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MEETING PROFESSIONALS INTERNATIONAL

# MEETINGS OUTLOOK™



*Doing more with less remains a major pain point and the latest research suggests one reason why: Meetings overall are expected to grow, with virtual meetings to develop at twice the rate of face-to-face meetings, but budgets aren't keeping pace.*

2014 SUMMER EDITION

# 13%

Holding **more** local/  
regional meetings  
to reduce travel

# 22%

Compressing  
**more** meetings  
into less time



MEETING PROFESSIONALS INTERNATIONAL

# MEETINGS OUTLOOK

By Elaine Pofeldt

**R**ising costs and varied recession impacts show differing strategies across the globe, while savvy planners are ensuring quality content and promotion of increasingly critical virtual meetings.

When Patricia F. Zollman, CMP, CMM, recently organized a roughly 100-meeting road show for a tech firm, the client turned to an increasingly common way to save money: budget cuts.

"Instead of saying, 'Last year there were 40 people coming to each of these programs,' and figuring the budget based on 40, [the client is] now figuring their budget based on 20, [despite an anticipated attendance of 40]," says Zollman (MPI Arizona Sunbelt Chapter), senior director of global accounts at Helms-Briscoe in Buckeye, Ariz. "That's a big change."

The client is seeking to spend 50 percent less than the previous year but wants the same outcome. They're also opting for lower-end hotels within a brand they've used before.

As meeting and event professionals worldwide are being asked to do more with less, situations such as this are becoming increasingly common.

The pressures meeting professionals face also reflect conditions in their regional economies. Economic conditions are improving in the U.S. market, but many meeting professionals are still feeling the lingering effects of the long recession in their business.

"It is flat," says Terri M. Utecht, CMP (MPI Rocky Mountain Chapter), whose Denver-based firm, Utecht Diversified Event Resource, caters to pharmaceutical clients. "Even in the corporate world where things are starting to loosen up, they are looking at things very cautiously. Attendance remains pretty consistent



# DOING **MORE** WITH LESS

To overcome this challenge, here's how meeting professionals are strategically and creatively managing time and money.

without a lot of increase. You might see a change of players or a change of departments, but total attendance is remaining about the same."

Against this backdrop Utecht has noticed many groups shrinking the scale of meetings and skipping entertainment extras.

"They're more apt to now do smaller programs and focus on content," she says. "It has to be accountable."

Timothy Neill, vice president of education for the MPI Oregon Chapter and sales manager at AV Rental Services, a division of Henry V, says his clients are also pinched.

"As far as doing more with less, it seems like we've all been doing that for nearly a decade," says Neill, whose firm's rentals range from projectors to tractor-trailers.



# 9%

**More** focus on  
meeting design



**13%**

Using **more** technology



**10%**

Using **more** lower-cost suppliers



**11%**

Seeking **more** innovative suppliers



**9%**

More outsourcing



**THE CLIENT IS SEEKING TO SPEND 50 PERCENT LESS THAN THE PREVIOUS YEAR BUT WANTS THE SAME OUT-COME. THEY'RE ALSO OPTING FOR LOWER-END HOTELS WITHIN A BRAND THEY'VE USED BEFORE.**

**PATRICIA F. ZOLLMAN, CMP, CMM**

*MPI Arizona Sunbelt Chapter  
Senior director of global accounts at HelmsBriscoe*

## Interactive Industry Education

It's not easy for busy meeting professionals to find the best educational content and latest trends on the web. A fast-growing online learning destination, Bob.tv—short for Best of Business TV—aims to address that challenge, with major industry associations such as MPI now teaming up in building out a channel for them (<http://events.bob.tv>). The events side of Bob.tv features videos from live meetings on trending topics such as designing an experience, harvesting insights from data and accommodating special dietary needs.

"The industry professional is time-starved to begin with," says Tony Lorenz, CMM (MPI Chicago Area Chapter), the co-founder and CEO of bXb Group LLC, the company that launched Bob.tv. "No one was pulling it together in one place."

Launched in 2013, Bob.tv also includes partners such as The Center for Association Leadership, PCMA and the International Association of Exhibits and Events. The Dallas Convention & Visitors Bureau was also an early supporter.

"All of the major meeting and event industry associations are involved in this initiative," Lorenz says. "The cooperation across associations is the right thing. For that reason they embraced the new business."

There is no advertising on the site, he says, it exists solely for the benefit of meeting and event professionals.

The site is not gated and requires only a name and password. The idea is to make content easily available to industry professionals who may otherwise be missing out.

# MEETINGS ACTIVITY

THE DIFFERENCES IN ACTIVITY ACROSS INDUSTRY SEGMENTS AND CONTINENTS REPRESENTS SIMILARITIES BUT ALSO STARK CONTRASTS.

The picture varies throughout Europe where the recession hit some countries harder than others.

“The economic recession is deeper here than in other EU countries, except, of course, southern Europe,” says Juhapekka Koppanen, project director at event marketing agency Lataamo Oy and president of the MPI Finland Chapter. “Because of the recession, for some of our customers, the budget has been lower during the last two years. Happily, there are some examples in which the corporations can see the value and output of events when we are doing event marketing in the right way. They have increased budgets and activities.”

Planners face rising costs for everything—transportation, AV, room nights, meeting rooms, F&B, etc.—as suppliers try to regain some of the losses experienced over the past few years at all levels. While budgets have increased somewhat, they generally have not risen to the level where they can support more meetings, larger meetings and increases in costs on all fronts. In the U.S., one recent challenge is the growing lack of availability of venues and lodging and resulting price increases.

HelmsBriscoe’s Zollman has noticed more association clients trying to offset rising costs by bringing in more sponsorships and trying to increase the number of exhibitors.

“They don’t want to be charging the attendees a whole lot more money, but they know they need to be able to pay additional bills,” she says. “Prices have gone up.”

While uncertain economies have begun to stabilize in the EU and budgets have gradually begun to recover, conditions in the European meeting and event market lag behind the U.S., even with positive growth projected in attendance and budget levels in the EU.

“In Italy, particularly due to the credit crunch and economic crisis, companies are giving a lot of attention to reducing costs related to travel and events, but it doesn’t mean people and companies don’t want to invest anymore,” says Maria Rosaria Broggi, vice president of communications for the MPI Italia Chapter and owner of an eponymous small business that finds venues for cultural events. “They just want to be sure the investment they are going to make is well-rewarded in terms of ROI.”

Antonio Hermosilla (MPI Spain Chapter), CEO of GP Destination Management in Barcelona, a five-employee firm, has faced more draconian trends among clients in certain industries, reflecting tough economic conditions in the country.

“We are finding that in IT and pharmaceutical companies particularly, it’s the procurement departments that are heavily involved in the final decisions,” he says. “They are not necessarily evaluating the importance of the delegate experience or the content. They are really just going for value for their dollar.”

That has led to very tight budgets.

“We have found we are sometimes [facing] rates and budgets similar to 3 or 4 years ago—frozen,” Hermosilla says. “There has been a decrease in the amount of money available to put through the meeting.”

ACTIVITY INCREASE	US	EU
Domestic Association	19%	7%
International Association	9%	18%
<b>Domestic Corporate</b>	<b>52%</b>	22%
International Corporate	14%	39%
<b>Government</b>	<b>3%</b>	10%

ACTIVITY DECREASE	US	EU
Domestic Association	19%	18%
International Association	6%	8%
<b>Domestic Corporate</b>	<b>6%</b>	23%
International Corporate	11%	18%
<b>Government</b>	<b>54%</b>	25%

US Government Meeting Activity change



US Corporate Meeting Activity change



% of respondents

## US BUDGET OUTLOOK

**52%**

respondents predict a budget increase.

**13%**

respondents predict a budget decrease.

**36%**

respondents predict no change in budget.

THE ANTICIPATED **OVERALL BUDGET INCREASE OF 2.1%** IS UP OVER THAT REPORTED LAST QUARTER (0.77%).

# HOW'S BUSINESS?

## EU BUDGET OUTLOOK

**23%**

respondents predict no change in budget.

**59%**

respondents predict a budget increase.

**18%**

respondents predict a budget decrease.

## US GROWTH PROJECTIONS

**4%** >10%

respondents agree

growth

**48%** <10%

respondents agree

growth

**36%** flat

respondents agree

## EU GROWTH PROJECTIONS

**5%** >10%

respondents agree

growth

**56%** <10%

respondents agree

growth

**23%** flat

respondents agree

At one recent event, a world congress on mobile phones in which his firm was involved in March, he says, there was a 30 percent reduction in the number of a client's employees attending about a month and a half before.

"It had repercussions on the volume of their rooms, everything," Hermosilla says. "They said it was the way it had to go. There was no negotiating or discussion about it. It was a take-it-or-leave-it decision."

There is not much alternative for small businesses like his other than to negotiate with suppliers.

"Margins have been reduced enormously," he says. "Sometimes it is very difficult to live with. We don't have much choice."

U.S. meeting and event professionals have dealt with shorter lead times for the past two years, but until recently EU professionals have not faced as many last-minute requests. With the EU market still experiencing significant budget cutting, organizations are hesitating to make commitments early and are planning meetings later than in the past to minimize risk.

***While budgets have increased somewhat, they generally have not risen to the level where they can support more meetings, larger meetings and increases in costs on all fronts.***

## Adapting Meeting Design

Given the nature of the career, emergency room physicians tend to be pressed for time. To make it easier for them to keep their skills current, the American College of Emergency Physicians (ACEP), a professional association in Irving, Texas, that partners with the Dallas Convention & Visitors Bureau, has gradually changed the design of its meetings. Rather than stick with the one-hour or two-hour sessions of the past, the 33,000-member association has been phasing in 30-minute sessions, instead.

"You get better satisfaction from the attendees," says Robert Heard, CAE, associate executive director of the membership and education division at ACEP, noting that research on adult learning supports the value of shorter, more intense immersion in a subject. "People feel like they took in more when we condense their education to be what is most salient and important."

That is just one way the association is trying to bring more value to members who attend its meetings. Embracing the trend toward virtual gatherings, the association has started to produce a companion virtual meeting for every face-to-face one it offers.

Despite fears in the meeting industry that virtual meetings might cannibalize live events, Heard says that the case has been the opposite at the association.

"It's extended our reach, extended our revenue," he says. "The majority of people that are purchasing the virtual meetings are attendees at the live meeting. They can re-watch the session they are interested in."

It also allows them to watch sessions that overlapped with others.

"If it's a multi-track meeting, there's no way they could attend all the sessions," he says.

To make meetings more interactive, the association is also integrating social streaming.

"It's not just integrating the Twitter feed," Heard says. "There is real-time rating of the sessions and the speakers."

ACEP has also tried posting videos and pictures during events.

"That has created a whole other level of engagement," Heard says.

## ATTENDANCE PROJECTIONS

THE ANTICIPATED **GROWTH IN VIRTUAL ATTENDANCE OF 3.9%** OVER THE NEXT YEAR IS ALMOST TWICE THAT OF LIVE ATTENDANCE (2%).

### LIVE ATTENDANCE

FAVORABLE

**53%**

respondents agree

FLAT

**33%**

respondents agree

NEGATIVE

**14%**

respondents agree

### VIRTUAL ATTENDANCE

FAVORABLE

**68%**

respondents agree

FLAT

**26%**

respondents agree

NEGATIVE

**6%**

respondents agree

Generally speaking, virtual attendance is projected to grow at twice the rate of live attendance, according to the survey. The rise in importance is the biggest change in how meetings are run since the introduction of PowerPoint.

Major changes in the way that meeting and event professionals work are under way. Attendees' expectations will likely change, given the more interactive options that virtual and hybrid meetings allow. Meeting professionals will need to adapt content formats and pricing models. At the same time, there will be many new opportunities for forward-looking

companies to profit from the changes. The industry will see more demand for hybrid and virtual technology, greater demand for skilled hires, more demand for education, increased need for hardware and software and other changes. Venues will need to change how they are designed and equipped, as meeting professionals place higher priority on bandwidth.

But while virtual and hybrid meetings are picking up steam, many meeting professionals say their clients are not jumping on board quickly.

"The one client that has really embraced the hybrid meeting is Adidas. They do a virtual meeting every other quarter," Neill says. "Most of our clients have not embraced it yet."

***Virtual attendance is projected to grow at twice the rate of live attendance. The rise in importance is the biggest change in how meetings are run since the introduction of PowerPoint.***



Planning a successful meeting is one **BIG** job. That's why Dallas has a staff designed to help you with every part of the process — finding the best venue, the right transportation or that perfect hotel. And when everything's all said and done, you'll find plenty of ways to have a moment all to yourself.

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**DALLAS**  
**BIG**  
**THINGS**  
**HAPPEN**  
**HERE**

# YOUR WI-FI REALITY

WIRELESS INTERNET ACCESSIBILITY AT MEETING AND EVENT VENUES IS **ENDEMIC** AND **GROWING IN QUALITY**, BUT MANY RESPONDENTS PERCEIVE IT AS BEING **OVERPRICED**.

## US

	UNRELIABLE	STANDARD SPEED	FAST	ULTRA-FAST
Free	—	3%	5%	—
Nominal Fee	—	2%	5%	1%
Fair Market Price	2%	13%	3%	1%
Overpriced	16%	33%	14%	2%

## EU

	UNRELIABLE	STANDARD SPEED	FAST	ULTRA-FAST
Free	—	10%	9%	7%
Nominal Fee	—	6%	14%	1%
Fair Market Price	—	10%	7%	—
Overpriced	6%	23%	5%	—

The availability of good Wi-Fi connections in a region, of course, affects whether meeting organizers are willing to try hybrid or virtual meetings. Respondents indicate there is a greater problem in the U.S. than in the EU when it comes to a lack of reliability and perceptions of excessive pricing. In the EU, for instance, it's easier to get free Wi-Fi and access to high-speed connections.

"This is the first year I've had a lot of requests for live meetings," says Kelly Kucera, sales and marketing manager at Image Audiovisuals in Denver and director of industry relations for the MPI Rocky Mountain Chapter. The company uses Livestream to create events that offer a lot of interactivity via social media.

In Finland, hybrid meetings are catching on, according to Koppanen, though they are far from ubiquitous.

"We are doing hybrid meetings more and more all the time, but it's only probably in 5 percent of our events or meetings nowadays," he says.

However, adoption of hybrid meetings varies by country. Hermosilla is seeing more virtual and hybrid meetings in Spain, but growth remains slow.

"Spain is always lagging behind what goes on in the U.S.," he says. "It's the cultural acceptance. Connectivity is not an issue."

Meeting professionals know that designing meetings to make the most of virtual and hybrid options will be essential to success. The key to running virtual meetings is great content, according to Neill.

"We've all seen web conferences so boring [they're] painful to watch," he says. "You have to have engaging content and work on the promotion of it."

Increasing interactivity is also essential.

"There is still some misunderstanding," Koppanen says. "Many organizations think that if you are doing webcasting, it is a real hybrid event. From my perspective, hybrid meetings are more than a webcast."

Jan Peter Bergkvist, a partner in SleepWell AB in Stockholm, says building excitement before and after virtual and hybrid meetings is critical, too. Organizers might invite attendees to get involved in an e-learning program or read related material, for instance. He says it is also important to follow up on social media platforms.

"It's hitting from all different angles," he says.

As technology improves, more meeting professionals feel comfortable holding virtual meetings, Bergkvist says.

"The technique now is moving so fast—if you compare it with half a year ago—it's even safer to do a Skype webinar, for example," he says. "I see a lot of this. I think it's definitely here. It's paradigm shifting, in a way." ■

"WE'VE ALL SEEN WEB CONFERENCES SO BORING [THEY'RE] PAINFUL TO WATCH. YOU HAVE TO HAVE ENGAGING CONTENT AND WORK ON THE PROMOTION OF IT."

### TIMOTHY NEILL

MPI Oregon Chapter  
Sales manager at AV Rental Services



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