



MEETINGS OUTLOOK™



A stable market slightly favoring sellers tasks meeting professionals as growth projections weaken and newer priorities strengthen.

A NEW AGE OF

Growth may be slowing down, in part due to economic and political uncertainty, yet the business of meetings is continuing at a healthy pace with many industry pros attempting to plan around climate change.



MEETINGS OUTLOOK™

By Elaine Pofeldt

To Molly Marsh, CMP, director of education and engagement design at AMR Management Services in Lexington, Ky., operating in today's business environment means mastering the unpredictable.

"Uncertainty is the name of the game right now," says Marsh (MPI Kentucky Bluegrass Chapter). "I don't know that I have a lot of leveraging power right now."

While Marsh felt like she was in a good place when negotiating 2016 and 2017 contracts, "since then it's gotten harder and harder," she says.

A big challenge she is facing is explaining to corporate leaders and board members that they can't get the same thing today at last year's prices. Room rates and costs for food and beverage and audiovisual are going up faster than in the past, she says.

"Coffee really does cost US\$120 a gallon," she says. "We have to be really careful and thoughtful about that, so there's no sur-

prise that there's a big bill at the end."

As this quarter's survey found, the business environment has been stable but is now showing signs of slowing down. Many meeting professionals reported concerns about "instability." Overall business condition projections are the lowest reported in more than three years.

Interestingly, there was a big difference between planner/supplier responses, with 40 percent of planners saying conditions are favorable but 60 percent of suppliers saying the same.

In the current landscape, some planners find they have to keep a watchful eye for surprise fees. Marsh finds that properties and venues are putting new policies in place that pass along charges to clients who signed contracts in the past, resulting in unexpectedly large bills.

"We're having to fight that so much more," Marsh says. "They can put a charge on your bill and if you don't say, 'That's



UNCERTAINTY?

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MOLLY MARSH, CMP

*MPI Kentucky Bluegrass Chapter
AMR Management Services*

not in the contract. You can’t do that,’ you’re going to pay it.”

She is not alone. When Anita Carlyle, CMP, CMM (MPI Toronto Chapter), managing partner of MCC Destination Management in Toronto, booked a three-night corporate event for 300 attendees at a hotel in Ontario last year, the property unexpectedly tacked on a 9 percent “environmental fee” that will go to “new environmental strategies for the hotel.”

“It’s almost like they’re trying to guilt you into accepting this extra,” Carlyle says.

That charge is one of several unexpected fees she’s seen on the final bills for events lately. She tries to fight them but sometimes finds it’s futile.

“I think [suppliers] are taking advantage right now that it’s a seller’s market,” Carlyle says. “And they are trying to get extra bottom-line revenue anywhere they can.”

Beyond that, the survey showed other indications of an eco-

nomic slowdown, with 64 percent of respondents saying economic uncertainty is affecting business decisions and 53 percent reporting that political uncertainty is doing the same.

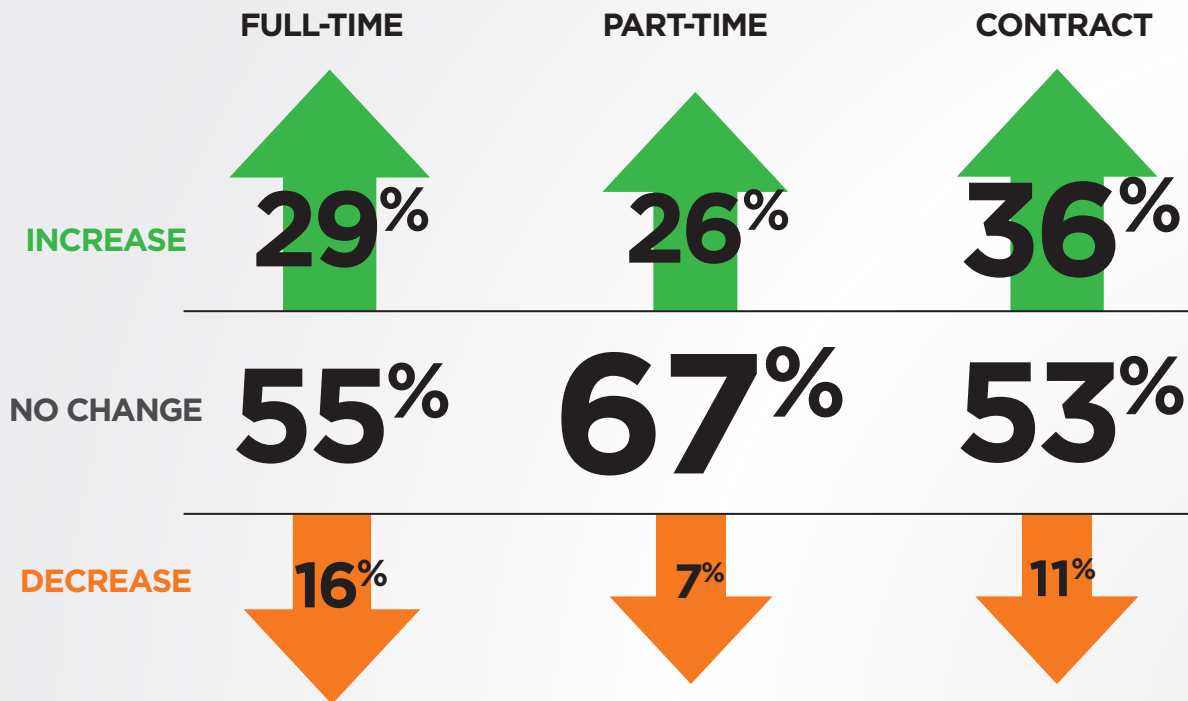
Shelley Mann, CMP (MPI Kansas City Chapter), event director for Vizient, a member-driven healthcare performance improvement company in Kansas City, Kan., has faced belt-tightening in her organization, which is keeping a close eye on costs under the leadership of its CEO, who was the CFO until about a year and a half ago.

“He’s really seriously watching the money and how we spend,” Mann says.

For the two meetings the group holds in Las Vegas annually, Mann has adjusted F&B options to fit current budget restrictions, opting for a continental breakfast with a hot item to go with it, rather than a full breakfast, for instance. For lunches, the company has limited the number of invitations, to keep costs down.

GLIMPSE AT CURRENT EMPLOYMENT TRENDS

All types of employment are weaker than last quarter. However, this could be a balancing of the large increases we saw in that survey.



It isn't just the economy that is driving the budget-consciousness.

"A lot of it has to do with the healthcare industry," Marsh says. "You don't want to put on a huge meeting with all the elaborate hoopla. Our CEO and executive team don't even take limos from the airport or the hotel. They don't want the impression of them taking a limo to our members and suppliers."

The survey also showed a slight uptick in respondents citing international trade wars as negatively affecting their meetings/events. More respondents said they're unsure about the effect, but fewer said

it is not having or won't have an effect.

Meanwhile, there was some softening across all types of employment, and attendance projections were slightly down.

But some meeting professionals are not feeling the bite of uncertainty at the moment. Karen Shackman, founder of the Manhattan DMC Shackman Associates New York, says she's getting "healthy incoming requests for next year."

Shackman believes the economic outlook for meetings will largely depend on how creative and culturally relevant destinations and plan-

Slowdown or Recession?

"It's certainly uncertain." That's how Mike Dominguez (MPI Southern California Chapter), president and CEO of Associated Luxury Hotels International, sums up the current economic outlook.

Although some observers have started to worry about a recession on the horizon, Dominguez doesn't see one coming anytime soon.

"There is a slowdown in the rate of growth, not necessarily a retraction in the economy," he says. "The economy is not going to slow down anytime soon."

Dominguez points to the U.S. GDP forecast for next year. It has been projected at 2.9 percent growth. That is still better than what we saw in recent history, he points out.

"We grew at 1.7 percent for almost 10 years," Dominguez says. "At some point the growth rate is going to slow. It is slowing but it doesn't mean our economy is doing poorly."

Is the trade war with China affecting growth? Dominguez believes flat growth in travel from China is being caused, in part, by limitations on the number of visas, a factor affecting university students. The cost

of travel to the U.S. is prohibitive at a time when the value of the dollar is high—and not only for China.

"The top two drivers of international travel [to the U.S.] have always been Canada and Mexico," Dominguez says. "You know who's been hammered because of our strong dollar? Canada and Mexico. It's much more expensive for them to travel."

He acknowledges that meeting planners are feeling a pinch right now. This is not because budgets for meetings are going down.

"These meetings spend more and more every year," Dominguez says.

What's happening is that spending per attendee isn't necessarily growing.

"That's a better metric," Dominguez says. "If I added 100 people, did I grow my budget year over year?"

Meanwhile, audiovisual spending is increasing at a clip, he notes.

"That's where budgets aren't growing fast enough," Dominguez says.

“A recession of ideas is a bigger threat to the meeting industry than an economic one.”

KAREN SHACKMAN

Shackman Associates New York

ners are.

“Meeting groups are opting out of boardrooms and ballrooms in favor of unique venues that are more casual, visually striking and sustainable,” she says. “Couches and high design are the elements attendees want to stimulate collaboration and engagement. And they want to taste the local flavors that make each destination and [each] neighborhood within that destination special.”

“A recession of ideas is a bigger threat to the meeting industry than an economic one,” Shackman adds.

Timothy Speiss, partner at accounting firm Eisner Amper in New York, says his firm’s meetings and events are “enthusiastically attracting outside attendance, regardless of geography.”

“Attendees are seeking the in-person insights they receive at financial meetings, events and conferences that span multiple business sectors,” he says. “Economic uncertainty, whether it is in trade or economic sentiments within parts of the business community, will make these insights and relationship-building even more valuable.”

About the Climate

Despite frequent headlines, the majority of respondents said they are doing nothing differently as a result of climate change. Some are not sure what they can do, based on feedback in the survey. Either climate change is not discussed, it’s not a priority, they lack the authority to make those decisions, it’s viewed in their organization as not being cost effective or it’s seen as not needed.

“I would love to see a big push in the sustainability realm,” says association planner Krystal Ferm (MPI Tampa Bay Area Chapter), director of events & sponsorships for GMS Group in Tampa, Fla. “In Tampa Bay, we are talking about it constantly but we’re not always seeing it play out. With some of the traditional venues, it is a little bit harder to get them to play ball when you talk about zero waste and composting.”

Ferm did take heart when one of her suppliers sent her little notebooks, for use at her meetings, that were made from recycled apples.

“They smelled amazing,” she says of the products, made by Proforma.

Others are finding that holding more climate-friendly meetings is not as hard as it may look at first glance. One key, they find, is holding the meetings in destinations where sustainability is a priority.

Deepak Seshadri, assistant manager of production at Exito Media Concepts in Bengaluru, Karnataka, India, is currently planning the Exotic Wedding Planning Conference in Dubai.

“Dubai, as a market, already has hotels that are energy efficient and have a robust waste management system in place,” he says. “When you organize an event at a hotel in Dubai, you are already doing it in an energy-efficient manner. If you are a responsible event manager, you will want to do [that]. It talks a lot about you as an individual and as a brand.”

Whose Market?

For the second consecutive quarter, **respondents indicate a slightly more balanced marketplace**, with the edge still solidly on the seller side.

18%
Strong Seller’s Market

34%
Slight Seller’s Market

20%
Balanced Market

21%
Slight Buyer’s Market

8%
Strong Buyer’s Market

Business Conditions

Overall business condition projections are the weakest seen in in the survey in more than three years. There’s a lot at play here as there’s a significant difference in “favorable” opinions from planners and suppliers (40 percent and 60 percent, respectively), but there are also other indicators of a **potential economic growth slowdown, such as lower hiring projections and an increase in negative attendance expectations.**

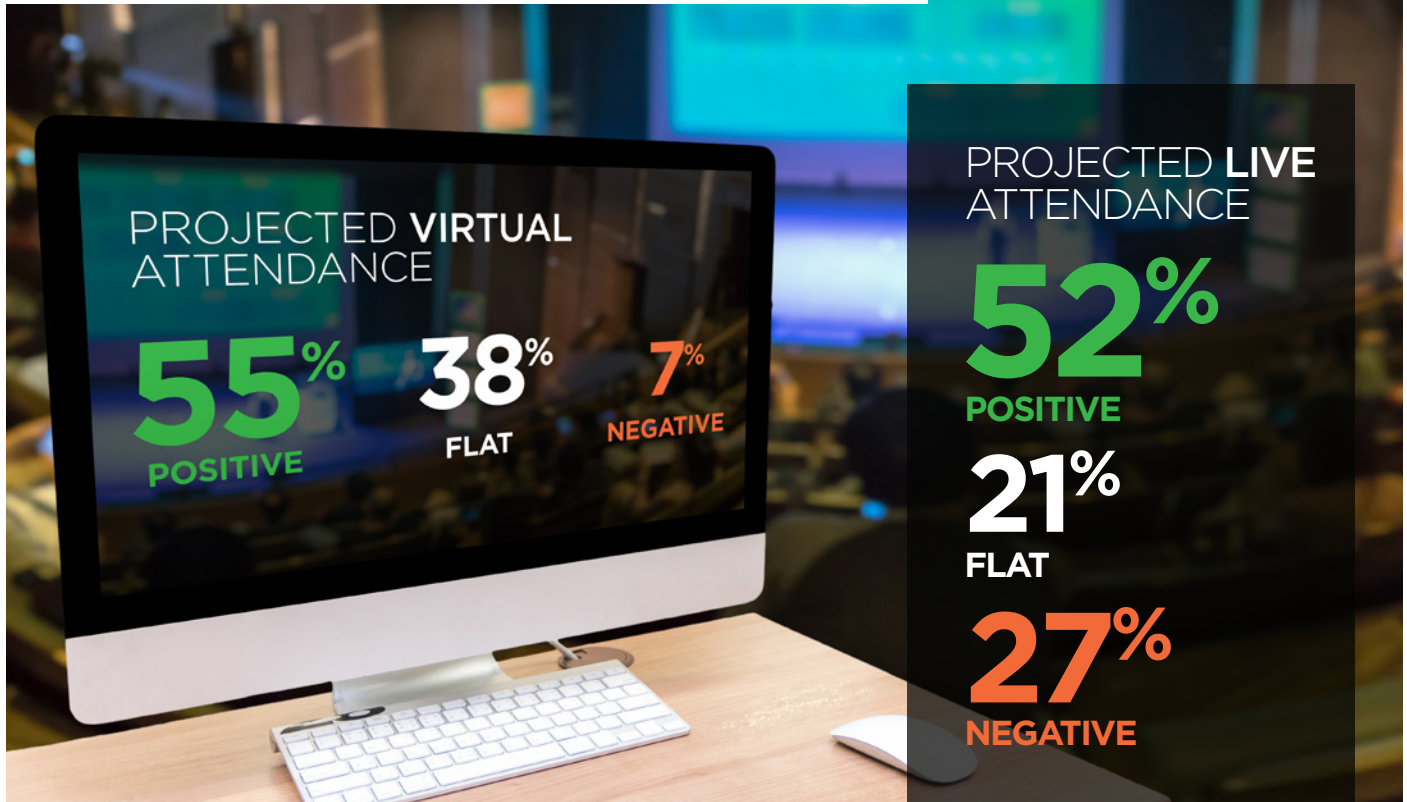
45%
of respondents predict
FAVORABLE
business conditions

22%
of respondents predict
NEUTRAL
business conditions

33%
of respondents predict
NEGATIVE
business conditions

ATTENDANCE FORECASTS

Live and virtual attendance predictions **remain fairly stable, with a slight uptick in predictions** for negative growth.



Anil Pattni, a community event organizer in Austin, Texas, who plans events such as local hackathons, finds that city initiatives have made it easier to keep meetings green.

"Austin has a goal of reaching zero waste by 2030," he explains. "They're putting initiatives out there around educating people. It's a really exciting space. It's all about how businesses throw away waste products and things like that daily. How can we reuse that and repurpose it so it doesn't have to get thrown away? It's the perfect opportunity for an entrepreneur or creative to come up with better solutions than what's out there."

The survey also uncovered a hunger for education about how to create more environmentally friendly meetings. Sharon DeFelices (MPI Philadelphia Area Chapter), CEO of Mosaic Meetings and Events in New Hope, Pa., has gotten more questions from groups with inquiries focused on local food purchasing, trash recycling, donations of extra food and energy-saving measures for temperature control and lighting.

Many are going beyond asking questions and committing to taking environmentally friendly measures.

"I am seeing the trend back to using china, water glasses and real coffee cups as an effort to reduce trash for meetings," DeFelices says.

Cost doesn't seem to be preventing event organizers that are interested in going greener from doing so, in her experience.

"Companies are agreeing to pay a little more for bamboo serve ware, edible service objects and re-usable beverage containers for events," DeFelices says.

She has also found that remote meetings are becoming

"With some of the traditional venues, it is a little bit harder to get them to play ball when you talk about zero waste and composting."

KRYSTAL FERM

MPI Tampa Bay Area Chapter
GMS Group

more popular, reducing travel for attendees and reducing the environmental impact of the gatherings.

"Reduction of emissions from travel and reducing water usage and chemicals introduced by housekeeping and laundry efforts into the watershed by not having attendees in hotels are two ways the groups see immediate benefit in hosting remote meetings," DeFelices says.

Mary Ann Whittle, CMP (MPI Arizona Sunbelt Chapter), executive assistant to the GM at Able Aerospace Services in Mesa, Ariz., regularly incorporates environmentally oriented elements into monthly employee engagement events at the roughly 460-person company.

"We are finding it's more and more in demand, especially with our younger generation," she says.

SITE SELECTION

How much do each of the following destination/venue issues affect your site selection?

		A great deal	A moderate amount	A little	Not at all
	Gender & racial equality	27%	22%	22%	29%
	Gun laws	15%	16%	21%	49%
	Treatment of Immigrants	17%	16%	31%	37%
	Homeless population	16%	28%	24%	32%
	Cannabis laws	2%	8%	16%	74%
	Worker's rights	17%	25%	17%	37%
	Commission rates	18%	28%	17%	37%

When Able Aerospace Services hired summer interns, Whittle organized six CSR events, among them a trip to the zoo where they participated in an environmental program focused on improving the flow of a creek.

"Because aerospace leaves such a huge footprint, we want to get out there and let people know we do care about our local communities," she says.

Andrew Dorcas (MPI Toronto Chapter), senior vice president of sales for the Americas for Toronto-headquartered ARHT Media, has found that concerns about reducing companies' carbon footprint—alongside others, such as tight speaker schedules—have driven demand for using a holographic telepresence to reduce unnecessary travel. He says the climate is becoming more and more of a consideration.

With a holographic telepresence, a keynote speaker is "teleported" from his or her physical location to an event, in the form of a hologram. The speaker then appears on a holographic screen at the live event.

At one event ARHT was involved with this past summer, a global pharma company was able to present a live discussion with a doctor and patient to four separate audiences—one at the event location and three at remote locations—by using this technology. This resulted in considerable savings, given that the three remote audiences did not have to travel.

"Imagine saving plane tickets and hotel costs and multiply that out by how many people they had per location," Dorcas says.

Of the topics included in the survey, "gender and racial equality" emerged as the most important element affecting site selection, with 71 percent saying it's a factor in their decisions. Among respondents indicating this is important to their site selection, 91 percent say they are more likely to select a location with strong gender and racial equality laws. Interestingly, 49 percent of re-

spondents don't consider gun laws at all in their site selection decisions, despite the ongoing spate of mass shootings. As previous *Meetings Outlook* research has indicated, cannabis laws are essentially a non-issue in site selection consideration—it's only considered a positive or negative for a very small number of respondents.

Reflecting the industrywide priority on diversity and inclusion, some meeting professionals are baking gender and racial equality into how their meetings are organized. Community event organizer Pattni, whose hackathons are focused on solving pressing challenges in society, is among them.

"The space I operate in is about diversity and inclusion," he says. "We take in feedback from everybody, whether they are an expert in the field or not." ■

Watch an MPItv video in our digital edition as we dig deeper into the *Meetings Outlook* data at themeetingprofessional.digital.org.



Meetings Outlook is supported in partnership with IMEX Group.