

# *The In's & Out's of the Meetings, Incentives and Conventions Market*

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# What Will We Discuss This Afternoon?

- The current state of the meetings, exhibition and incentive markets.
- How are planners choosing destinations?
- Staying ahead of the curve—identifying future trends.



# *Meetings Market Trends*

# Today's Meetings Market Facts and Figures

*From PCMA Convene's 2007 Meetings Market Survey*

- **\$3.2 million**

Average economic value of a planner's meeting to its host destination

- **101,100**

Average square footage of a planner's largest exposition

- **171**

Average number of exhibitors at a planner's largest show in 2006

- **\$7,037,000**

Average total budget for a planner's organization

# Today's Meetings Market Facts and Figures

*From PCMA Convene's 2007 Meetings Market Survey*

- **84%**  
Average percentage of rooms picked up by a planner's organization
- **4,958**  
Average total room pick up for a planner's largest meeting
- **30**  
Average number of small meetings a planner held in 2006



# Today's Meetings Market Observations

*From PCMA Convene's 2007 Meetings Market Survey*

- This is still a Seller's Market
- Meeting budgets have remained flat or have increased modestly from 2005 to 2007
- Planners are spending a lot of time on hotel and facility contract negotiations and cost control measures—leaving less time for strategic thinking.



# Today's Meetings Market Observations


## Air travel

- Security
- Passenger hassles and customer service
- Fuel surcharges
- Bankruptcies, fewer options



# Today's Meetings Market Observations

- Technology
- Contracts and negotiations
- Social responsibility
- Changing attendee demographics



# Planners will need to shift their thinking...

- Know the economic and internal strategic value of their meetings and conventions
- Will need to book meetings out in longer cycles
- Need to be flexible with dates; multi-year contract options.



# *Incentives Market Trends*



# Incentives Market Trends

- According to SITE (Society of Incentive Travel Executives) companies spent \$28 billion in incentive travel in 2005.
- Destinations with good resorts and good weather combined with a strong infrastructure are still leading the pack

# Incentives Market Trends

## ■ Incentive trip customization

- Maritz Travel's "Travel In Sight" survey tool giving employees a say in what they want in an incentive trip
- Companies paying attention to the way employees want to be recognized—one size does not fit all
- More Gen X and Gen Y in the workplace—they are empowered through the Internet and demanding options



# Incentives Market Trends

- People are more active, snorkeling excursions now becoming scuba trips—bus tours are now nature hikes
- Employees are bringing friends, siblings, parents, grown children as guests as opposed to spouses—more double/double hotel rooms needed



# Incentives Market Trends

- Companies are offering more than one type of incentive trip—one for families with younger children and one without children
- Resorts will need to continue to upgrade and expand their offerings to meet the demand for these new experiences



# *Exhibitions Market*



# Exhibitions Market

Center for Exhibition Industry Research  
(CEIR) June 2007 report:

“Managing the Needs of Key  
Exhibitors and Market Leaders”

*Funded by the PCMA Education Foundation*



# CEIR Report:

## *Managing the Special Needs of Key Exhibitors and Market Leaders*

- Analyzed key exhibitor attrition
- Exhibition managers need to recognize that key exhibitors have different and more complex needs
- Key exhibitors require a higher level of interaction at the strategic level



# CEIR Report:

## *Managing the Special Needs of Key Exhibitors and Market Leaders*

- Exhibit organizers must create a customized solution that meets that key exhibitor's requirements.
- Organizers are embracing new technology such as blogs, webinars and other tools on a 365/24/7 basis to add value
- Successful exhibition organizers will be those that shift to a relationship selling sales strategy with key exhibitors



# Exhibitions Market

- Biggest challenge for show organizers is the ability to add value for attendees and exhibitors
- According to PCMA *Convene's* 2007 Meeting Industry Forecast, it's a "buyer's market" for exhibit space
- Cost increases for exhibitors—labor, drayage, electrical, etc.



# How Are Planners Selecting Destinations?



# How Destinations are Chosen

Study by Deborah Breiter, Ph.D.

Rosen College of Hospitality Management  
University of Central Florida

PCMA Convene *Magazine*  
*March 2007*

# How Destinations Are Chosen Study

- Sample of 206 meeting professionals
- Almost half work for a professional association (48.5%)
- Other respondents included planners from trade associations (20.4%); corporations (9.7%); philanthropic associations (5.8%); Independent planners comprised 15.5% of the respondents
- Majority of the respondents planned large citywide events of more than 10,000 room nights on peak

# When is Your Annual Convention or Largest Event Held?

<b>Month of the Year</b>	<b>Percent of respondents</b>
January	3.5
February	4.5
March	9.9
April	11.4
<i>May</i>	<i>12.9</i>
<i>June</i>	<i>15.3</i>
July	7.4
August	5.9
September	7.9
<i>October</i>	<i>12.4</i>
November	5.0
December	4.0

# Who Has Greater Influence in Your Destination Selection Decision?

## *Percent of respondents*

Association Board	27%
Association Staff	73%

# What Destination Selection Criteria Are Important at the Time of Selection?

Scale: 5 Very Important to 1 Not At All Important

<b><i>Criteria</i></b>	<b><i>Mean</i></b>
Overall cost	4.51
Service standards	4.38
Price of hotel sleeping rooms	4.35
Labor costs	3.93
Cost to rent convention center	3.90
Technology capabilities	3.85
Safety and security	3.84
Brand name hotels	3.61
Cost of airline tickets	3.55
Weather	3.53



# How Destinations are Chosen

- Research done in Fall of 2006
- Planners did not see political, technological, social and environmental factors, either within the destination or on a global scale, to be important when selecting a destination.



# How Destinations are Chosen

- Global politics, visa restrictions and exchange rates received the lowest ratings in the list of 30 variables.
- Planners more concerned with domestic issues and destinations.



# Future Trends



# Patricia Aburdene's *Megatrends 2010*

- The Rise of Spirituality
- The Dawn of Conscious Capitalism
- Leading from the Middle
- Spirituality in Business
- The Values-Driven Consumer
- The Wave of Conscious Solutions
- The Boom in Socially Responsible Investing



# What Does This Mean for the Meetings Industry?

- Meeting planners will need to know their audience better than ever
- Planners will need to think of their attendees as “values-driven consumers”



# Five Additional Forces Re-Shaping the Meetings Industry

According to Peter Yesawich, chairman and CEO of Yesawich, Pepperdine, Brown and Russell (YPB&R, [www.ypbr.com](http://www.ypbr.com))...

1. The Internet
2. Shifting social values
3. New consumerism
4. Changing demography
5. Pricing transparency



# Questions and Discussion