



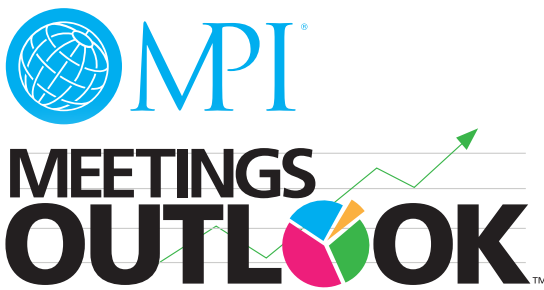
MEETINGS OUTLOOK™



Demand for face-to-face meetings and events continues to grow, pushing well past the darkest days of the pandemic and revealing the enduring need and desire for in-person gatherings.

2023 WINTER EDITION

The Bottom-Line **vs** Long-Term Relationships



By Michael Pinchera

Is the overwhelmed, resurgent live event landscape choosing quantity over quality?

The demand for face-to-face meetings and events continues to grow, with the vast majority of respondents (85%) to MPI's latest Meetings Outlook survey indicating favorable business conditions for the year ahead.

Richard Miseyko, CMP, CMM (MPI Tampa Bay Area Chapter), president of Site Search Inc., says that as his groups returned to face-to-face events, they began with very conservative room blocks, "only to find their attendees were aching to reach out and touch again. I'm seeing all of them increasing their requirements with cautious optimism."

In Europe, Robbert Weddepohl (MPI Netherlands Chapter), group venue director at Stage Entertainment and a member of MPI's International Board of Directors, is seeing growth in not only the number of requests for events but, encouragingly, also in the available budgets.

"Many companies have been relatively silent for two years when it comes to meetings and events or have done a lot online," Weddepohl says. "Now you see the need from various perspectives to talk to each other again, to be together and to create an interpersonal dynamic."

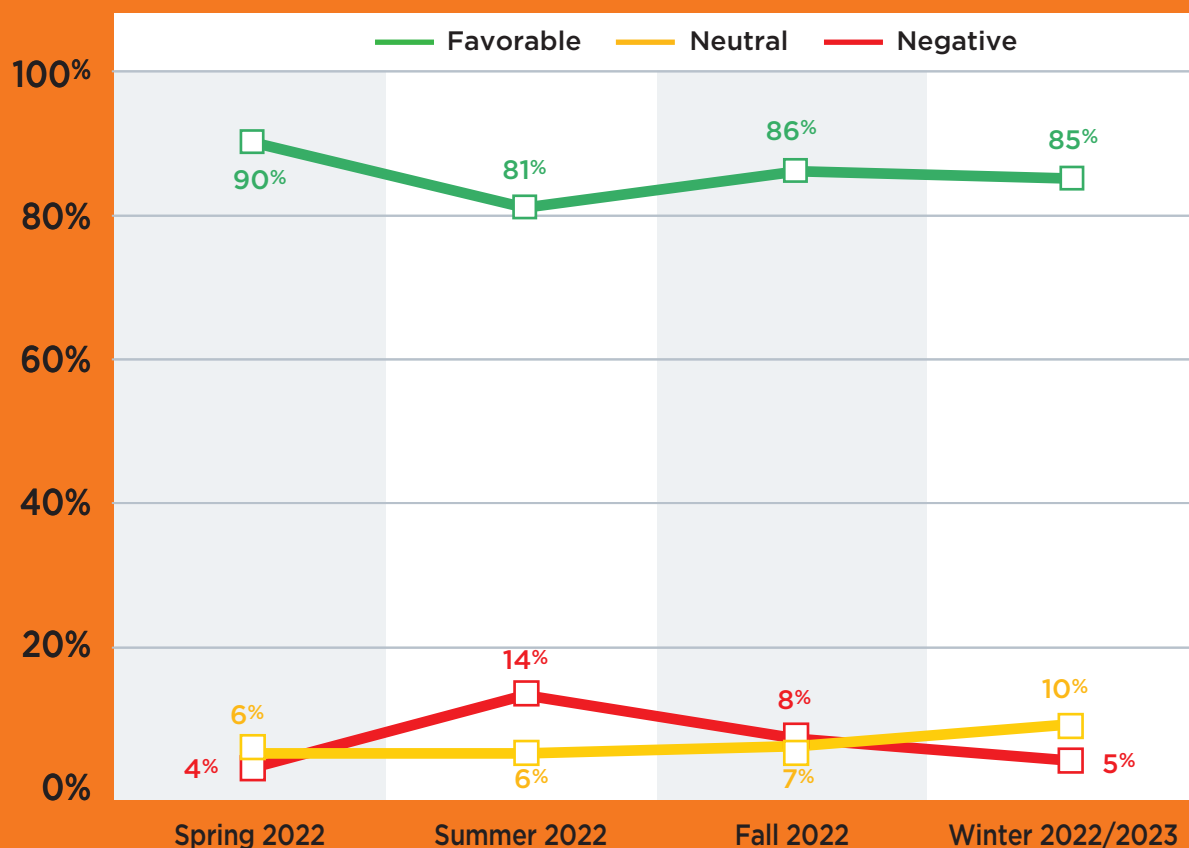
Growth brings challenges

While such an exuberant return to live events is great news, the associated challenges can be significant. Many venues and other suppliers are booked; the flipside—in concert with staffing issues being experienced across most industries, but especially hospitality—is planner concerns about service levels, the quality of relationships and, for some, a sense of being taken advantage of.

Still solidly a seller's market (as reported by 64% of respondents), the percentage of respondents identifying

BUSINESS CONDITIONS

Overall business projections remain incredibly positive with only 5% of respondents expecting a negative near future—that's the second-lowest "negative" result to this data point in the survey's history. In fact, 37% of all respondents project business conditions will be more than 10% better.



the market landscape as “balanced” (21%) is the greatest seen in the survey.

In survey comments, Lauren Fredrickson (MPI Kansas City Chapter), director of meetings and events at the International Association of Plastics Distribution, noted: “F&B and A/V is absolutely out of control. We are now looking into more second-tier markets rather than being taken advantage of.”

An indication of how the planner-supplier dynamic has shifted—and how he’d like to see it handled in what he views as a more even, fair manner—Miseyko adds, “Before and through the pandemic I was fortunate to have possible attrition and/or cancellation damages based on the actual lost profit to the hotel, rather than lost revenue. When it comes to cancellation of an event,

it’s fair to request a two-way street. Damages to the group are laid out in great detail, yet there is nothing about the possibility of the hotel cancelling the group. I’d like to see the same schedule of damages applied to the hotel if they boot the group. In lieu of a two-way street, I have seen hotels specify a flat amount if you’re kicked to the curb. And it happens more often than it should when a hotel finds a more profitable piece of business.”

To the consternation of all, the majority of survey respondents are still finding it difficult to acquire suitable staff. While the percentage stating this is down slightly for the second consecutive quarter (58%, compared to 62% last quarter), respondent comments in the survey are still littered with mentions of staffing shortages and lagging service/skill levels of staff.

“In nearly every market, we have found service issues remain as the hospitality industry continues to struggle to find, train and keep good talent.”

JOSH ADAMS

MPI Northern California Chapter

“Due to the uncertain time of the pandemic and the decline of in-person events in that period, you see that a fair number of people have left the meeting and event industry,” Weddepohl says. “With the return of in-person events and tremendous growth in the market, you see a lot of entrants, new talent joining our industry. That offers new energy, new dynamics and new opportunities. That also means rebuilding relationships and building trust with each other. The permanent core of event professionals who have stayed must open up to involve this new core, but also to learn from the new insights they bring.”

MARKET LANDSCAPE

While the percentage of respondents identifying the market landscape as “balanced” is the greatest we’ve seen, for the majority it’s still very much a seller’s market.

	Fall 2022	Winter 2022/2023
Buyer’s Market	19%	15%
Balanced Market	16%	21%
Seller’s Market	64%	64%

With newer staff filling the roles of experienced veterans, there can be something of a reset for professional relationships as well as service levels that had been, some might say, perfected by pre-pandemic professionals.

“The greatest challenge at the moment is qualified, professional staffing,” says Josh Adams (MPI Northern

California Chapter), industry relations strategist, Streamline Events. “In nearly every market, we have found service issues remain as the hospitality industry continues to struggle to find, train and keep good talent.”

It’s not that any suppliers want to short-change planners and groups, but many are struggling to keep up. As a result, many planners report challenges with timely RFPs and communications (or the lack thereof), contract terms and negotiations (again, or the lack thereof) and a sense that some businesses are seeking quantity over quality.

Jennifer Lazarz (MPI Houston Area Chapter), event planner and trade show manager, Medical Informatics Corp., expects that over the next year, decisionmakers will be a bit more fiscally cautious due to the workforce challenges and increased overhead.

“There is a stretch in demand for services from vendors that wasn’t there before due to the fact that clients/companies don’t have employees to fill voids,” Lazarz says, anticipating overall business to dip slightly in 2023. “This is why I think in some ways business will decline—neither the client nor some vendors can meet their operational goals.”

Such staffing issues are affecting industry professionals across many sectors and specialties, but suppliers have been hit especially hard—many experienced large layoffs or furloughs and are now getting more business than they can handle.

“Staffing levels have not returned to normal and that holds true for the sales end of things,” Miseyko says. “Hoteliers are stretched thin; their markets and territories have been expanded and they often have to represent several properties in their area. This is only slowing the booking process.”

Simply put, he says many suppliers put too much on one person’s plate in the current business landscape.

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JENNIFER LAZARZ

MPI Houston Area Chapter

“They can’t have their finger on the pulse of what’s happening at all their hotels on any given day,” he says.

The attention to detail and evidence of care or a supplier truly showing that they want a client or a certain piece of business is often lacking nowadays, he says.

“I did a site inspection last summer at an Orlando theme park hotel and ended up asking for a contract and the rep told me she’d ‘try’ to get the contract within two weeks,” Miseyko says, from his vantage point, focusing primarily on the site selection side of things. “I’ve had one major chain quote me a rate and, when I went back to them a week later, I’m told the bid is no longer valid.

They have run the dates, rooms and space through their algorithm again for a new quote. And I’ve never seen that rate go down.

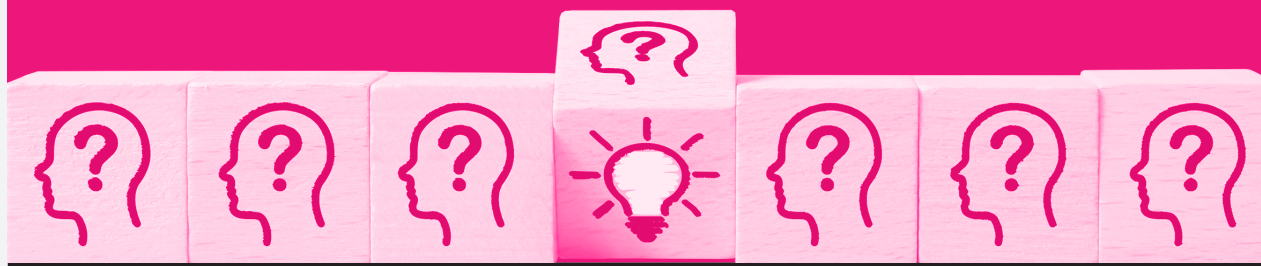
“There’s much less preparation overall for site inspections and that’s a direct result of over demand. When I see a hotel put the time and energy into a site inspection it shines a spotlight on them. If I’m doing sites with a client and we’re looking at five hotels, it’s the ones where the GM does a meet-and-greet or the property has gleaned some special detail from the client profile that stand out. Those hotels that don’t make the effort generally fall to the bottom of the list.

HIRING CHALLENGES

For the second quarter in a row, the percentage of respondents experiencing difficulty finding suitable staff has declined (58%, compared to 62% last quarter), yet staffing shortages remain.

Are you finding it difficult to fill job vacancies at your organization?

	Spring 2022	Summer 2022	Fall 2022	Winter 2022/2023
Yes	54%	69%	62%	58%
No	35%	24%	27%	36%
Unsure	12%	8%	11%	7%



EMPLOYMENT TRENDS

Full-time hiring has increased for each of the past six quarters. Perhaps most significantly, the latest result—49% of respondents indicating an increase in hiring—is the highest this metric has been in the history of Meetings Outlook.

	Spring 2022	Summer 2022	Fall 2022	Winter 2022/2023
FULL TIME				
Increasing	39%	40%	41%	49%
No Change	43%	40%	42%	41%
Decreasing	16%	20%	16%	9%

	Spring 2022	Summer 2022	Fall 2022	Winter 2022/2023
PART TIME				
Increasing	31%	32%	35%	31%
No Change	51%	58%	48%	57%
Decreasing	11%	10%	11%	7%

	Spring 2022	Summer 2022	Fall 2022	Winter 2022/2023
CONTRACT				
Increasing	38%	40%	33%	33%
No Change	47%	51%	53%	52%
Decreasing	8%	10%	8%	9%

"I did a site a few weeks ago at Hyatt Regency Coconut Point and, when we met in the lobby, the entire upper management team, led by the GM, came out in t-shirts with my client's logo on them. Long story short, they got a two-year booking out of it. Those who stand out get the bookings. It can take very little effort to stand out."

Many current industry professionals are also overwhelmed with the flood of business while also working with diminished staffing levels. This can rationally cause workers to focus on the bottom line rather than long-term goals, including professional relationships.

"I started in this industry in January 1979 at the New York Hilton at Rockefeller Center...the day Conrad Hilton passed away," Miseyko says. "Hospitality had a much deeper and richer meaning back then. I stay encouraged when I see the younger generation of hoteliers that 'gets it.' I just wish I saw more of it rather than the 'book 'em and cook 'em' mentality."

He says he's also seeing seasoned hoteliers and CVB reps with which he's developed relationships over the decades being replaced.

"I don't understand the mentality behind this other

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RICHARD MISEYKO, CMP, CMM

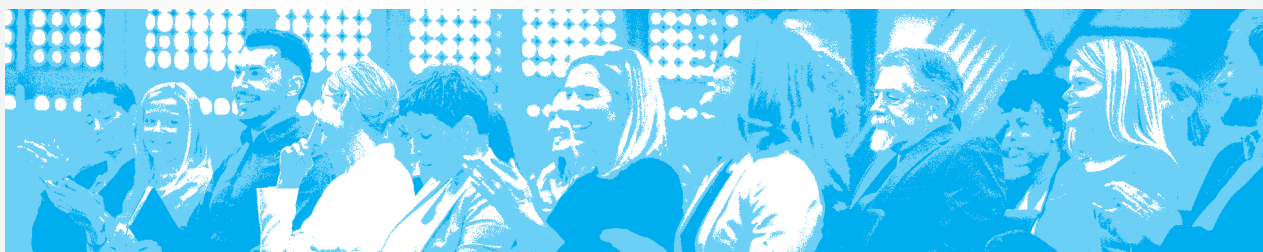
MPI Tampa Bay Area Chapter

than impacting the bottom line with cheaper, less experienced labor,” he says.

Weddepohl also brought up contracting issues extending from the staffing challenges as affecting relationships.

“There is still some caution among planners when it

comes to guarantees, bookings, prepayments and conditions. Locations and suppliers, on the other hand, are eager for guarantees and securities,” Weddepohl says. “This can cause some tension and perhaps even friction. It is precisely then that relationships and trust are essential in



ATTENDANCE FORECASTS

Live-event attendance expectations remain near all-time highs; those indicating favorable virtual attendance expectations are the weakest we’ve seen and respondents citing “negative” virtual attendance projections remain near all-time highs.

PROJECTED LIVE ATTENDANCE

	Spring 2022	Summer 2022	Fall 2022	Winter 2022/2023
Positive	85%	82%	80%	82%
Flat	6%	5%	6%	8%
Negative	9%	13%	14%	10%

PROJECTED VIRTUAL ATTENDANCE

	Spring 2022	Summer 2022	Fall 2022	Winter 2022/2023
Positive	26%	17%	19%	13%
Flat	22%	21%	30%	28%
Negative	50%	60%	49%	59%

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ROBBERT WEDDEPOHL

MPI International Board of Directors

order to achieve the right cooperation with each other.”

From Lazarz’ side, the disconnect between expectations and reality for clients and those in the C-suite—with costs and what’s feasible—has been a leading challenge.

“I’ve heard repeatedly over the last few months, ‘Well, it was included before,’” Lazarz says. “I’m doing a lot more education about what costs really are and painting a broader picture about overdue industry change that was forced by the pandemic.”

Simply from a rates-and-space perspective, Adams has often been recommending second-tier destinations.

“Quite honestly, the primary benefit is finding space and rates when dates are non-negotiable,” Adams says. “Apart from that, second-tier cities are often more welcoming and easier to work with.”

Possible solutions

“Entering into an open conversation with each other and discussing possible barriers and looking for joint solutions is key to the success and healthy growth of our industry,” Weddepohl says.

One possible solution is to focus on event design with all stakeholders—including venue staff—to help them understand the thought that goes into crafting these experiences. Encourage supplier partners to collaborate, to make their involvement deeper and more meaningful and to build those long-lasting professional relationships.

“The time of just plenary sessions/speakers, panel sessions and break outs is really over,” Weddepohl says. “In order to engage and captivate your audience, you really have to look at the target groups and the associated needs. MPI offers a lot of knowledge and information

when it comes to event design. The Event Design Canvas can be a great way to understand your target audience and create the mood of the event. It is about gathering information from the market, stepping out of your own comfort zone and exploring the pains, gains and needs of your stakeholders.”

Another approach is enhancing awareness of what success in events—and meeting/event professional relationships—really looks like, not just for accomplishing business today, but for the length of one’s career.

“Talking to peers, exchanging experiences, participating in events at your local chapter but also internationally offers a lot of insights and knowledge,” Weddepohl says. “On the MPI website there are many forums and communities to discuss this with each other and to ask each other for advice. Open up, take off your eye caps or blinders, think outside of the box and sometimes look at the event design from a distance without being distracted by practical operational issues. Doing that can offer a lot of clarity.”

Miseyko similarly believes there’s value in sharing success stories with peers—new and old.

“You could highlight the successful booking processes and practices for those suppliers willing to share it,” he says. “Or share the planner perspective about what made a hotel, destination or transportation company stand out—what was the extraordinary effort that paved the way for the planner to do business with the supplier?”

It may sound overly simplistic, but it’s accurate to say that many of the challenges currently affecting meeting professionals could be resolved with a greater focus on conversations, relationships and empathy and understanding.



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