

EXECUTIVE SUMMARY:

It's Getting Better All the Time

Despite unstable economic and political conditions, meeting budgets continue to slowly rise; and meeting professionals project an increase in the number of meetings, and attendance therein.

Meanwhile, they face three significant challenges: 1) the introduction of wide-ranging technologies, 2) five sets of generational expectations including a multitude of cultural expectations and requirements and 3) the need for better risk management. These have altered the way meetings are evaluated, shopped, negotiated, executed and paid for. Here's a brief look at the challenges and opportunities you'll face in the coming year.

TECHNOLOGY

The introduction of new products, concepts and terminologies has left meeting professionals clinging to older solutions that may not be as elegant or effective, but are proven and relatively simple to use. Meeting professionals aren't complaining about the raft of new products, but are struggling to become acquainted with them as quickly as they are introduced.

Meeting professionals in all three regions (Canada, Europe and the U.S.) rank "better Internet access in venues and hotels" as either the most or second-most demanded technology, but planners rank it the tenth most available and accessible solution, and suppliers rank it eighth. Meanwhile, "social networking tools to supplement events," which shows relatively low demand (seventh by planners and eighth by suppliers), ranks among the most highly available and ac-

cessible technologies in the marketplace (second by planners, first by suppliers).

DEMOGRAPHICS

Meeting professionals depict challenges appealing to audiences with wide-ranging backgrounds. Over and above multicultural meetings and events, new challenges relate to a wide set of generational sets: pre-boomers, baby boomers and Gens X, Y and Z. Meeting profes-

sionals say younger generations have shorter attention spans and demand more succinct and relevant information in smaller units than older gens.

They say networking within and among generations is increasingly difficult to manage as audience demographics become more diverse. Providing information and content-using methods, platforms and technologies (which are instinctively or intuitively adopted by

WHAT WE FOUND

-  As new technologies pour into the market, meeting professionals face a relatively new problem: deciding which solutions to use.
-  Meeting professionals are designing meeting spaces and agendas to accommodate attendees who network electronically as well as those who prefer to network face-to-face.
-  Globally, meeting professionals see significantly shorter lead times.
-  Venues continue to charge premiums for network availability, to the chagrin of meeting professionals who believe that Internet access should be treated as standard.
-  Contract negotiations are becoming more complex as suppliers seek to minimize unallocated resources and planners seek to minimize wasted dollars.



attendees of various demographics) places a strain on meeting professionals as they try to do more with less.

Meeting professionals are trying to understand the personal demographics of their delegates. They must provide content live, streaming and archived online, and schedules in print and on mobile apps and websites. Food and beverage requirements are changing as younger, more health-conscious attendees expect choices that are significantly different than the attendees of decades past.

Younger-gen attendees have changed the way meeting professionals communicate content, both in-person and online. In the face-to-face environment, they're delivering information in shorter segments, with more interactivity. This style has in no way replaced traditional lectures, but has become increasingly popular because of the higher satisfaction ratings given by younger attendees.

RISK MANAGEMENT

Uncertainty is a constant, but the underlying causes vary by region. In the U.S., where the economy has significantly declined but stabilized, the upcoming presidential election is forefront. In Europe, it's the austerity measures and economic instability. In Canada, it's the global marketplace on which it relies.

In many cases, meeting professionals report that they are planning events for more than 100 delegates in time periods shorter than 30 days, and some significantly larger events in 45 to 60 days. These short lead times result from more layers of budget approval, slower spending policies and intentional efforts to avoid long-term commitments.

The increased tendency of delegates to book rooms outside the block is complicating hotel contracts. In some cases, meeting professionals are issuing rebooking provisions to avoid attrition clauses by setting a future meeting with

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a hotel that gets stranded with unused rooms. In order to recapture revenue lost in recent years, hotels and venues are trying to raise guest and meeting room requirements, but are being met with resistance from meeting professionals who aren't allowed to accept the greater risk.

Meanwhile, event managers in the U.S. and Canada say they will evaluate about 20 percent more locations per meeting in the coming year in order to increase competition, thereby lowering prices or creating better contract terms. In some cases, they say final payments will be partially predicated on satisfaction scores. Several suppliers report that they have become more specific in contracts, detailing specific services that, if provided onsite, will result in higher prices.

An increasing number of meeting professionals are attempting to mutually lower risk by negotiating "bulk" agreements in which audiovisual, guest nights, food and beverage and technology are simultaneously purchased for more than one meeting or event in more than one location. This works best for suppliers with a broad presence in the market and for planners who can hold meetings in those destinations. In the case of technology, planners and suppliers are working together to negotiate high-use or unlimited agreements.

Some meeting professionals in the U.S. and Europe say they're targeting or avoiding specific markets to ensure less volatility. In the U.S., several suppliers and independent planners are avoiding

the government sector entirely, due to changes in policy and spending since the General Services Administration meetings scandal. In Europe, meeting professionals focus on the more stable and lucrative BRIC nations (Brazil, Russia, India and China) to diversify revenue sources and lower risk.

In some cases, efforts to lower risk have not worked out well. Companies that have eliminated high-level meeting positions and placed event responsibilities in other departments or with less-experienced people have found it necessary to hire consultants to negotiate contracts properly and to identify destinations and venues. While lowering the apparent internal cost of planning or managing meetings, these companies are now increasing spending in order to regain the level of professional knowledge and experience they've lost.

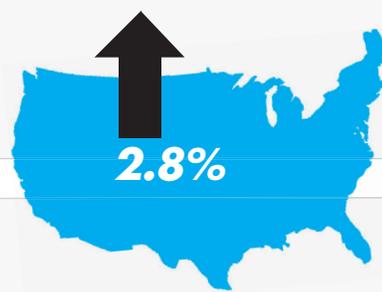
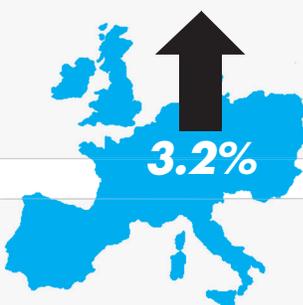
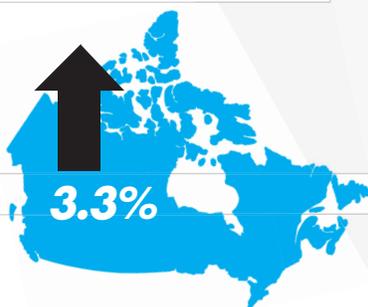
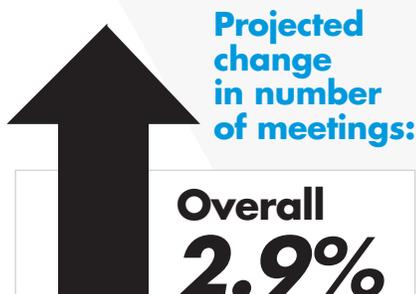
Organizations that have adopted short lead times find themselves faced with increased room rates and travel and food and beverage costs as well as a lack of room availability. While short lead times will probably remain long-term overall, some meeting professionals, especially those with associations, say they're starting to make commitments further out to lock in lower prices in a rising-cost market.

Overall, the news is good, and the future looks even better than the present. Let's get to the numbers.



Meeting and event counts edge up ...

Meeting professionals predict a 2.9 percent increase in the number of meetings next year compared to last—specifically up 3.3 percent in Canada, 3.2 percent in Europe and 2.8 percent in the U.S.



... as meeting and event length creeps down.

Meeting professionals anticipate their events to be slightly shorter (by about 30 minutes) in the coming year—that's 15 minutes longer in Canada, an hour shorter in Europe and 30 minutes shorter in the U.S.

CANADA



EUROPE



U.S.



Projected change in meeting length:

OVERALL



WHAT YOU SAY

"Meetings are changing to accommodate delegates who cannot be away from the office for extended periods of time (shorter meetings, weekend meetings, fewer post-meeting galas and activities).

"Economic uncertainty, especially as regards Europe, is making our clients risk-averse and hesitant of entering into contracts in the long term, or before event details and spend are certain."