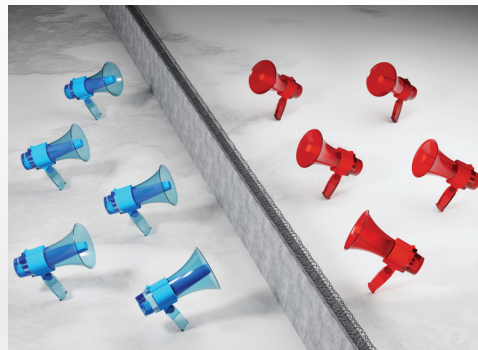




MEETINGS OUTLOOK™



Even as the live event industry looks to remain strong through 2025, event professionals express concern about cost increases, inadequate budget growth and political and economic uncertainty.

2025 Q1 EDITION



A Positive Business Forecast Faces Off with Fiscal Realities



By Elaine Pofeldt

It's not your imagination that in-person meetings are making a strong comeback. MPI's Q1 2025 Meetings Outlook survey found that 76% of respondents expect favorable live attendance throughout 2025, up from just under 71% a year ago.

That's helping to drive positive business sentiment despite an inflationary environment, with 71% expecting favorable business conditions over the next year.

"Any proper company knows that you can't just live on virtual and Zoom alone," says Ramon Ray, a keynote speaker and event organizer who works with tech-industry clients such as Dell, Salesforce and Zoho. "Bringing people together, shaking hands, hugging, having a live conference—it's great for sales [and] there's just nothing like that to build connection and build brand recognition."

As more people attend face-to-face meetings, predictions for virtual attendance remain lower, with 47% of this quarter's respondents expecting a decline in virtual attendance, the largest percentage seen in a full year. Meanwhile, 18% of respondents project virtual attendee growth in 2025, the same as this time a year ago.

An unending budget crunch

In the current marketplace, declining budgets are a frequently cited concern. While 61% of respondents anticipate favorable budgets and spending over the next 12 months, that's down from 72% who said the same a year ago.

Forty-seven percent of respondents said they were "very concerned" about costs outpacing budgets in 2025, and 43% were "somewhat concerned." That cost-budget issue landed at the top of the list as the

“My nonprofit clients are holding back on committing to new in-person live events...until they see what the conditions are after President Trump is in office. Just so much uncertainty—with threats of tariffs and counter-tariffs, and cutoffs in funding from both government and non-government sources.”

ROBERT KRAUS

MPI South Florida Chapter

greatest concern. And that's understandable as the survey data indicates myriad cost increases hitting many meeting professionals.

“Costs continue to rise on just about anything,” said Gary Schirmacher, CMP (MPI Rocky Mountain Chapter), senior consultant, talent acquisition at Maritz, in his survey comments. “It is almost impossible to use a zero-increase budget mentality these days. Passing the cost increases on to attendees will at some point bring the law of diminishing returns into play.”

More than half of respondents experienced F&B and audiovisual cost increases greater than 6% in 2024. In fact, F&B costs saw the greatest increase by the most respondents with 27% claiming those costs grew by more than 10% last year. Following closely, 20% of event professionals cited audiovisual cost increases of greater than 10% in the same period.

Costs were up notably across all included segments—F&B and audiovisual as well as transportation, accommodations, staffing, meeting space, marketing and swag—for a majority of respondents.

This trend is expected to continue, with most respondents anticipating costs will continue rising notably throughout 2025, though not as severely as what was seen last year. While a majority of respondents expect F&B costs to grow by at least 6% this year, nearly one-quarter anticipate those costs will rise more than 10%. (See full 2024 and 2025 cost data at the end of this report.)

Even though these cost increases are impacting planners and suppliers, many in the industry feel they're at a disadvantage in negotiations.

Citing challenges such as increased pricing on F&B, audiovisual and room rates, Vanessa Huff Revlett, CMP

BUSINESS CONDITIONS

The overall business conditions outlook has slipped a bit this quarter with 71% of respondents expecting favorable conditions over the next year (the lowest seen since Q2 2024).

	Q2 '24	Q3 '24	Q4 '24	Q1 '25
Favorable	68%	72%	78%	71%
Neutral	16%	18%	13%	18%
Negative	16%	9%	9%	10%

(MPI Kentucky Bluegrass Chapter), account director at IMN Solutions, noted in the survey, “Contract terms are becoming more one-sided. Vendors are requiring more 100% upfront payments than ever before.”

Some meeting professionals are postponing innovative new plans that are cost-prohibitive now.

“With the cost of F&B increasing year over year, I have not been able to implement new and trending F&B into our breaks, receptions and dinners,” said Tammy King (MPI Chicago Area Chapter), manager, national learning and development at Anderson, in her survey response.

Other meeting professionals find they’re making undesirable compromises when it comes to venues—concessions that may impact an event’s overall success.

“Budgets are staying fairly stagnant, but venue costs are continuing to rise dramatically, forcing us to decrease quality,” said one planner who requested anonymity. “This is, in turn, slowly decreasing the number of attendees choosing to attend the events.”

And costs aren’t the only factor, as organizers navigate space constraints.

“I am experiencing a vast upswing of meeting space requirements that exceeds my peak night requirements,” said a U.S.-based planner who requested anonymity. “I’m having to work the space available to accommodate the lack of room nights on peak. It’s getting very difficult.”

In the worst-case scenarios, cost-related

challenges are influencing whether organizers will hold events at all.

“Right now, I am finding my nonprofit clients are holding back on committing to new in-person live events for 2025 until they see what the conditions are after President Trump is in office. Just so much uncertainty—with threats of tariffs and counter-tariffs, and cutoffs in funding from both government and non-government sources,” said Robert Kraus (MPI South Florida Chapter), owner of Small Conferences, in his survey response prior to the inauguration.

Kraus added that the significant cost increases in 2024 follow major increases seen in preceding years.

This effect on planners is also impacting industry suppliers.

“Buyers are constantly worried about cost and tightening the purse strings...as a seller, we are flexible on price just to close the deal,” said one U.S.-based supplier who requested anonymity.

In the current environment, some vendors are listening even more carefully to clients’ concerns.

“Cost is still the main driver for our clients,” said Seth Macchi (MPI Carolinas Chapter), CEO of Live Media Events Group in Charlotte, N.C., in his survey response. “So, we’re constantly looking for ways to add more value while reducing our underlying expenses so that we can remain competitive.”

As another vendor shared anonymously, “The overall cost of executing a conference continues to rise. As an audiovisual company—being one of those

BUDGET PROJECTIONS

In the current marketplace, declining budgets are a frequently cited concern. While 61% of respondents anticipate favorable budgets and spending over the next 12 months, that’s down from 72% who said the same a year ago.

	Q2 ‘24	Q3 ‘24	Q4 ‘24	Q1 ‘25
Favorable	66%	72%	71%	66%
Flat	19%	16%	21%	21%
Negative	15%	12%	8%	14%

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GARY SCHIRMACHER, CMP

MPI Rocky Mountain Chapter

aspects—we have to become more creative and decrease our margins to keep clients.”

Embracing creative thinking

To make the most of the demand for live meetings in a cost-constrained environment, organizers are looking under every rock for places to save that won’t hurt the overall event experience or keep attendees away next year.

Ramon Ray’s approach is to focus on programming,

while seeking what’s “good enough” when it comes to food and beverage, venues and staging.

“No longer do you have to spend money on the best food—you can spend money on ‘good enough’ food,” Ray says. “You can dig a little deeper and instead of a five-star hotel, go to a ‘good enough’ three-star hotel.”

With smart sourcing, frugality doesn’t necessarily have to hurt the quality of the event, he finds. This is where experienced, skilled event pros can shine.

WHAT’S KEEPING YOU UP AT NIGHT

To what extent are you concerned about the following aspects of your business in 2025?

	Very Concerned	Somewhat Concerned	Not Concerned
Costs outpacing budgets	47%	43%	10%
Political uncertainty	46%	38%	17%
Economic uncertainty	40%	49%	11%
Legislative changes	37%	39%	24%
Service quality	26%	40%	34%
Retaining staff	24%	37%	39%
Acquiring new clients/partners	20%	43%	37%
Sustainability	20%	43%	37%
Acquiring new staff	19%	43%	38%
Overall business	16%	56%	28%
Travel disruption	15%	50%	35%
Retaining current clients/partners	15%	45%	40%

“Work with a good event professional, meaning an event manager,” Ray advises. “Lean on them and coordinate with them now to help you save money on vendors for flowers, audiovisual, decoration, badges, carpeting and volunteer staff—all those things.”

For instance, when renting chairs, a knowledgeable planner might help you save 30% by opting out of plush cushions on the armrests, without much impact on attendees’ experiences or perceptions of the event.

It’s also essential to make sure attendees truly see the value that an event delivers.

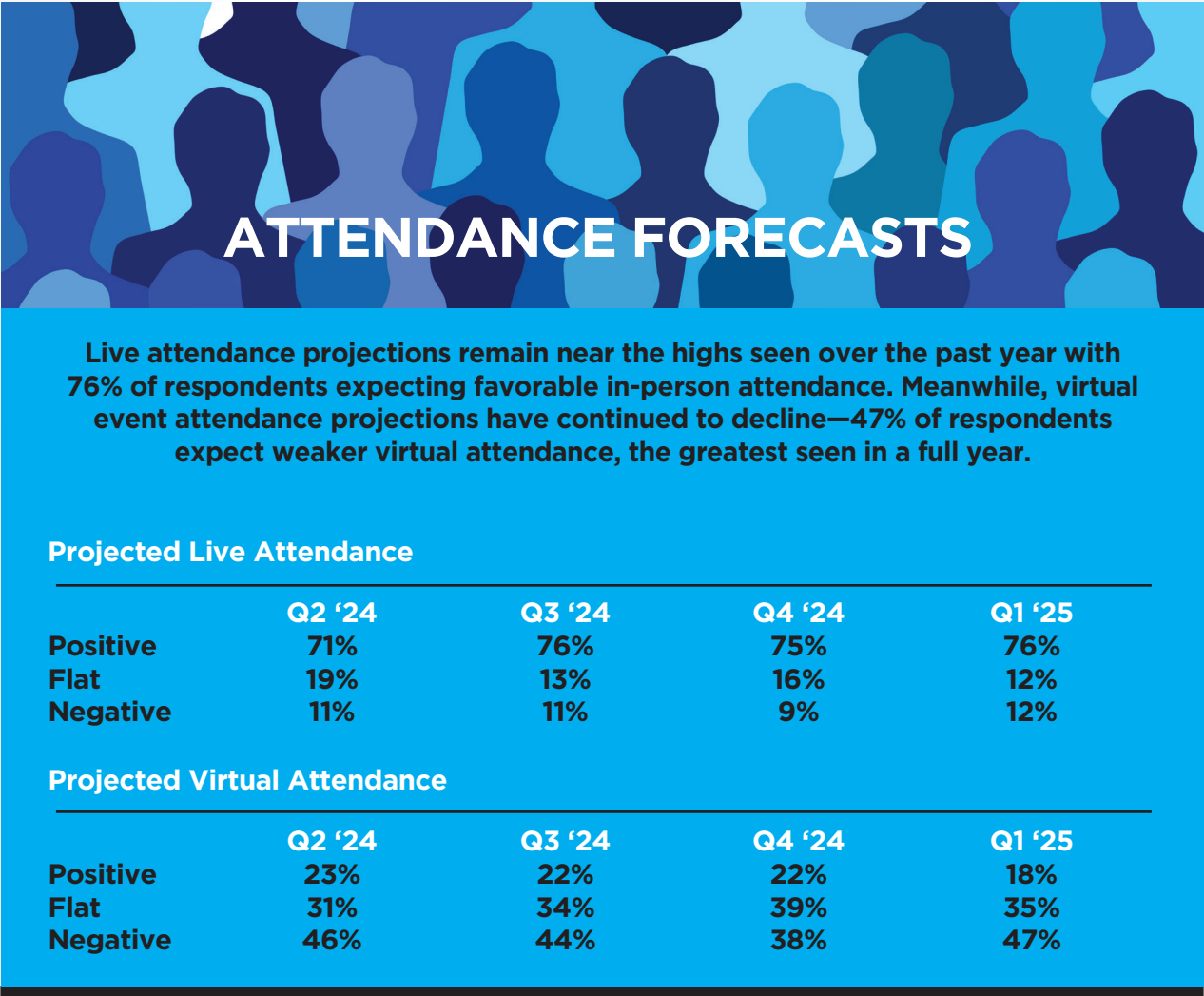
“For the meeting industry, it’s going to be about digging deeper than they ever have in identifying the specific value proposition they need to deliver to attract and retain attendees,” says Michael Scott, a keynote speaker based in Fort Collins, Colo. “Meetings leadership will need to ensure they’re making

the necessary pivots to ensure their value proposition remains solid.”

Nancy Shenker, a marketer who runs the ON-switch in Scottsdale, Ariz., has worked in the meeting industry for several decades. She agrees that meeting professionals need to make sure their approaches remain as relevant to audiences as possible to make the most of the comeback of live events.

“I think the onus is on the industry to understand why people are or are not attending their meetings and events,” Shenker says. “It’s marketing 101: create experiences that people will walk away from and say, ‘Oh my God, that was two days well spent.’”

She encourages industry leaders to pay close attention to what attracts younger attendees who grew up in a digital environment and don’t necessarily see the same value in getting together in person as seasoned veterans.



Shenker is currently chairing a small, curated conference in September for one of her biggest media clients.

“I’m always telling my publisher that if we’re going to get people in their 20s and 30s to show up, we have to make it as exciting as a Taylor Swift concert, which is a tall order because it’s not a generation that has grown up with [as many] live experiences,” she says.


For another client she is pitching, she has offered to share out-of-the-box ideas to attract attendees to the show.

“A lot of event organizers are now staging concerts and celebrity appearances as part of their trade shows—whatever will get warm bodies through the door,” she says.

Great entertainment can sometimes trump a fancy menu, according to a planner who requested anonymity in the survey, saying, “My clients are more interested in a fun experience (and more unusual ones) than sitting down to dine. They want photo ops, trending atmosphere and to feel like they’ve been to a party more than to an ‘event.’”

COST INCREASES

Costs were up notably across all meeting elements for a majority of respondents. This trend is expected to continue, with most respondents anticipating costs will continue rising throughout 2025, though not as severely as what was seen last year.

Realized cost increases in 2024				Anticipated cost increases in 2025		
>10%	6%-10%	Up to 5%		>10%	6%-10%	Up to 5%
27%	32%	21%	F&B	24%	27%	28%
20%	26%	27%	Audiovisual	16%	26%	29%
15%	30%	32%	Hotel accommodations	12%	30%	34%
8%	21%	35%	Meeting space	9%	21%	34%
13%	19%	27%	Staffing	10%	20%	31%
16%	22%	30%	Transportation	13%	19%	37%
7%	19%	32%	Marketing	8%	13%	34%
5%	20%	30%	Swag	10%	17%	30%



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