining forces to promote Virginia as a meetings destination rather than individual destinations' uncoordinated efforts to attract meetings. Planners seek a strong value proposition for events and Virginia can more effectively gain consideration through a unified effort.

Stakeholders have made reference during the interviews to examples of other state initiatives that have been successful in assisting in this area. For example, Visit Florida's branding materials benefit destinations as they reflect – as a whole – why meeting planners should choose Florida destinations.

- Create marketing collateral that can be leveraged by Virginia destinations.

Virginia is a diverse destination that has a lot to offer, but publicity doesn't necessarily highlight all the region's strengths. Collateral that specifically targets meeting planners will ensure messaging that resonates with meeting organizers and business travelers.

Stakeholders have mentioned successful meeting promotion collateral by Nashville which has done an excellent job from a publicity standpoint, not just to advertise for their destination but to make sure they are featured in publications. In addition, Myrtle Beach does a good job promoting itself as a meeting destination while promoting its tourism amenities. The marketing materials reflect the "bleisure" concept quite well. Stakeholders mentioned that intentional marketing efforts led by the Virginia Tourism Corporation would allow for a consistent message throughout the region's destinations, and reduce the financial burden of producing those elements by the smaller DMOs themselves.



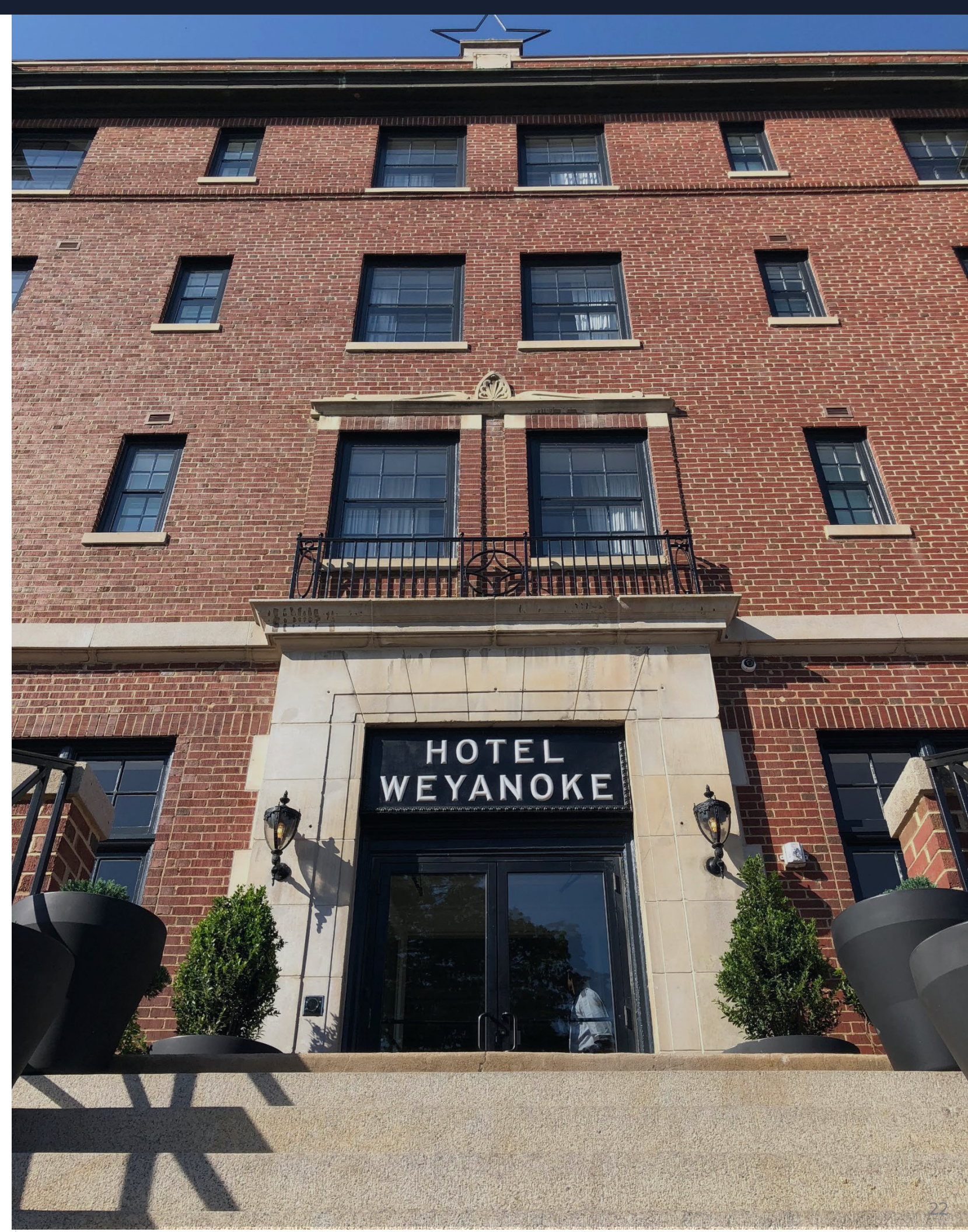
Recommendations

Connectivity

- Collaborate with the airport authorities in Virginia to attract more routes.

Connectivity is a major element in determining the hosting destination of a meeting. Increasing the number of direct flights to Virginia destinations would allow Virginia to be more competitive with other states. The Virginia Tourism Corporation can support airports by advocating the need for more capacity, presenting the business case to carriers, and providing incentives. Other ideas could include an airport endowment fund that would provide airports with a sustainable route expansion and attraction account.

An example of an initiative in that space is the Great Lakes Bay Airport Endowment Fund led by the Great Lakes Bay Regional Convention and Visitors Bureaus, where the organization is working on creating an endowment fund that would provide the MBS International Airport with a sustainable airline route expansion and attraction account. The organization's funds of \$500,000 would be deposited in year one with the goal being to challenge others to match or exceed this amount. In tandem with the deposit, a three-year funding commitment from the community will be initiated. All funds raised would be endowed and allowed to grow until the interest earned reaches the level needed to accomplish the annual investment need.



Recommendations

Financial Support

- Create an event fund to allow destinations to provide incentives to meeting organizers.

Price is not an insignificant factor determining where a meeting planner would hold their meeting, and lack of funds prevents the destination from providing incentives to help offset the cost associated with the event. With inflation and cost increases, there's a more pressing need to create programs that fund incentives.

Also, having an event fund would allow Virginia to compete for certain events that would have a significant economic impact.

Event funds are popular with 21 states having a fund or grant to help destination marketing organizations attract and/or operate events. This is most common for sporting events, but the idea can be applied to attract business meetings with significant national and/or international exposure. For example, in 2023, the California Travel Association announced the formation of a coalition of more than 100 tourism-reliant organizations to help encourage the state's elected officials to establish a dedicated event fund to help bid on, support, and retain sporting, cultural, and business-related events in California.

Other relevant examples, referenced by stakeholders, include the "Meet In Utah" campaign, which was a statewide initiative to assist in the meeting industry's recovery for destinations with a convention center. The program offered financial incentives to meetings that contracted events in 2021. It was funded by the Governor's Office of Economic Development through the Utah Office of Tourism.

- Assist DMOs with marketing funds.

Several stakeholders have referenced the American Rescue Plan Act (ARPA) funds and how they have given destinations the opportunity to spend on marketing. Because those funds were very useful to destinations, assisting destinations with marketing funds that are specific to the meetings industry would help boost the meetings sector.

In 2023, the VTC dedicated \$30 million in funding to assist localities with financial resources to overcome the negative economic impact that COVID-19 has had on the tourism and hospitality industry and support new and existing visitation to destinations across the state. The funds were being used for marketing including paid media, public relations (earned and social), digital, sales, and product development. VTC also committed \$1 million in ARPA funding for a meeting and convention incentives grant program which has supported 40 meetings being hosted in Virginia.



"WE'VE HAD THE MOST VISIBILITY WE'VE EVER HAD THANKS TO THE ARPA FUNDS, BUT WE'VE NEVER HAD A FUND SPECIFIC FOR MEETINGS AND EVENTS. AND SO, TO HAVE THAT OPPORTUNITY AGAIN WOULD MAKE A DIFFERENCE."


Recommendations

Research

- Commission a survey of meeting organizers to understand the changing market needs.

The dynamic of business events has changed since the pandemic. With more organizations adopting either a hybrid or remote work culture, the pattern, size, and location of their meetings have changed, and so have their space needs.

This changing dynamic needs to be understood by destinations to ensure meeting planners find the space and amenities they are looking for.



“A LOT OF CHANGES IN THE MEETINGS SECTOR HAVE TO DO WITH COVID AND IT’S A LOT TO WRAP OUR HEADS AROUND.”

- Facilitate investment in new and existing meeting space facilities.


The Virginia Tourism Corporation as well as individual DMOs can play an ongoing role in helping facilitate investment in new and existing meeting space facilities. This may include helping quantify and communicate the economic benefits of specific facilities to local and regional economies; and helping bring together facility owners, public funding sources, local stakeholders, and private investors. There may be instances in which there are existing, underutilized assets that may be repurposed for meeting space uses, such as vacant office building space.

Networking

- Secure a Virginia presence at major industry events.

A Virginia-wide participation strategy at major industry events led by the Virginia Tourism Corporation would alleviate some of the financial and logistical burden off the local DMOs and would allow them to build relationships with event planners.

Prior to 2018, the Virginia Tourism Corporation’s team attended four to six conferences, planned a sales mission and client events each year. Due to budget cuts, they no longer do so. Stakeholders have mentioned how useful those conferences have been and how they have benefited. Virginia promotes its destinations for sports events, and so a lot of potential lies for meetings as well, especially that Virginia’s meeting facilities have evolved significantly since 2018.



“IT’S ALWAYS BETTER TO HAVE A STATE PRESENCE AT A NATIONAL MEETING BECAUSE THEN YOU CAN SHOWCASE ALL OF THE STATE FACILITIES AND ATTRACT MORE INTEREST.”

Recommendations

Infrastructure

- Encourage the development of more hotels, especially those with meeting spaces.

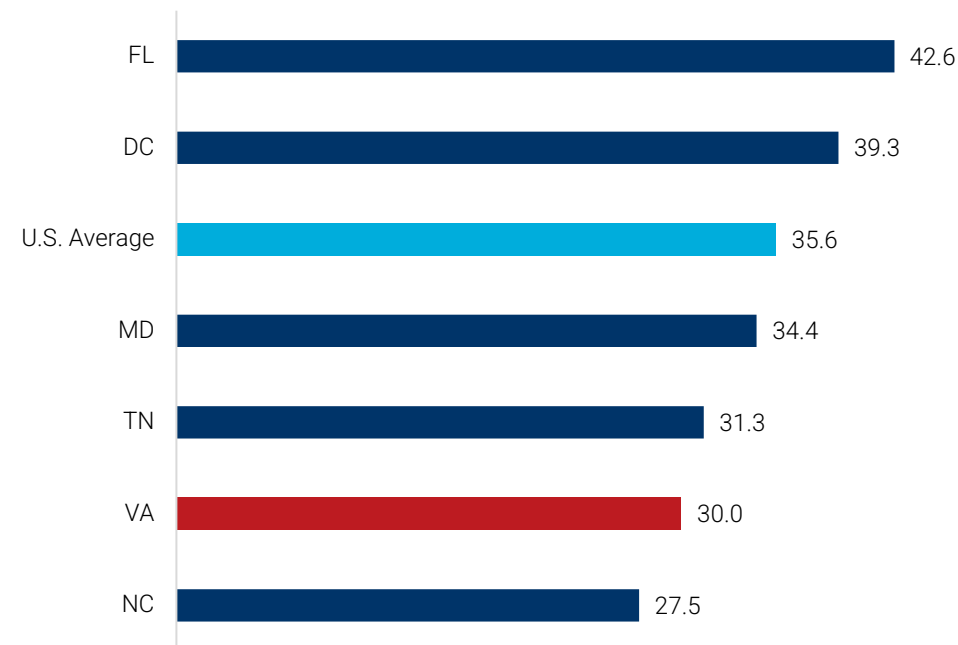
The Virginia Tourism Corporation and individual DMOs can support the meeting industry by attracting more hotels to the Commonwealth.

Based on the STR Hotel Census, hotel meeting space per hotel room on the national level is 35.6 square feet. In Virginia, it is 18.7% lower than the national average at 30.0 square feet. In addition, the survey results have shown that limited meeting space and room supply are the two main reasons for losing meetings to other destinations.

Stakeholders indicated that Caesar’s Virginia – an all-new, 320-room resort – is scheduled to open later in 2024 in Danville, and the city is getting a lot more attention as a meeting destination because of this new facility.

In addition, with more convention center expansions and renovations – especially in competitor destinations - supporting new developments is a significant addition to the meetings sector in Virginia.

HOTEL MEETING SPACE PER HOTEL ROOM



Source: STR Hotel Census

In terms of new developments in competitor destinations, work is underway to further expand the Greater Fort Lauderdale/Broward County Convention Center (BCCC) following the expansion in 2021, to cover more than 1.2 million square feet. In total, the BCCC is getting an additional 525,000 square feet of meeting space and an 800-room headquarters hotel at a cost of \$1 billion.

In October 2023, \$387 million was approved to expand the Raleigh Convention Center, with the aim of opening the extension in 2028. The 500,000 square feet of new space will double the current facility, adding 80,000 square feet of flexible event space and another 30 meeting rooms. Raleigh is also getting a new convention center hotel. In September 2023, Omni Hotels & Resorts was chosen to brand the 550-room property, which is expected to debut in 2027 and will feature 55,000 square feet of its own meeting space.

Finally, the Savannah Convention Center is undergoing an expansion project which is doubling the exhibit hall space to 200,000 square feet. Also new will be a 40,000-square-foot ballroom, 15 meeting rooms, a 900-space garage, more outdoor event space, and a new entrance with an all-glass façade.

Recommendations

Education

- Publicize research and data on the economic impact of meetings in Virginia.

The local hospitality community in Virginia needs to have a more solid understanding of the economic impact of meetings in Virginia so they can optimize the use of existing meeting venues by targeting the attraction of business meetings.

Research studies would also allow stakeholders and policymakers to make informed decisions.



“WE NEED A 101 ELEMENTARY SCHOOL START FOR OUR BUSINESSES TO EDUCATE THEM ON THE ECONOMIC IMPACT OF MEETINGS AND CONVENTIONS.”



APPENDIX



Appendix

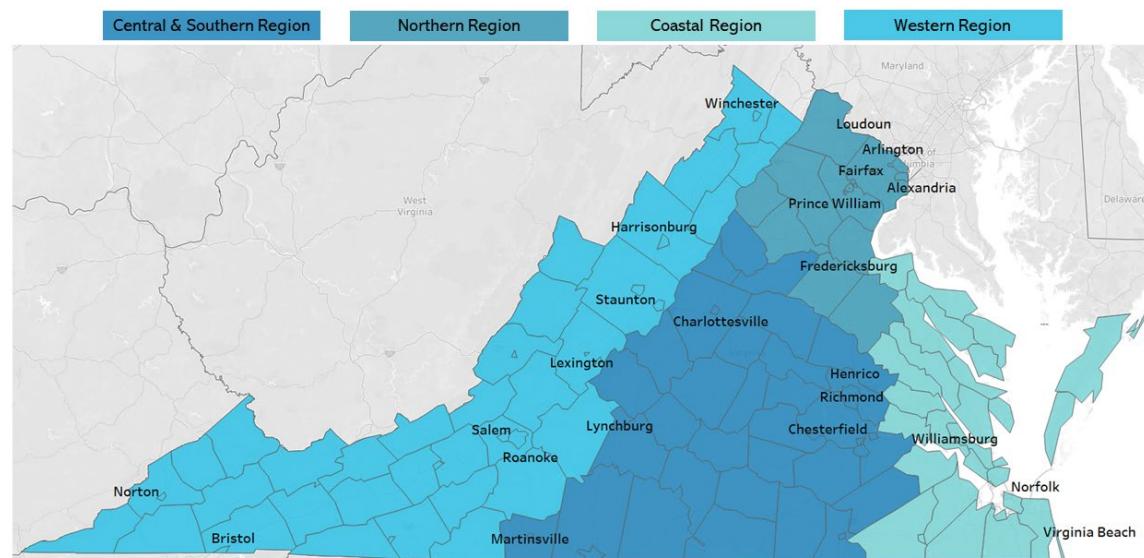
Regional Definitions

Central & Southern Region: Albemarle, Amelia, Amherst, Appomattox, Brunswick, Buckingham, Campbell, Charlotte, Charlottesville City, Chesterfield, Colonial Heights City, Cumberland, Danville City, Dinwiddie, Emporia City, Fluvanna, Goochland, Greene, Greensville, Halifax, Hanover, Henrico, Henry, Hopewell City, Louisa, Lunenburg, Lynchburg City, Madison, Martinsville City, Mecklenburg, Nelson, Nottoway, Orange, Petersburg City, Pittsylvania, Powhatan, Prince Edward, Prince George, Richmond City, and Sussex.

Coastal Region: Accomack, Charles City, Chesapeake City, Essex, Franklin City, Gloucester, Hampton City, Isle Of Wight, James City, King And Queen, King George, King William, Lancaster, Mathews, Middlesex, New Kent, Newport News City, Norfolk City, Northampton, Northumberland, Poquoson City, Portsmouth City, Richmond, Southampton, Suffolk City, Surry, Virginia Beach City, Westmoreland, Williamsburg City, and York.

Northern Region: Alexandria City, Arlington, Caroline, Culpeper, Fairfax, Fairfax City, Falls Church City, Fauquier, Fredericksburg City, Loudoun, Manassas City, Manassas Park City, Prince William, Rappahannock, Spotsylvania, and Stafford.

Western Region: Alleghany, Augusta, Bath, Bedford, Bland, Botetourt, Bristol City, Buchanan, Buena Vista City, Carroll, Clarke, Covington City, Craig, Dickenson, Floyd, Franklin, Frederick, Galax City, Giles, Grayson, Harrisonburg City, Highland, Lee, Lexington City, Montgomery, Norton City, Page, Patrick, Pulaski, Radford City, Roanoke City, Roanoke, Rockbridge, Rockingham, Russell, Salem City, Scott, Shenandoah, Smyth, Staunton City, Tazewell, Warren, Washington, Waynesboro City, Winchester City, Wise, and Wythe.



About the Research Team



Oxford Economics was founded in 1981 as a commercial venture with Oxford University's business college to provide economic forecasting and modelling to UK companies and financial institutions expanding abroad. Since then, we have become one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Our best-of-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact.

Oxford Economics is an adviser to corporate, financial and government decision-makers and thought leaders. Our worldwide client base comprises over 2,000 international organizations, including leading multinational companies and financial institutions; key government bodies and trade associations; and top universities, consultancies, and think tanks.

This study was conducted by the Tourism Economics group within Oxford Economics. Tourism Economics combines an understanding of traveler dynamics with rigorous economics in order to answer the most important questions facing destinations, investors, and strategic planners. By combining quantitative methods with industry knowledge, Tourism Economics designs custom market strategies, destination recovery plans, forecasting models, policy analysis, and economic impact studies.

Oxford Economics employs 400 full-time staff, including 250 professional economists and analysts. Headquartered in Oxford, England, with regional centers in London, New York, and Singapore, Oxford Economics has offices across the globe in Belfast, Chicago, Dubai, Miami, Milan, Paris, Philadelphia, San Francisco, and Washington DC.

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