The meeting and event industry continues to recover but at a more sustainable pace than we’ve seen throughout the drastic ups and downs of the past 30 months.
While hiring challenges have reached an all-time high, many respondents are also seeing that costs are up, and service levels are down.

Darryl Diamond, CMP (MPI Potomac Chapter), has had a pleasant surprise as the U.S. has emerged from the pandemic: There are brand new audiences to serve as he works with his association clients as a senior meeting manager at Talley.

“What we learned in the pandemic and the switch to virtual meetings is there are new audiences we had not considered or just didn’t know about for our meetings,” Diamond says. “There are people who maybe don’t have budgets, don’t have money, their family or work situations don’t allow them to travel for a week to a destination for a meeting. They are now able to access the same content. We’re talking scientific research and clinical treatment plans for patients. You’re able to access that now whether you’re on a family vacation, you don’t have to feel like you are missing anything. There is also a group that just doesn’t feel comfortable traveling yet.”

These new audiences have helped to counterbalance in-person attendance that isn’t yet back to normal.

“We charge the same amount for the meeting, whether in-person or virtual,” Diamond says. “The content is the same. How you access the content is up to you. There’s less overall cost for serving virtual attendees. You’re not feeding them. The tradeoff for them is they don’t have to pay for travel, housing or time away from work. Our audience is primarily doctors and other healthcare professionals. That’s patient time.”

A gradual recovery
Diamond isn’t alone in experiencing a gradual recovery
The meeting and event industry has continued to make a comeback but at a more sustainable pace than we saw during the drastic ups and downs of the past 30 months. A full 81% of respondents to this quarter’s Meetings Outlook survey found that projected business conditions over the next year remain strong, suggesting a favorable landscape. This is down from the all-time highs seen last quarter and summer 2021 (90% and 92%, respectively), but essentially on par with the results from this past winter (82%) and fall 2021 (79%).

Overall, the numbers herald continued strength and signal sustainable growth. Significantly, 33% of respondents expect business conditions to be more than 10% better over the next year.

The survey saw similar results in attendance projections, with a slight pullback in live attendance as 82% of respondents expect live attendance to grow over the next 12 months, compared to 85% who said the same last quarter. Last quarter’s result was the highest positive the survey has ever recorded for this data point, and this
quarter’s positive sentiment on live attendance remains one of the highest the survey has seen. At the same time, expectations for virtual attendance continued ticking down, with people eager to return to face-to-face events.

“In-person meetings are back,” says meeting planner Alicia Schiro, owner of Aced It Events in New York City. “As long as the large conferences are back—and there are several taking place in all industries—we will see more companies meeting in person. Having a destination conference takes some of the liability off companies who decide to network afterwards. This is where we see the private events being held, whether those are in large gatherings or small, intimate dinners.”

But many meeting professionals are having to toggle between the in-person and virtual worlds during a period of transition. Anne Thornley-Brown, based in...
“What we learned in the pandemic and the switch to virtual meetings is there are new audiences we had not considered or just didn’t know about for our meetings.”

DARRYL DIAMOND, CMP
Senior meeting manager, Talley
MPI Potomac Chapter

Toronto, designs and facilitates executive retreats and team-building sessions. She finds that some of her clients are waiting for things to return to “normal” to hold meetings and team-building events, instead of scheduling virtual options.

“What I am recommending to my clients is if you want to do face to face, don’t leave it to the last minute,” she says. “There is a lot of pent-up demand. A lot of places have closed. The ones that are open are booked well ahead of time. A lot of the meetings and events that got

Business Conditions

Projected business conditions over the next year are among the highest “favorable” results we’ve had in the history of Meetings Outlook. In fact, the majority of respondents anticipate business will be more than 6% better in the coming year.
INFLATION/RECESSION/COST CHANGES

With growing inflation and concerns of a pending recession, meeting professionals are anticipating cost increases across most elements of their work. How significantly are costs rising? Well, take F&B for example: 77% of respondents expect F&B costs to rise by at least 6% over the next year—41% actually anticipate increases of more than 10%.

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cancelled or postponed in the pandemic moved forward,”

Tackling budget challenges

Budget projections for the next year are stable. For each of the past two quarters, 62% of respondents have said they expect budget/spend to grow. While 85% of respondents to the survey project that budget/spend will be flat or increase, in this environment, many respondents are still struggling to keep pace. They are seeing double-digit percentage increases in some of their most significant business costs in an environment of inflation and supply chain constraints at the same time hiring challenges have reached an all-time high and driven up labor costs. This is happening across the board.

To get ahead of the trends, many meeting professionals are looking to bring in more revenue, keep costs down and find new ways to keep service levels up. That can be challenging. Thornley-Brown says that when she was sourcing limousines for a client a few weeks back, one company owner told her that 70% of limousine companies in the area had gone out of business.

“It takes much longer to source venues and supplies,” she says.

Other factors are driving up the cost of in-person meetings, Thornley-Brown has found. Corporate clients are, for instance, bringing together smaller teams.

“I guess because of COVID, they’re going for smaller groups,” she says. “You could end up with 10 to 12 people. You’re doing more work, the groups are smaller, so the per-person price for the corporate client is going to be higher.”

Given the added work and costs involved in operating in the current environment, Thornley-Brown is vetting clients in a new way. In the past, if she received a request via her contact form or email, she would write up a proposal and set up a meeting. Now, she hops on a Zoom call with the potential client first, then presents a summary of their meeting and her understanding of their needs and requirements. After that, she’ll draft a brief proposal.

“If they are saying to me that in order to make a decision about using my services, they need to have full information about venue options, at that stage I now charge a retainer,” she says. “That lets me know the client is serious and is giving serious consideration to working with me.”
Creative approaches
Schiro finds that clients are asking her to level up her creativity and bring something new to meetings that will help them entertain attendees while stretching their budget.

“This has been the strangest year of the past two,” Schiro says. “Clients want high-level entertainment, but the budgets have been reduced. That’s not an entirely new situation, as we’ve experienced this before. What makes the year challenging is the quest for new ideas. We are constantly asked to curate something while keeping costs down. The biggest challenge is always the new idea—because new means risky. Many clients want to know the event is going to be a success. However, if we are constantly creating new experiences, there is a risk as to how it will turn out. We are not fortune tellers. We are event planners who strive to be the most creative and to deliver a successful end result. However, in events, there are no second chances. All we can do is our best.”

Vendors are also feeling pressure to level up their creativity due to budgets that aren’t keeping pace with cost increases.

“However, we are facing a lot of push back when such solutions are presented, since decision makers are not confident taking a leap into what is out of the norm,” says AnaLaura Becerra, CMP (MPI Southern California Chapter), director of sales at Travel Santa Ana. “DMOs are asked to provide new ideas and help planners presenting something different. When this exchange happens, it is because we have tested and tried our suggestions, so working closely with planners to educate the decision makers is key.”

In the meantime, some meeting professionals are passing along higher costs to attendees to stay whole.

“The higher costs to run a meeting are painful,” Darrieux Harvey, CMP (MPI Potomac Chapter), director of meetings and events at North American Network Operators’ Group (NANOG), an educational and operational forum in the technology space, said in the survey. “We have had to raise meeting registration fees and cut services.”

When it comes to keeping service levels high, Jason Allan Scott (MPI United Kingdom and Ireland Chapter) recommends “looking for the V—not for victory, but for volunteers.”

“Volunteering for a professional event can be a launchpad for a career in events, so speak to graduates and scholars currently studying events and hospitality,” Scott says. “They get experience, a letter of reference and possibly a job when they graduate (depending on how good they are at the event)—and you get good, free service professionals who are motivated.”

Others are taking new approaches to hiring.

“One of our hotels has taken the lead under servant leadership, and they’re hiring people that might not get a second chance elsewhere, and they’re supporting and helping to turn their lives around,” Margo DeRouchie (MPI Middle Pennsylvania Chapter), national sales director/business development director for Pennsylvania’s Americana Region, said in the survey. “Those employees are giving it their all-in customer service, as they appreciate someone putting their faith in them and giving them the support and chance in life. It’s incredible to experience the positive results!”

In today’s business environment, necessity is not only the mother of invention but also more inclusive labor practices—perhaps some that will continue even when conditions change.