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## Environment for Future Conference Centers: Perception of Managers

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# Environment for Future Conference Centers: Perception of Managers

## **Abstract**

Socio-cultural, economic, political, and technological trends are likely to impact the future conference center industry. This article is based on a survey of the members of the International Association of Conference Centers; it identifies the perceptions of conference center executives of future industry trends and provides them with environmental information so that they can better plan for management in the future.

# Environment For Future Conference Centers: Perceptions of Managers

by  
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*Socio-cultural, economic, political, and technological trends are likely to impact the future conference center industry. This article is based on a survey of the members of the International Association of Conference Centers; it identifies the perceptions of conference center executives of future industry trends and provides them with environmental information so that they can better plan for management in the future.*

Today's business environment is highly complex, dynamic, and volatile; therefore, the contemporary hospitality manager is faced with environmental influences and challenges which affect his or her ability to survive.<sup>1</sup> The uncertainty of the environment requires increased knowledge about the business environment in which the hospitality manager must operate.

By definition and design, a conference center is a specialized hospitality operation dedicated to facilitating and supporting conferences of small to medium size, 20 to 50 people. The entire focus of the operation of a conference center is geared toward accommodating these conference sizes, including the design of the facility, the professional support services, the specialized training staff, and the packaging of the product. In 1990, the International Association of Conference Centers (IACC) identified approximately 180 bona fide conference centers worldwide that meet the criteria established by the organization.

The IACC considers conference centers as a natural outgrowth of the age of specialization. Historically, meetings and conventions have been serviced primarily by hotels and convention centers. However, there is an increasing trend toward using resort hotels and self-standing conference centers for educationally oriented meetings and board meetings. Meetings have long been an integral part of the efforts of organizations to maintain internal and external communications, but the need to bring individuals together to communicate face-to-face in the "conference" format has increased dramatically in recent years. Historically, this conference demand has been serviced primarily by a number of different types of non-conference facilities,

including hotels and resorts. Meeting planners have found that the characteristics of these types of facilities can often work against a meeting's efficiency due to distractions and poorly-designed meeting rooms.

### **Conference Center Has Unique Nature**

The key points distinguishing the conference center concept from other hospitality operations that service meetings (e.g., hotels, resorts, etc.) result from the specialized and focused nature of conference centers. The basic difference is the specialized effort to accommodate conference groups and the focus on providing the best possible environment for productive meetings. Among many differences between hotels/resorts and conference centers as identified by the IACC,<sup>2</sup> the following five areas represent the major differences:

- **Facility design:** The orientation of a conference center from the beginning is focused on the primary purpose of the facility: accommodating conferences. The physical plant is organized in such a manner as to separate functions, minimize distractions, and provide conveniences for the conference. For example, conference rooms are separated from banquet rooms or other high traffic areas. In addition, conference centers are usually designed to incorporate informal gathering places for meeting attenders, sometimes referred to as dialogue centers or workshop suites, offering a quality space ratio for interactive discussion or role playing.

- **Meeting furnishings and equipment:** Conference centers offer state-of-the-art audio/visual equipment (with staff to operate and service the equipment) and comfortable swivel chairs on casters for long periods of sitting.

- **Food and beverage:** Another major difference between hotel or resort operations and a conference center is the orientation of the food and beverage department toward providing a product specifically designed to accommodate conference groups. The conference dining concept allows the meeting planner to focus on the meeting or conference without making decisions regarding banquet meals, pre-selected menus, and specific dining rooms. It allows the meeting planner to avoid numerous individual cost and budget decisions.

- **Personnel:** Because of their marketing orientation, conference centers train their sales and marketing personnel to develop a sound understanding of customers' organizational structures, group cultures, and goals so that the center can be an extension of each customer's normal working environment. Conference centers offer specialized services such as a "conference concierge," which usually is provided in the form of a separate desk staffed by individuals with secretarial skills.

- **The Complete Meeting Package:** Another feature of the conference center's orientation to groups is its unique system of billing, which aids the meeting planner in budgeting and payment. While hotels and resorts bill separately for sleeping rooms and add on charges for meals, meeting space, break refreshments, etc., conference centers typically operate via a comprehensive billing package referred to as a Complete Meeting Package or CMP.

The IACC categorizes conference centers into the following four types:

- **Traditional:** Among other criteria, a minimum of 70 percent of the net meeting space must be dedicated to single-purpose conference space, and a minimum of 60 percent of occupied room nights must be generated by conferences.

- **Resort:** In addition to dedicated meeting facilities and other stringent requirements (up to and including the quality of meeting room seating), resort conference centers must have at least one major resort amenity, such as an 18-hole golf course, plus other recreational amenities such as racquet sports facilities or a swimming pool.

- **Non-residential:** This type is essentially the same as other conference centers, with the exception that it does not offer sleeping accommodations.

- **Ancillary:** This type also meets the general criteria for conference centers, but is connected to or surrounded by a larger non-conference center entity such as a conference center wing within a hotel or a conference center facility within a resort complex.

#### **Pilot Study Has Two Phases**

A pilot study was conducted in two phases. First, a survey questionnaire was designed and mailed to 30 randomly-selected executives of IACC-member conference centers. It included questions in an open-ended format about executives' perception of future (year 2000 and beyond) environmental concerns or predictable trends as related to four remote environmental dimensions, socio-cultural, economic, technological, and political. A total of 22 executives participated in this phase.

Based on the results of the study, the questionnaire was modified to include a series of statements on future environmental concerns as related to each of the four remote-environmental categories. Respondents were asked to express their agreement or disagreement with the statements on a five-point Likert-type scale. All of the 22 executives who participated in the initial stage of the pilot study returned the survey.

**Table 1**  
**Conference Industry Professionals' Perception**  
**of Future Conference Center Environment**

| <b>Environmental Issue</b>                           | <b>Mean Response</b> | <b>Rank Order</b> | <b>S.D.</b> |
|--|----------------------|-------------------|-------------|
| Demand for sophisticated A/V and equipment           | 1.93                 | 7                 | 0.98        |
| Innovative facilities and construction methods       | 2.29                 | 10                | 1.14        |
| More use of teleconferences                          | 2.45                 | 15                | 1.08        |
| Use of labor saving devices                          | 1.94                 | 8                 | 0.86        |
| EC 92 to affect industry                             | 3.84                 | 17                | 0.97        |
| Business travel control to be increased              | 3.34                 | 16                | 1.07        |
| Shortage of labor                                    | 2.15                 | 9                 | 1.09        |
| Higher cost of operation                             | 1.59                 | 4                 | 0.88        |
| Increased competition                                | 2.49                 | 14                | 1.17        |
| Foreign ownership of conference centers              | 2.29                 | 10                | 0.81        |
| Higher cost of construction                          | 1.48                 | 1                 | 0.84        |
| Increased need to address women travelers' needs     | 1.84                 | 6                 | 0.87        |
| Increased need to address health and nutrition needs | 1.60                 | 5                 | 0.80        |
| Society's increased emphasis on education            | 2.39                 | 1                 | 1.02        |
| Increased need to address ecological concerns        | 1.56                 | 3                 | 0.73        |
| More laws and regulations                            | 2.39                 | 13                | 1.02        |
| Industry to be more active in lobbying               | 2.31                 | 12                | 0.88        |

Note: On a five-point Likert-type scale of 1 (strongly agree) to 5 (strongly disagree).

A final draft of the questionnaire was designed and pre-tested; the final version included 17 statements categorized into four remote-environmental areas. Respondents were asked to indicate their agreement or disagreement on each statement.

The survey population of the actual study included the entire 185 members of the IACC. Two weeks after the initial mailing, a reminder letter was sent; 82 responses (54.7 percent) were received.

Respondents consisted of conference center directors or presidents (61.8 percent) and directors of sales and marketing (17.1 percent). The types of conference centers which respondents were affiliated with consisted of self-standing centers with lodging facilities (35.5 percent), resort-type centers (18.4 percent), and non-residential centers (14.5 percent).

Table 1 provides a summary of responses related to the perception of future environmental trends by the conference center industry center managers.

It is interesting to note in Table 1 that respondents generally expressed a disagreement on two items: the impact of the European economic unity in 1992 and the impact of business travel expense control in the future. Items most agreed upon include, in rank order:

- increase of construction cost
- the society's emphasis on training, education, and continuing education
- increased need to address the ecological concerns
- increase of operating cost
- increased need to address the consumer awareness of health and nutrition
- increased need to address the women travelers' needs
- increased demand for sophisticated audio-visual equipment
- increased need for the use of labor saving devices

#### **Future Centers Will Be More Expensive**

The implications of these findings are that the future conference industry, according to industry executives' perceptions, will be more expensive to design and operate. Since there is more emphasis on training, education, and continuing education in society, the use of conference centers could increase and thus provide better opportunity for the industry. Ecological concerns, such as the use of recycled materials, will have to be addressed in operating conference centers in the future, as will the diverse needs of conference attendees, including female travelers/conference attendees and consumers who have an increased awareness of health and nutrition. Further, the attendees will demand more sophisticated audio-visual equipment; thus future conference centers will have to prepare for this factor.

The data were further analyzed according to the respondents' job titles (directors, general managers, marketing managers, conference service managers, etc.), years of experience in the conference business, and the type of conference center affiliation. No statistically significant differences were found in their responses in relation to these characteristics.

In order to meet the environmental challenges ahead of the industry, the conference center executive today will have to be more open minded and strategically oriented in the future. By correctly perceiving the environmental opportunities and threats, and by analyzing their strengths and weaknesses as an organization, conference centers will be successful.

### References

<sup>1</sup>Kye-Sung Chon, and Michael D. Olsen, "Developing Trends in Hospitality Industry as Identified through Content Analysis of Industry Publications," R. Howell, ed., *Proceedings of the Hospitality and Tourism Invitational II*, (Clemson, SC: Clemson University, 1987), pp. 55-67; Michael D. Olsen, "Issues Facing Multi-Unit Hospitality Organizations in a Maturing Market," *International Journal of Contemporary Hospitality Management*, (1989), pp. 3-6.

<sup>2</sup>International Association of Conference Centers, *Understanding Conference Center*, (1989).

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