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MEETINGS OUTLOOK™



The meeting and event industry forecast is for a continued healthy market, with indications of anticipated increases in employment, business conditions and both live and virtual attendance.

2017 SUMMER EDITION

DESCRIBING THE MEETING & EVENT MARKETPLACE

Even though the vast majority of respondents **perceive the current and near-future market as being one that's more favorable for sellers, it is just barely so.**

2018



69%
SELLER'S
MARKET

3%
EVENLY
BALANCED
MARKET

28%
BUYER'S
MARKET



By Elaine Pofeldt

With the meeting industry in the midst of what has tilted toward a seller's market, Deborah Stark (MPI New England Chapter) knows she needs to plan her meetings far in advance—preferably two years ahead of time. Some of her meetings cover up to 600 people and that presents a conundrum for Stark, field marketing manager for the Americas at the investment management software firm Charles River Development in Burlington, Mass.—especially when she is planning meetings in Boston and other in-demand cities.

"Everybody is leery in the company about making those long-term commitments," Stark says. "You may not get the right price, but you also don't want to put the company at any risk."

The potential hazards are substantial. For one event coming up in November, her company would have to pay the hotel US\$325,000 if its cancellation clause came into play.

"They lock you in," she says.

Stark has plenty of company in juggling competing pressures like this. The vast majority of respondents to MPI's quarterly *Meetings Outlook* survey indicated that a seller's market exists currently and predicted one for 2018.

A Newton's cradle with five silver spheres hanging from thin wires. The spheres are arranged in a diagonal line from the top left to the bottom right. The year '2017' is written in large orange numbers at the top, and '2016' is written in large orange numbers at the bottom. Market data for each year is presented in three columns: Seller's Market, Evenly Balanced Market, and Buyer's Market.

2017

70%
SELLER'S
MARKET

3%
EVENLY
BALANCED
MARKET

27%
BUYER'S
MARKET

2016

58%
SELLER'S
MARKET

5%
EVENLY
BALANCED
MARKET

37%
BUYER'S
MARKET

“Everybody is leery in the company about making those long-term commitments. You may not get the right price, but you also don’t want to put the company at any risk.”

DEBORAH STARK

MPI New England Chapter
Field marketing manager, the Americas,
Charles River Development

REINVENTING SPONSORSHIP

Forget the same old sponsorships. To compete for sponsors’ dollars, host organizations need to freshen things up.

“If it’s for a conference or an event specifically people are looking for new and different things to sponsor,” says Katie Riggs, CMP, CAE (MPI Indiana Chapter), vice president of client and conference services at Raybourn Group International, an association management company in Indianapolis. “It does make it more creative and more fun.”

One type of sponsorship that is in demand, says Lisa Burton, CMP, senior vice president of Meeting Expectations in Atlanta, is a headshot lounge, where attendees can get a new professional headshot. “That is something that can give some visibility for the length of the conference,” she says.

With creativity percolating, sponsors are expecting meeting organizers to tailor their sponsorship packages in unique ways. “They are looking for more custom type things,” Burton says. Sponsors also want to make sure they get a lot of bang for their buck—and they are finding meeting professionals more than willing to help.

With the bar higher on creativity and customization, many sponsors expect more evidence of a return on investment than in the past and want to see more detailed metrics showing they have achieved that.

“For those people who had the most positive expectations of future sponsorship dollars, we saw that creating new sponsorship packages was key,” says Bill Voegeli (MPI Georgia Chapter), president of Association Insights, the Atlanta-area research firm that conducts the *Meetings Outlook* survey. “In fact, for people who said they are creating new sponsorship packages and new ways to sponsor events, 100 percent predicted an increase in their sponsorship revenues.”

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MGM GRAND® DETROIT, MICHIGAN MGM NATIONAL HARBOR®, MARYLAND MGM® SPRINGFIELD, MASSACHUSETTS GRAND VICTORIA® ELGIN, ILLINOIS MGM MACAU™, CHINA
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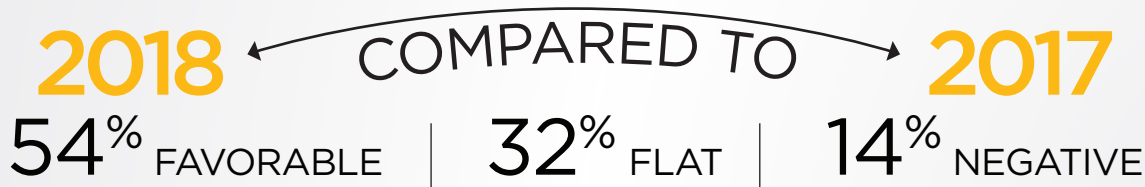
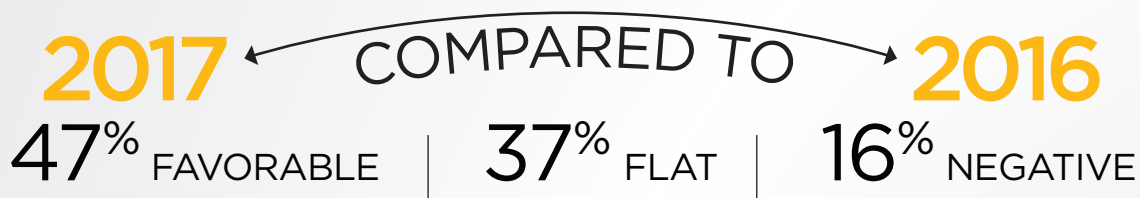


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SPONSORSHIP BUDGETS: HEALTH AND TRENDS

Sponsorship budgets are on the rise, but that's not the big story here. 100% of planners who are improving sponsorship packages and the variety of opportunities available to sponsors also expect increases in sponsorship revenue next year. Yet, the **majority of planners who feel they must prove the ROI of sponsorships expect flat or negative sponsorship revenue next year.**



The tenor of the market is affecting both big-picture planning and small details of meetings. Molly Marsh (MPI Kentucky Bluegrass Chapter), director of education and engagement design for AMR Management Services in Lexington, Ky., has found it is harder to make last-minute arrangements if, for instance, an attendee wants to secure a conference room for a last-minute meeting at a hotel.

"Now, if you can even get the room, they will charge you \$500 to rent it and the audiovisual company will charge you for the phone," Marsh says. Then again, she understands why the hotel is charging extra. "I don't think that's wrong," she says. "If space is at a premium, we should pay for it."

However, the market is still in flux and, as the survey found, it is just barely a seller's market.

"You have a supply-and-demand curve that is slightly favorable toward demand right now," explains Bill Voegeli (MPI Georgia Chapter), president of Association Insights, the Atlanta-area research firm that conducts the *Meetings Outlook* survey.

Survey findings suggest the market is going to continue to grow, possibly at an increasing rate, with demand slightly outpacing growth in supply.

"This is a continued healthy market," Voegeli says. "Not only do we have indications of employment being up but of business conditions being up, live attendance being up and virtual attendance being up."

Beyond the seller's market, meeting professionals remain very reactive to safety and security concerns—an ongoing development in recent months—and have continued to focus on contingency planning and safety and security education.

Terrorist acts in the U.K. and the shooting at a U.S. Congressional baseball practice have been the latest in a long series of tragic reminders of the need to be prepared for every potential scenario.

"Security is a major, major issue," says Lou Marrocco, CMP, SEPC (MPI Philadelphia Area Chapter), director of The Conference Center at the Chemical Heritage Foundation, a 13,500-square-foot facility in Philadelphia.

Concerns about security are prompting meeting professionals to give extra scrutiny to situations where there is the potential for additional risk. No meeting professional likes to turn down business, but Marrocco did just that recently. An organization that had taken a stance on a controversial issue wanted to make sure that there would be no other clients in the building who disagreed with its position if it held an event there. Marrocco wasn't comfortable with the request.

TREND FORECAST

51% of respondents do not have Wi-Fi bandwidth usage data from previous meetings

BILL VOEGELI
MPI Georgia Chapter
President, Association Insights

“This is a continued healthy market. Not only do we have indications of employment being up but of business conditions being up, live attendance being up and virtual attendance being up.”

“It didn’t jibe well with our culture, and the safety issue for our internal staff was not satisfied,” he says. “We declined to take the piece of business.”

Marrocco’s team is also continually refining the security measures they use.

“We are staying aware and trying to see what other colleagues are doing,” he says.

At present, there is only access to the building on one floor. The building also has an emergency plan in place, in the event of an evacuation. For instance, the team has a designated meeting place outside of the building to meet for a roll call, and there are special buzzwords they can use to alert each other of potential danger.

“If there is an issue, we would call this particular word and everyone from in-house supervisor and maintenance to my team would show up wherever that is,” he says. “Fortunately it hasn’t happened.”

Marrocco, who also plans meetings at Brandywine Events, where he is president, looks for similar vigilance when he sources meeting venues.

“Maybe it’s not on the initial RFP but once we get to the point of ‘It’s between this property and another property,’ we ask for an emergency plan to be in place,” he says. “There are some instances where stakeholders are the ones who could be potentially targeted. We want to make sure there are contingency plans for them, and the security units are brought up to speed at the hotel.”

Charles River Development’s Stark keeps a close eye on the news to stay abreast of what is happening in major cities, particularly those where her firm is holding events.

“A year out, you should see what has been happening there, if they have had any issues and how much security is in that city,” Stark advises. “Before you have booked a venue, you need to ask for a security plan. They are more than happy to share it with you.”

A hotel should also be able to share what it will do if someone malicious brings down its technology networks, she notes.

“If your event totally depends on internet and Wi-Fi, and your apps are tied in, what is the contingency plan?” she asks. “Is there a switchover in the hotel? Is there redundancy? People need to start thinking about that more.”

For Marsh, security is less pressing.

“We have rarely had a security issue,” she says. Her firm’s main client is the National Association of State Procurement Officials. “Most of our meetings and conferences are limited to our members only and our special invited guests.”

Business Conditions

A STABLE BUSINESS ENVIRONMENT IS STILL INDICATED, with some signs of slowing or uncertainty. Predictions for business growth over the next year have been scaled back to 1.6%, from 3% last quarter.

56%

of respondents predict
FAVORABLE
business conditions

19%

of respondents predict
NEUTRAL
business conditions

25%

of respondents predict
NEGATIVE
business conditions

Projected Budget/Spend Over the Next Year

BUDGET OUTLOOKS HAVE EDGED SLIGHTLY MORE POSITIVE FOR THE PAST TWO QUARTERS, with 10% more respondents citing a “favorable” forecast than in the winter.

55%

of respondents predict
FAVORABLE
budget/spend

28%

of respondents predict
FLAT
budget/spend

18%

of respondents predict
NEGATIVE
budget/spend

ATTENDANCE FORECASTS

LIVE AND VIRTUAL ATTENDANCE FIGURES ARE
EXPECTED TO GROW 1.6% AND 2.4%, RESPECTIVELY.

PROJECTED **VIRTUAL**
ATTENDANCE

52%

POSITIVE

43%

FLAT

5%

NEGATIVE

PROJECTED **LIVE**
ATTENDANCE

52%

POSITIVE

30%

FLAT

18%

NEGATIVE

“...once we get to the point of ‘It’s between this property and another property,’ we ask for an emergency plan to be in place.”

LOU MARROCCO, CMP, SEPC

MPI Philadelphia Area Chapter
Director, The Conference Center at the
Chemical Heritage Foundation and
President, Brandywine Events

Nonetheless, Marsh’s company does put a crisis plan in place for its meetings.

“It’s mostly a communications plan,” she says. “If something happens, this is who, back at our office, needs to be contacted.” AMR reviews its plans with the hotel to make sure it is aware of the property’s security protocol, too.

IMPACT OF TRAVEL BANS

Meeting professionals are also grappling with the ongoing effort by U.S. President Donald Trump to implement a travel ban involving six Muslim-majority countries.

“To some notable extent, Canada is the beneficiary of the travel bans,” Voegeli says.

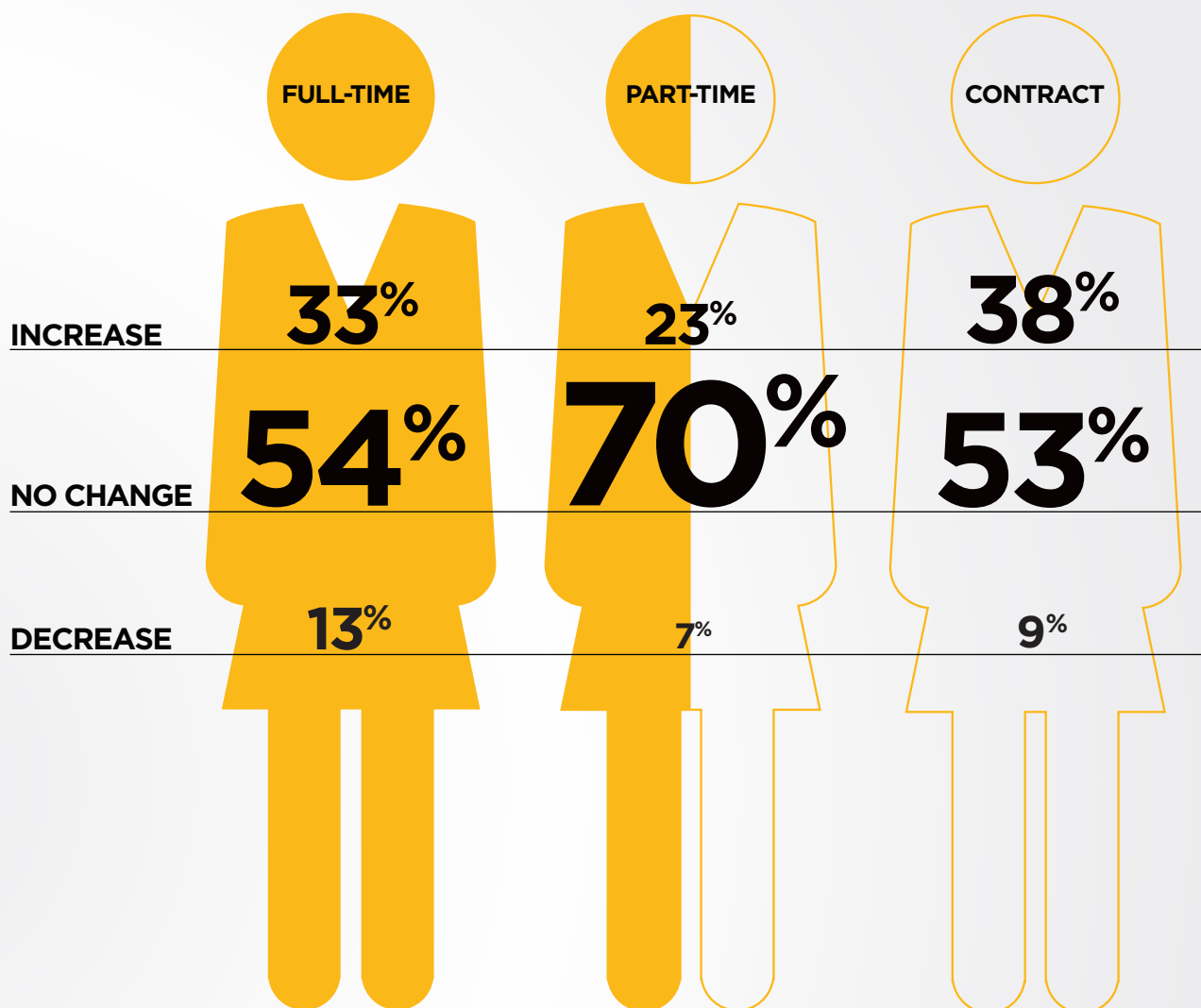
Stepped-up immigration law enforcement has also played a role, according to Voegeli.

“There are a number of events scheduled to occur in the U.S. that have moved to Canada out of concern that some of the attendees may not be allowed into the U.S.,” he notes.

In the current environment, some potential meeting attendees don’t want to leave the U.S., the research found.

“If their immigration status isn’t crystal clear, there is a concern you could leave the country and not be allowed back in,” Voegeli says.

GLIMPSE AT CURRENT EMPLOYMENT TRENDS



At the same time, however, planners are also found to be strategic in seeking alternatives that don't require physical travel (virtual/hybrid meeting options), but still planning for an increase in attendance, both live and virtual.

"Even though the election is done, and Trump is in office, there is still an unsettled feeling," says Tyra Hilliard, CMP, PhD, JD (MPI North Florida Chapter), an attorney based in St. Simons Island, Ga. who serves the meeting industry, as well as a professor who teaches courses in hospitality, meetings and events and business for the College of Coastal Georgia. "Once there is an unsettled feeling, companies tend to hold onto their money. Even though it is a seller's market, we may see that curb some travel and meetings."

Hilliard believes the industry will see more meetings held in European countries, instead of coming to the U.S.

"I see a lot of multinationals rolling out tech more," she says.

Yet, she believes the industry is up to solving the

challenges ahead: "I think it's our job to look at what is happening in the world and figure out how it might affect the meeting industry, so we can be proactive instead of reactive." ■

Explore and compare the latest and all archived editions of *Meetings Outlook* at www.mpiweb.org/MeetingsOutlook.



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