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Latest IMEX Meetings Outlook Report: From growth to green

2010 presented many challenges for the international meetings industry including a volcanic ash cloud and continuing global instability. However, according to the IMEX Meetings Industry Outlook Report, how to provide added value in the face of cost constraints was the issue that dominated most industry professionals' thinking.

In general, respondents were pleased with the flexible attitude of venues in the face of changing demands. They also widely support a collaborative approach to developing return on investment metrics. The report also reveals their top ideas for adding extra value to events in 2011.

The survey attracted responses from 177 senior representatives in the meetings industry, including managing directors and CEOs, planners and business travel organisers. Almost two thirds of respondents (63%) described themselves as working for an agency and the rest were from a corporation or association. Respondents also represented a variety of global markets. 30% of them were from outside Europe including Brazil, India and China with a significant number also from North America.

Criteria for booking venues

While results from the 2009 survey revealed that just over half of respondents had needed to change their criteria for booking a venue - largely due to cost pressures – just over 58% said there had been little change in their booking criteria this time around. This may be evidence of a more stable market place or possibly that some organisations are choosing to continue the strategy that helped them through the worst of the downturn in 2009.

Cost pressures continue to lead some meeting and event organisers to seek out and use cheaper venues. A high proportion of respondents also agreed with the statements, "we put pressure on existing suppliers to reduce rates" and "pressure on travel and accommodation costs meant we used more domestic and local venues than usual".

Asked to rank their replies in order of priority, the majority relegated the use of "venues with better broadband, wi-fi and technology" to fourth place. Notably, however, this requirement has risen in importance from sixth to fourth over the past two years. This suggests that events are steadily increasing their reliance on digital content to enhance delegate or visitor engagement. However, as criteria for venue selection, other requirements still take preference for the moment.

"Finding green venues" ranked fifth in their list of priorities whilst "waiting for last minute deals or using more off-the-shelf packages than usual" was judged the least important.

The Main Event

Report respondents were also asked to comment on the status of their biggest annual event or meeting. 64% said their biggest yearly event went ahead "as usual". For 25%, however, it was "different to previous years". Some of the reasons given for changing the event included having a more restricted budget or the need to adopt a different approach to suit the economic climate. Just 11% stated that their main event did not go ahead in 2010, a drop of 8% from 2009 figures. Aside from the economic situation as a reason for cancellations, 2010 was also the year when the Icelandic ash cloud brought European air space to a standstill for several days, which was cited as one unavoidable reason for an event being cancelled.

The Flexibility of Venues

The survey also posed the question "were venues flexible enough in their responses to changing market needs in 2010?" 6% more respondents (82%) felt that venues had accommodated changing needs compared to last year. Better prices, opportunities to negotiate, shorter lead times and better customer service all featured positively. One respondent noted "venues were able to see a piece of business with a more comprehensive approach. Business was seen as a whole and not as a single piece", while another said "venues seem willing to be creative in order to obtain business."

For those who felt that venues had not been adaptable enough, it was the lack of price flexibility that was the most frequent complaint. A couple of respondents noted that venues were not easy to deal with when planning VIP visits. Communication was another area highlighted for improvement, as was customer service, made more difficult, as one respondent pointed out, by the fact that that staff and senior manager numbers had clearly been reduced.

Reasons for booking venues

For 51% of respondents, the most significant factor when booking a venue in 2010 was "cost-effectiveness." However, "venues with exceptional standards and levels of service – not necessarily the cheapest" also ranked highly, featuring in the top five considerations for just over 71%. "Ease of travel and location" also ranked highly. The least influential factors in venue selection were finding "a new venue – with novelty and memorability" and "choosing facilities with good leisure facilities."

ROI

The measurement of return on investment (ROI) will always be a key concern for event organisers but for 81% of respondents there was little change in attitude or behaviour in 2010. Of this number, nearly 54% said their criteria remained about the same as before. However, 24% expect their ROI criteria to change in the course of 2011. Around one in five respondents said their success measures had changed last year. Of these, 11.5% had been asked to implement new ROI systems whilst others had taken the initiative - without instruction - and changed their ROI reporting to provide more detail.

The added value dimension

The survey also looked at how meeting and event organisers are making changes that add value. "Making registration quicker and easier, incorporating online and SMS", is the most frequent change for just over 81%. "Using more dynamic speakers and presenters" on the grounds that "entertainment as well as education is more important than ever" ranked a close second for nearly 80% whilst "conducting more pre-event research into content to match the expectations of delegates" was equally important.

The need to "give delegates live networking time" was also acknowledged as important. Around two thirds stated that "communicating more with delegates on the importance of being mentally and physically ready for the meeting" was an important change too. The largest response, however, came in opposition to the statement "we haven't changed our approach in the past two to five years". 87% have clearly been making the effort to refresh their meetings and events formats and to innovate where possible.

Agency planners

In response to the growing influence of the procurement department, the survey asked agency planners in particular for their experiences. When asked what proportion of their client contracts in 2010 involved working through the procurement department, nearly 21% stated "more than half". For just over 31% of respondents, one fifth of contracts involved the procurement department.

Just over 21% said they had participated in at least one online auction over the past 12 months but the vast majority – 78% - had not.

The drive to reduce costs means that corporations and associations are forcing agencies to pitch more fiercely than ever against each other. The survey asked agency planners if they had turned down requests for proposals in the last 12 months because of fears of a bidding war, or because too many agencies were asked to tender. Just over 47% said yes, which is 10% fewer than in 2009. While nearly 6% of these respondents answered that this had been the case for 'more than

10 requests', the majority of the yes answers - 29% - answered that this was only the case for between 'one and three requests'.

While the competitive nature of pitching for new business has only had a detrimental affect on the minority of respondents, the survey reveals that a bigger issue for agency planners is clients asking them to strip out suppliers from the supply chain in order to save on money. The survey found that just over 54% had encountered this in the last 12 months, with nearly 5% saying it had happened frequently.

- **ENDS**

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Media Contacts for IMEX
Kit Watts Tel: +44 (0) 1273 224956 Mobile: +44 (0) 7968 417518
kit.watts@imexexhibitions.com
Carina Bauer Tel: +44 (0) 1273 224921 Mobile: +44 (0) 7785 392812
Carina.bauer@imexexhibitions.com