IMEX Global Data Exchange: October 2006

Meetings Industry Outlook

Introduction

The second large-scale IMEX analysis within 2006 of the meetings market across Europe considers current trends, influences on decision-making, the degree of optimism within the sector, and identifies some of the issues facing buyers and agencies.

Meetings Industry Outlook, inaugurated in March 2006, is the largest piece of opinion research by IMEX within the sector, and in a September poll attracted over 250 replies from corporate and association buyers plus agencies in 15 EU and non-EU countries. The range of characteristic job titles of those contacted included: events director; executive vice-president; meetings manager; know-how manager; head of procurement (travel); owner/main shareholder; congress and events director; travel purchasing manager; managing director, etc. Key industries represented included software/IT; publishing; pharmaceuticals and medical services; financial services and banking; insurance; consumer marketing; fashion/sporting events; foundations; associations; oil industry; plus professional DMCs, PCOs, and venue-finding agencies.

The annual budgets for those responding ranged from 200,000 euros to 8,000,000 euros, with the average around 600,000 euros. Whilst event sizes range from under 25 to over 1500 delegates, the majority fit within categories for up to 100 participants, although association meetings frequently involve closer to 1000 attendees.

A characteristic of this particular survey, which focuses on contacts who have attended the IMEX exhibition is its international dimension: an average of 45% of the events of the organisers involved take place outside their home countries, and in quite a few cases the figure literally reached 100%.

Note: Those targeted in this research were different from those approached earlier in the year.

influences

A series of tick-box questions invited buyers to rank the influences which they felt affected their decision-making (*Tables 1-3).*

Table 1. Selecting a Venue: ranking of relevant factors

	March '06	Sept.'06
Ease of access for delegates/away least time from work	*2nd*	*1st*
Well-known venue that adds status and desirability to the event	*3rd*	*4th*
Good value for money that fits within the necessary budget	*1st*	*2nd*
A venue where the facilities are most ideal for the event concerned	*4th*	*3rd*
A safe and secure venue	*5th*	*5th*
A venue that offers a price that is too good to resist	*6th*	*6th*

It can be noted that the picture remains broadly the same, although the heightened emphasis on accessibility is further confirmed by comments from buyers which stress the advantages of venues close to international airports. A small number of buyers observed that they sought venues which were especially original or unique.

Table 2. Experiencing a Venue: ranking of relevant factors

	March '06	Sept.'06
The availability of a leisure club/pool/spa	*6th*	*6th*
A venue with a reputation to boast about afterwards	*5th*	*5th*
High-technology presentation equipment	*4th*	*4th*
Excellent facilities for dining and drinking	*3rd*	*3rd*
A relaxed, comfortable setting that is conducive to hard work	*2nd*	*2nd*
A venue that achieves high standards of service	*1st*	*1st*

It can be noted, rather remarkably, that the weighting of replies remained <u>exactly</u> the same.

Table 3. Assessing an event: ranking of positive outcomes

	March '06	Sept. '06
Delegates leave better informed	*1st*	*1st*
Delegates leave better motivated	*2nd*	*2nd =*
Delegates leave feeling more bonded as a team	*4th*	*4th*
Delegates leave having acquired a new skill	*3rd*	*2nd =*
Delegates leave having enjoyed themselves	*6th*	*5th*
Delegates leave with a better opinion of their leaders and organisation	*5th*	*6th*

It can be noted that again changes in the hierarchy of factors are relatively insubstantial. A number of planners highlighted the importance of large-scale networking as a desirable outcome of an event; a few drew attention to the need for participants to leave feeling that they had contributed in a worthwhile way.

trends

Whilst it is difficult for broadly-based research involving so many categories of buyers across so many countries to pinpoint trends in detail, a number of general observations can be made, and complement the views identified in March 2006. The 10 most frequently mentioned trends were (random order – using characteristic verbatim comments):

* *'need for new destinations, more original venues, more novel experiences'*
* *' 'Blackberry-mania' is spoiling meetings as delegates get distracted'*
* *'time-pressure is forcing events to become shorter, more intense'*
* *'security matters, and terrorism risks are always weighed. We choose only politically stable regions'*
* *'I want better quality at lower cost'*
* *'the active participation of delegates ensures greater event satisfaction'*
* *'I am always on the look-out for special offers'*
* *'increasing use of technology leads to wider outreach opportunities'*
* *'delegate attendance is more heavily scrutinised in advance to save money and enhance exclusivity'*
* *'planning for a special atmosphere at the meeting makes it more effective'*

ROI and 'real' costs

Whilst the return on investment (ROI) for meetings continues to matter (as March 2006), the process by which this is appraised can still be hit-and-miss. Examples of techniques include: personal feedback, often using questionnaires; an appraisal of sales performance figures over time; and successive reports from management that indicate that delegates have become 'better informed'. In many cases, however, much more generalised comments draw attention to the evidence for 'better bonding within the team', 'a stronger sense of family, and better relationships within the company', and 'an impression that staff and colleagues are participating in their work better than before'. Given these typically loose approaches to assessing ROI, it is not surprising that the proportion saying that they appraise the 'real cost' of events (e.g. allowance for the salaries of delegates; their travel costs; and opportunity costs arising from their lost working time etc.) is only around 20%. In contrast, about 50% say they definitely do <u>not</u> take overall meetings costs into account, and the balance react with views ranging from ‘not enough attention is given to this’, to ‘it is too frightening a topic to raise’.

issues and irritations

Meetings planners and event organisers appear eager to identify the frustrations and challenges that arise in their work, almost as if this might be a cry for help. The 10 most frequently mentioned issues and irritations were (random order – using characteristic verbatim comments):

* *‘inflexible hotels with tight deadlines for bookings and insensitive cancellation clauses’*
* *‘knowing we could save more money than we actually do.’*
* *‘making allowances for traffic problems and travel delays, and late-arriving delegates’*
* *‘internal politics that slow down my decision-making’*
* *‘targeting and reaching the right audiences, economically’*
* *‘people elsewhere in the company who interfere without having the necessary professionalism in event planning’*
* *‘being seen merely as that member of staff who seems to be forever going on holidays at the company’s expense’*
* *‘having to raise the quality of our event, year after year’*
* *‘last-minute changes of plan’*

late bookings

Probably the most consistently mentioned problem, however, is that concerning the seemingly unstoppable trend toward short-notice decision-making. Well over two-thirds of respondents acknowledge this pattern of late bookings, and among the consequences they identify are (verbatim): *‘it makes for more work in less time’; ‘increases stress and sleeplessness’; ‘it adds to overall costs because we pay more for flights and travel’; ‘we have bigger problems trying to find availability whether for hotels or restaurants’; ‘we end up making wild guesses about the numbers likely to attend our meetings and our banquets’.*

CSR

Little change in attitudes towards the environment, corporate social responsibility, or multi-culturalism appears to have arisen over the last six months, and it may be concluded that awareness of these still discretionary dimensions to an event continues to grow, if slowly. Certainly more buyers now recommend using public transport at a destination; others invite suppliers to identify their eco- and CSR- credentials; and more are acknowledging that mixed nationality events invariably prompt requests for special diets and allowances for religious observance. Possibly significant is the growing use of technology (web-casting; video-conferencing etc.) to involve distant speakers to engage participants from more far-flung locations.

confidence

Nearly two-thirds of respondents express views that are positive about the meetings market in the months ahead, with comments that include*: 'the need to network and exchange experiences has never been greater'; 'the future is bright because so many new countries are entering the conference world'; and 'never before has there been so much new information out there for delegates to have to discuss and absorb'.*

'wish-list'

This does not mean that planners would not wish to make changes to the sector had they (hypothetically) 'the attention of international meetings organisations and convention bureaux'. The five most strongly identified 'wish-list' requests were (random order – verbatim comments):

* *'better online databases and websites to be offered by convention bureaux'*
* *'greater on-line distribution of data on trends and venues'*
* *'destinations ought to encourage a MICE culture of more smiling, better service, and faster response'*
* *'venues told to be less draconian in their booking and cancellation strategies'*
* *'bureaux to offer multi-national services and teams to help organisers stage multi-national events'*

There is a hint here that meetings market growth may be outpacing improvements both to destination services and to online marketing and data management by the authorities. If so, this call for action could be repaid handsomely in future as more satisfied buyers generate more rewarding events in a continually expanding market.

- Ends.