

STATE OF BUSINESS EVENTS

NOVEMBER 2022

 **Skift**
MEETINGS

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ABOUT SKIFT MEETINGS

Skift Meetings, formerly EventMB, is defining the future of events.

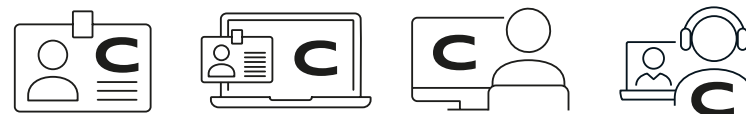
As a Skift brand, we relentlessly deliver insights into the innovative business events that define organizations. Our global audience of meeting and event professionals trusts us to deliver up-to-date guidance and inspiration. Our thought-provoking, impartial content sets us apart. We take a business-focused approach that is accessible to everyone from senior leaders to aspiring students.

We are now entering a new era of business. An era where meetings, events, technology and travel all play leading roles in defining and instilling organizational — and indeed industry — culture. Skift Meetings is at the forefront of this new era, defining the way forward and helping you find new ways to thrive, regardless of the challenges that lie ahead.



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INTRODUCTION

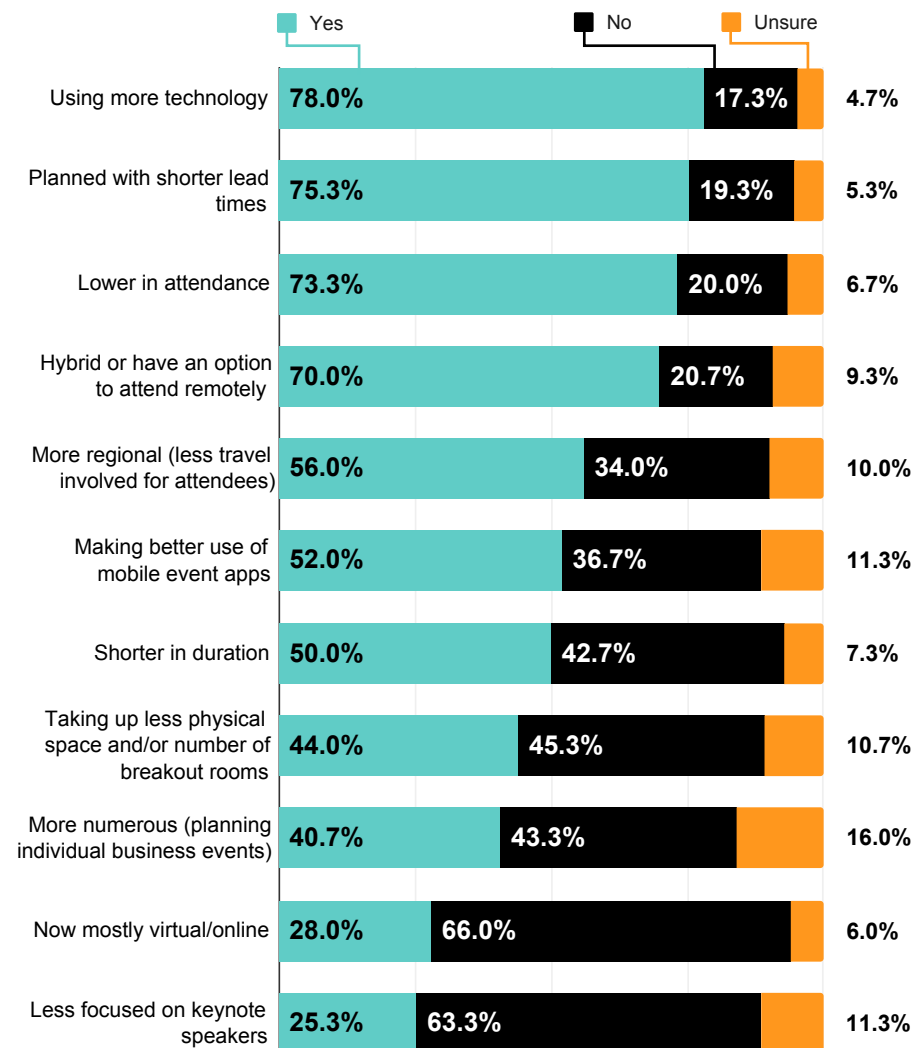
Over the last two-and-a-half years, Skift Meetings (previously EventMB) has regularly gathered data on the state of the industry. Analyzing primary data was particularly important at the peak of the Covid pandemic as it enabled us to assess the impact of Covid and look closely at how the industry was coping.

This report takes on a slightly different format. It represents a vital snapshot of this moment when most of the world's meetings and events are back to in-person formats. Across the industry, there are positive signs for in-person gatherings. Virtual and hybrid gatherings continue, but the tide has shifted back to face-to-face.

Even now, while the industry is bustling, it is essential to take an objective look at the data to predict the impact of any upcoming challenges. We can start by sense-checking the moment and debunking myths.

Our survey revealed that a clear majority of planners agree that **events today use more technology, are planned with shorter lead times, have smaller attendance, and most include the option to attend remotely** compared to events pre-Covid.

EVENTS TODAY, COMPARED TO PRE-COVID

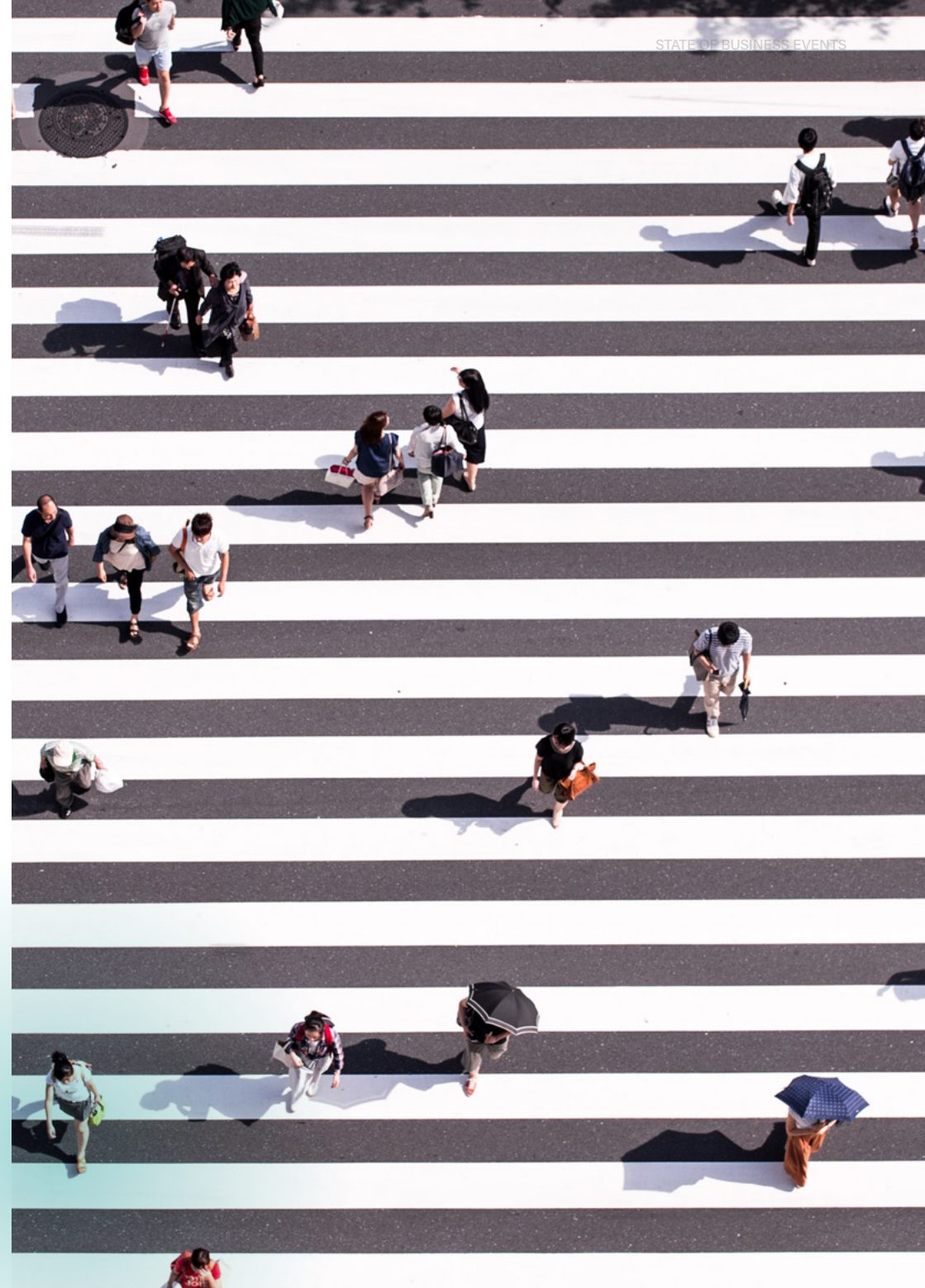


Planners also see a trend, albeit less pronounced, for events that are regional, shorter in duration, and making better use of mobile apps, presumably through contactless check-in systems that have now become the norm.

The jury is still out regarding events taking up less space and organizations planning more events than before. However, there doesn't seem to be any backing for events primarily occurring online or waning interest in keynote speakers.

The data we collected is not just fascinating; it gives us valuable information about where to invest our resources. Understanding current trends and connecting the dots is helpful in adapting event products to new industry realities. We use this data internally to make content planning and market strategy decisions and we encourage you to do the same.

Now, let's take a closer look at the data and explore where the industry is and where it might be heading.



5 TRENDS TO WATCH INTO 2023

1.

EVENT TEAMS ARE BEING STRETCHED THIN

— Costs are rising, but budgets are not keeping up, and staffing shortages across the board mean planners have to do more with less and for less money.

2.

REMOTE WORKFORCES HAVE LESSENERD IN-PERSON DEMAND

— The onset of remote working has depressed in-person demand, especially on the corporate side. Remote workforces need a better reason to leave the house, and virtual still presents a cost-effective alternative — at least for education.

3.

LOCATION SOURCING IS LIMITED TO NO-FLIGHT OR DIRECT-FLIGHT DESTINATIONS

— Travel remains an obstacle, and the prospect of higher fuel costs is making it harder to justify flying in general. Meanwhile, rampant logistical failings throughout the travel industry are compounded with every connecting flight.

4.

EVENT PROFESSIONALS SEE VIRTUAL EVENTS AS A BACKUP

— Virtual and hybrid are holding on but are mostly fuelled by the remaining uncertainty around world events because it offers a recourse for attendees to take in the event of any travel or other mishaps.

5.

THE INDUSTRY IS FAILING ON THE SUSTAINABILITY FRONT

— While approximately half of event professionals are taking some steps toward a more sustainable future, it remains a low priority and does not factor into destination or venue selection for most planners.



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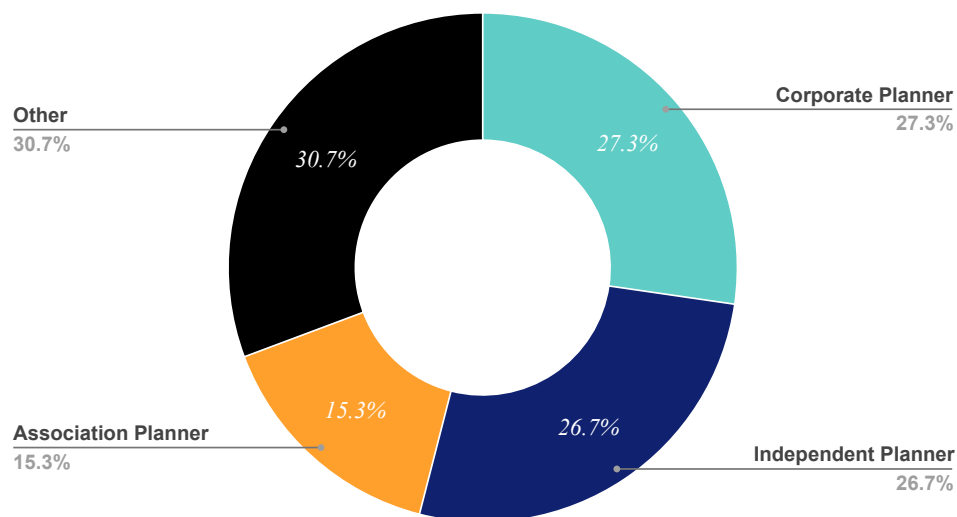
insight.notified.com/event-planners

RESEARCH METHODOLOGY

The research for this report was conducted by Skift Meetings between September and October 2022, and consisted of a survey distributed via the Skift Meetings mailing list, social media channels, and LinkedIn group.

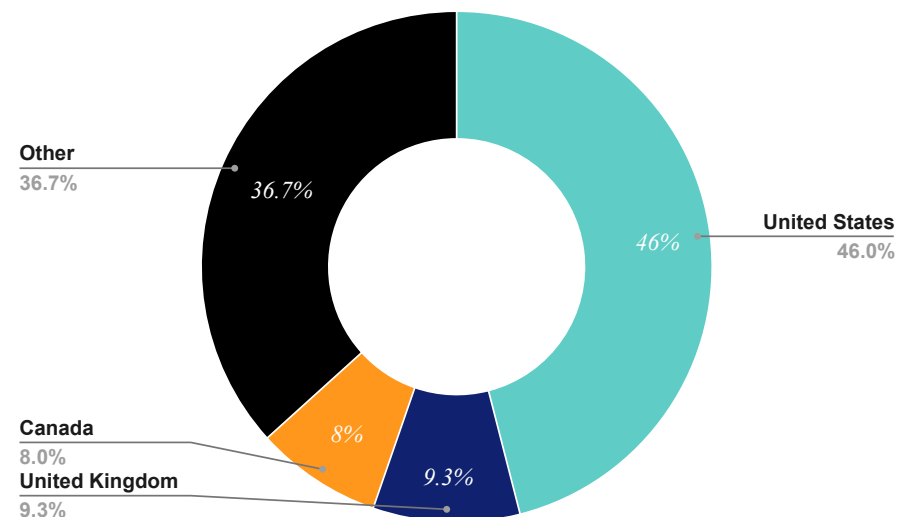
JOB ROLE

There were 150 responses to the survey, and respondents can be categorized as follows:



GEOGRAPHICAL LOCATION

English-speaking markets constitute most of the respondents as Skift Meetings is an English-language publication:

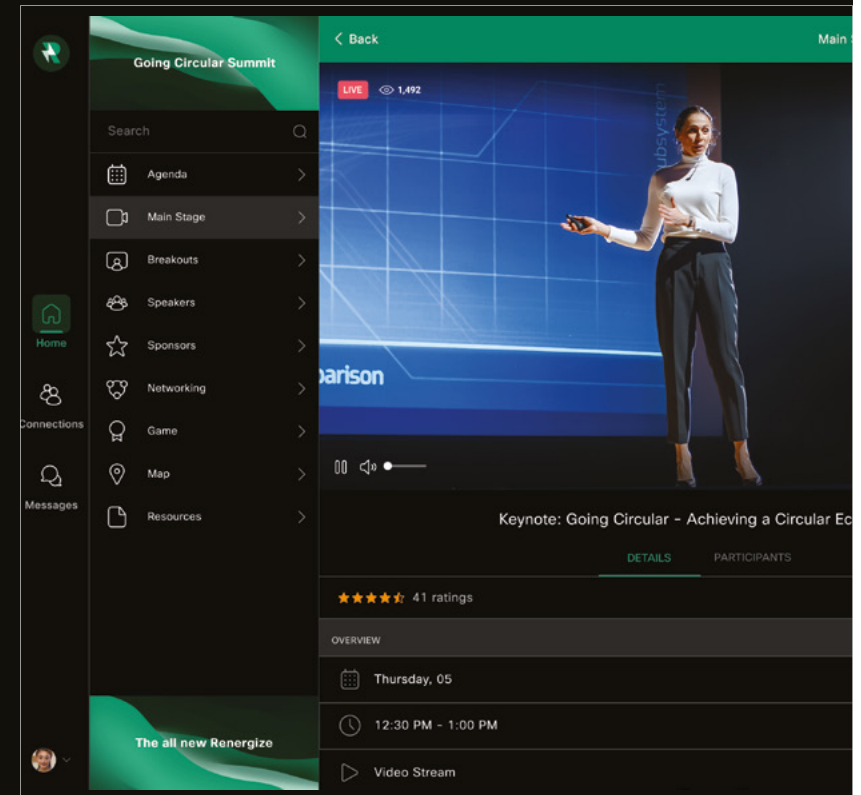


The remaining 36.7% of respondents are spread more or less evenly across Europe, APAC, and LATAM.

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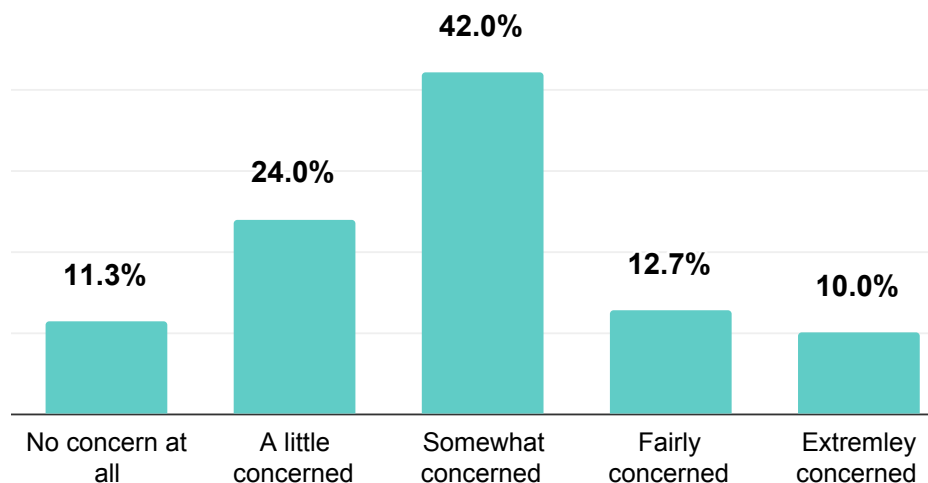
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INDUSTRY RECOVERY

COVID CONCERNS ARE MOSTLY GONE










It has been two-and-a-half years since Covid brought the world to a screeching halt, slamming the door shut on in-person events. Now, concerns over Covid transmission have mostly subsided in major event markets. When asked to rank their concern about Covid on a scale from 1 to 5 (no concern to extremely concerned, respectively), responses averaged 2.8, with the biggest contingent (42.6%) selecting 3 — somewhat concerned. Only 1 in 5 respondents selected a 4 or 5. However, this may be less to do with the health risks than with a general atmosphere of uncertainty and the potential for related logistics, like travel and supplier networks, to be impacted.

FUTURE CONCERN AROUND COVID



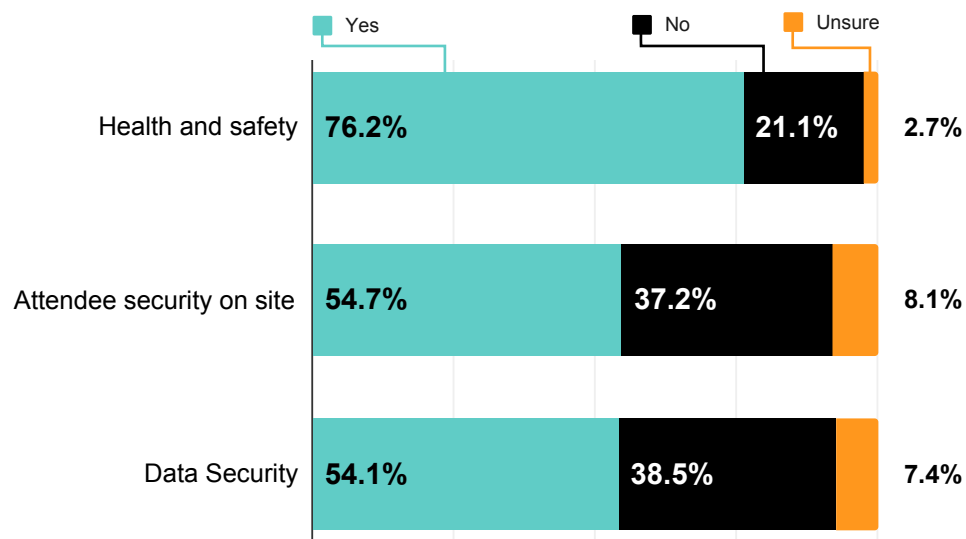
This assumption is corroborated by the fact that attendee safety ranked 6th out of 9 things that keep respondents up at night, ahead only of hiring staff, travel challenges, and perhaps dismayingly, sustainability — which came in last.

WHAT KEEPS YOU UP AT NIGHT?

- 1  DECREASING BUDGETS
- 2  SHORT LEAD TIMES
- 3  SUPPLIER STAFFING AND SERVICE ISSUES
- 4  ATTRACTING ATTENDEES
- 5  TECHNOLOGY ISSUES
- 6  ATTENDEE SAFETY
- 7  HIRING STAFF OR OUTSOURCING TALENT
- 8  TRAVEL CHALLENGES
- 9  SUSTAINABILITY

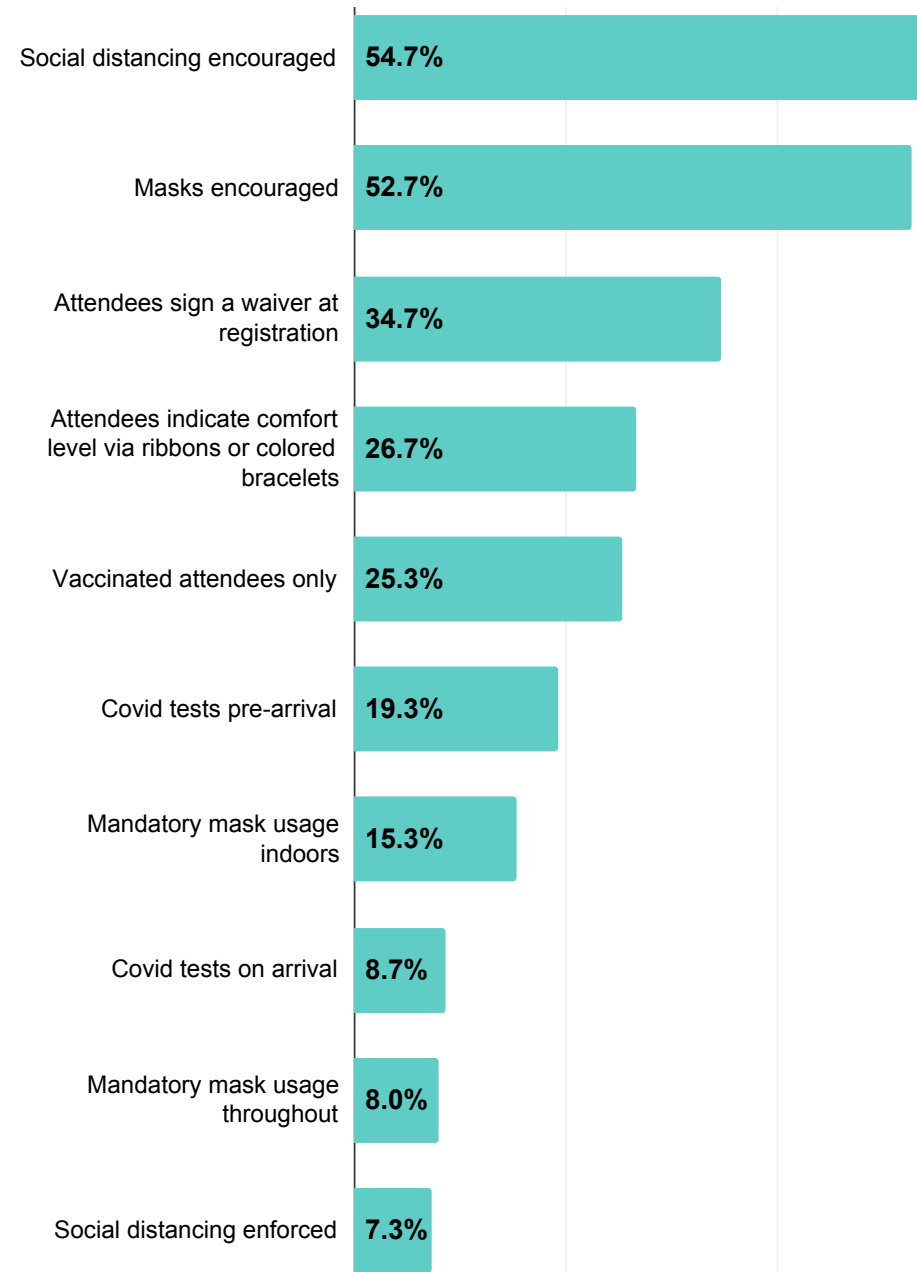
The reduction in Covid concern also tracks with the tactics respondents are using to protect staff and attendees onsite. While 76.2% of respondents reported having revised their risk assessment and mitigation plans around onsite health and safety, it's not clear whether that will amount to higher actual Covid safety.

CHANGES TO RISK ASSESSMENT AND MITIGATION PLANS



When it comes specifically to measures around Covid, the data paints an interesting and very different picture to just 12 months ago.

COVID-RELATED MEASURES



Covid-safe admission criteria is also waning. Covid testing as a criterion for entry is a thing of the past for all but a fifth of respondents, and less than a tenth will test attendees onsite. Even the vaccination compliance requirement (25.3%) is giving way to those multi-colored bracelets that put the onus of making health and safety decisions on attendees (26.7%). Just over a third of respondents (34.7%) intend to formalize that assumption of liability through a legal waiver.

54.7%

are prepared to "encourage" social distancing

*but only***7.3%**

intend to enforce it

52.7%

will "encourage" mask use

*but only***23.3%**

will adopt any sort of mandatory mask-wearing policies

25.3%

will require Covid vaccination for entry

*and less than***23.3%**

will require a negative test

*All but***8.7%**

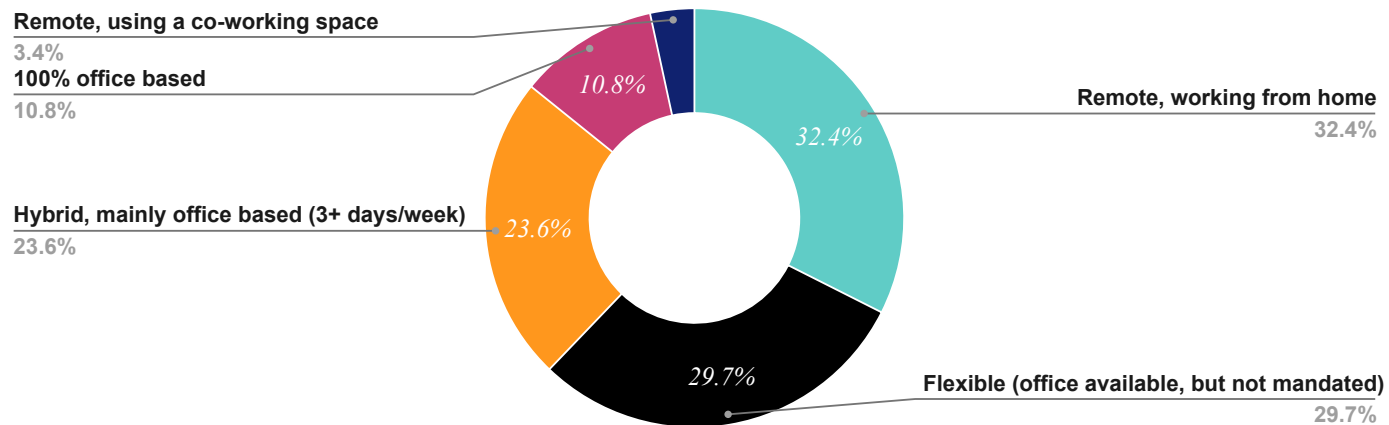
of respondents have stopped testing onsite

PANDEMIC IMPACT PERSISTS IN REMOTE WORKFORCES

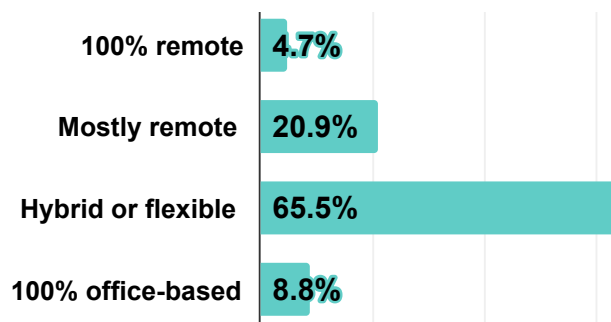
While restrictions associated with the pandemic are more or less gone, the industry is suffering from its own form of long Covid: A lingering effect of the pandemic has been the shift to working remotely and conducting business online. According to our survey, **91.2% of event attendees have embraced remote work in one form or another.** Only 35.3% of respondents don't believe hybrid workforces have impacted any part of their business events.

This is also true of event planning teams themselves: 65.5% of respondents are no longer required to go to an office, and a further 23.6% are only required to be in the office for three days per week. **Only 10.8% of the event professionals surveyed are 100% office-based.**

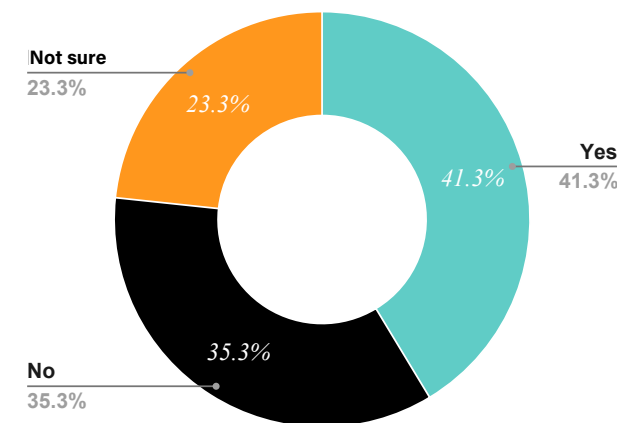
WORK SETUP OF RESPONDENTS



WORK ARRANGEMENTS OF EVENT ATTENDEES



DOES HYBRID WORKING IMPACT YOUR EVENTS IN SOME WAY?



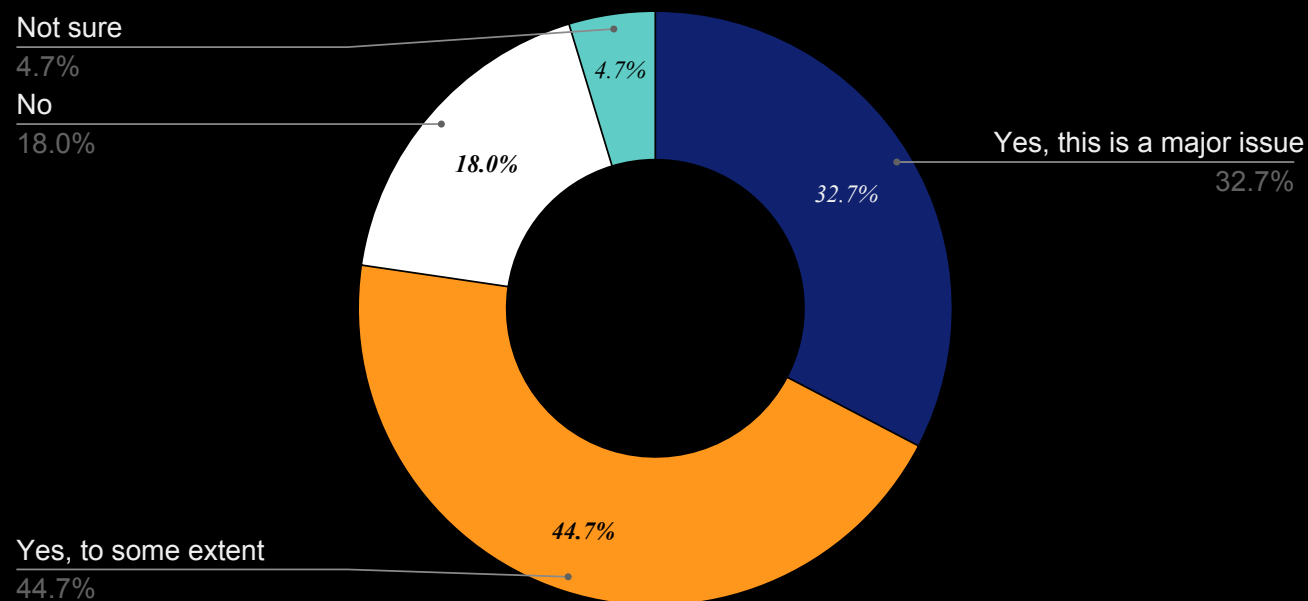
DEMAND IS DOWN: ATTENDEES NEED A GOOD REASON TO LEAVE THE HOUSE

As it concerns attendees, this has produced a disposition to work from home and a reassessment of what types of business transactions actually need to happen in person. Attendees are less inclined to attend in person if they can get comparable value at home, and this is compounded by a number of inter-related factors including inflation, rising fuel costs, compromised budgets, and unreliable travel.

When asked how their business events have changed compared to 2019, 73% of respondents reported lower attendance. One respondent explained the effect of remote working as follows:

Survey comment: *"If you can work remotely from anywhere, the desire to travel for an event might not be relevant anymore, and so much content is now online. Attendees seem less interested in traveling, especially for non-essential travel."*

CHANGES IN ATTRACTING ATTENDEES COMPARED TO PRE-COVID



77.4%

of respondents are finding it more difficult to compel attendees to come now than in 2019.

32.7%

consider it a major issue.

ONSITE EVENTS NEED COMPELLING VALUE PROPOSITIONS

Prospective attendees must incorporate challenging new factors in their ROI calculations in 2022, and event professionals will need to reassess what attendees find valuable about events in different formats if they want to secure an onsite commitment from them.

After two and a half years of limited social interaction and a widespread transition to working from home, the top factor attendees use to determine the value of an in-person meeting is not surprising — networking.

WHAT IN-PERSON MEETING ATTENDEES VALUE MOST

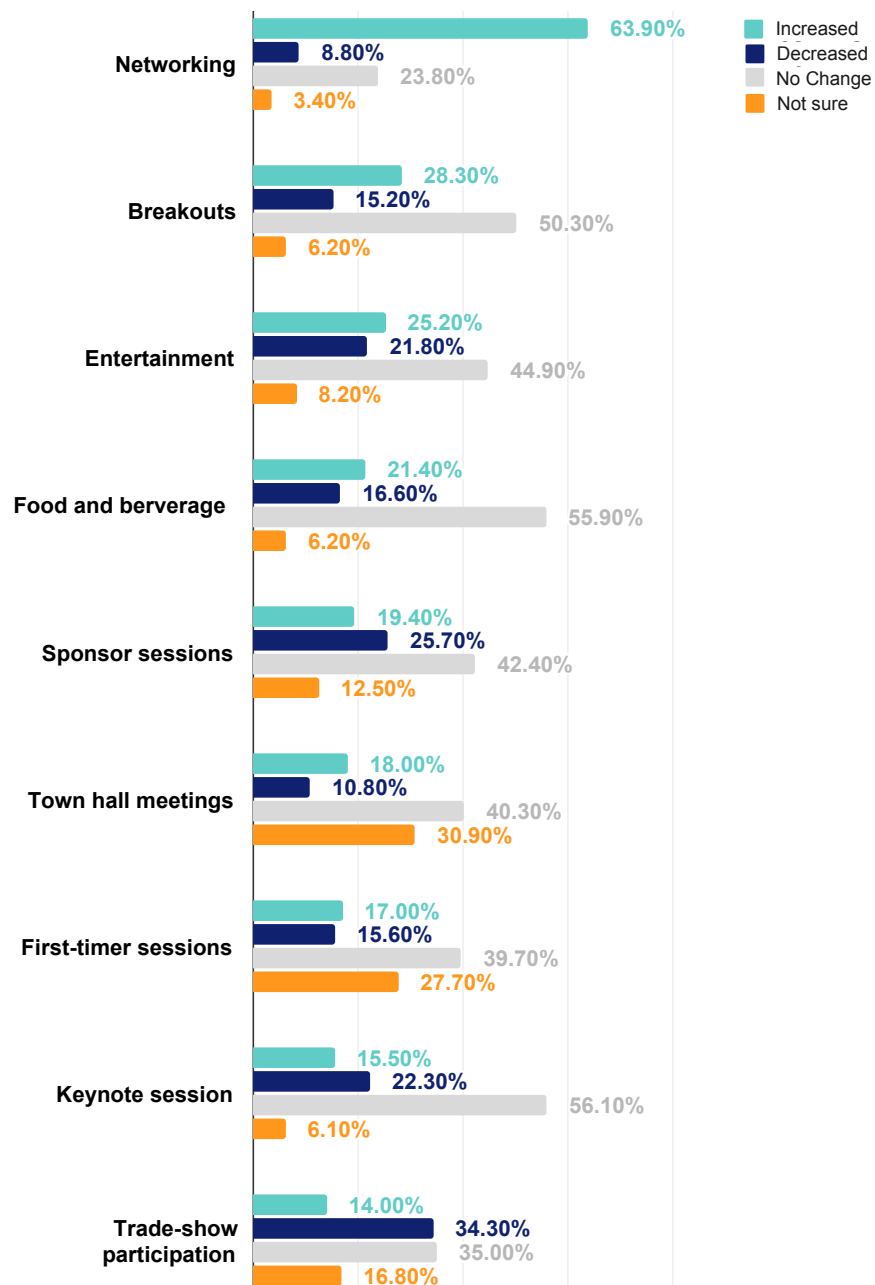
- 1  NETWORKING
- 2  EDUCATION/CONTENT
- 3  RELEVANCE OF EDUCATION
- 4  REPUTATION OF THE EVENT
- 5  EASE OF TRAVEL TO DESTINATION
- 6  ATTRACTIVENESS OF DESTINATION
- 7  NUMBER OF ATTENDEES
- 8  FOOD AND BEVERAGE
- 9  EVENT TECH, INCLUDING APPS
- 10  ENTERTAINMENT

Attendees and other event stakeholders are looking for productive, high-value connections, and **64% of respondents reported a higher interest in networking sessions compared to 2019.**

Perhaps more surprising is the high ranking of education and content, which contradicts predictions over the course of 2020 and 2021, that virtual formats would replace in-person for those events that centered around one-to-many informative sessions. “Gone are the one-hour lecture sessions,” we all thought.

We may not have been far off. Session formats are getting more creative as longer sessions give way to shorter, more collaborative ones, e.g. more workshops and interactive breakouts that deliver learning opportunities. Precisely 50% of respondents also reported shorter business events in general compared to 2019.

ATTENDEE INTEREST IN SESSION TYPES, COMPARED TO PRE-COVID



This could also be due to the representation of the corporate sector in the pool of respondents (27% corporate planners, 27% independent planners), which relies on internal meetings for training, team building, soft/internal product launches, etc.

Some respondents may also be using “education/content” as a stand-in for learning about what solutions are on the market and having all that information curated into a two- to three-day, in-person research experience on a trade show floor.

Notably low on the list are an attractive destination, food and beverage, and entertainment. Concerns that a remote workforce would be less productive are proving unfounded as people seek strong, professional, ROI-driven reasons to attend an event. The bells and whistles may be nice in an incentive trip or company getaway — and remote workforces arguably benefit more from them than traditional office workers — but for other types of events, attendees cannot use them to justify the increased cost and risk of travel and accommodations to their internal stakeholders. The value has to come from the material benefits. Plus, the accountability infrastructure for demonstrating gains is getting more sophisticated.

LEARN FROM INDUSTRY THOUGHT LEADERS



MIKE DIETRICH

Vice President of Product Marketing, *Cvent*

Mike is the vice president of product marketing at Cvent, responsible for marketing Cvent's Event Cloud portfolio. Mike's 20+ years of industry experience includes deep product marketing and management experience at the nation's largest event technology, education technology, broadcast media, and telecommunications companies. In his current role, Mike is responsible for defining and executing go to market strategies to drive new user acquisition, install-based revenue growth, and customer retention.

4 NEW BEST PRACTICES DRIVEN BY EVOLVING EVENT FORMATS

IN-PERSON LEADS WITH DIGITAL AS KEY VALUE ADD

There's a strong desire to return to the deep engagement levels offered by in-person events. This trend accelerated through 2022, and we see in-person events anchoring most 2023 programs. Although there are regional differences, based on a recent customer survey, in-person events look to comprise more than 70 percent of planned events in the next 12 months. But it would be a mistake to declare virtual and hybrid events dead. Rising event costs, tight travel budgets, and increased focus on accessible and sustainable alternatives mean most organizations will continue to have robust "digital" offerings as part of the overall event mix.

Even when cost and budget pressures recede, we see most organizations maintaining a mix of in-person, virtual, and hybrid events. This offers the flexibility to meet customers where they are and select the optimal event format based on the event's goal, which has tremendous value to both attendees and the sponsoring organization.

VIRTUAL DRIVES COMMUNITY AS TOUCHPOINT BETWEEN IN-PERSON EVENTS

There's no question that in-person events are high-impact experiences, but they tend to be few and far between. So we're seeing many organizations use their virtual events and webinars as ways to keep the engagement going in between their in-person events.

The broad reach and relative low cost of virtual means that more attendees can meet more frequently. By leveraging content and contacts from in-person events, audiences can remain connected in a year-round engagement program — on their terms and all under your brand. This community then becomes a great feeder for your in-person experiences or other marketing offers.

THE TRICK WITH HYBRID IS BALANCING EXPERIENCE WITH BUDGET

Hybrid formats can be a great way of complementing an in-person experience, extending the reach of the content, and delivering more overall engagement across a larger audience. Of course, planners need to be deliberate in determining what the hybrid experience means in the context of their budgets and event goals. For example,

hybrid doesn't have to mean simultaneously live streaming every session to a virtual audience. Organizations can choose to stream only their highest value content (think your keynotes), while making other sessions available on-demand, realizing the value of greater exposure and engagement without busting the budget.

NEW EVENT TECH MUST-HAVES EMERGE AMIDST PUSH FOR FLEXIBILITY & EFFICIENCY

Event programs today are a mix of in-person, virtual, and hybrid experiences. That shift has had a real impact on the event technology needed to power them. For starters, event technology today needs the flexibility to seamlessly deliver on all three formats. Overwhelmed planning teams don't have the time or staff to go in and out of multiple systems to get their jobs done.

Second, rising event costs and tighter organizational budgets mean event ROI is under scrutiny so we're also seeing a premium on data collection and measurability. Event tech needs to be able to capture core event KPIs, but also needs to measure attendee and account interests across an extended, increasingly digitized attendee journey, and do so across all events.

Finally, events and travel remain a large category of spend for most enterprises, so we're seeing a move toward event tech that centralizes event requests and approvals, information, and spend. Organizations are using the resulting visibility to drive resource efficiencies, enforcement of policies and standards, and even get a holistic picture of suppliers in support of sustainability and diversity goals.



RAIME MERRIMAN

Vice President, Product Marketing, [Notified](#)

Raime Merriman leads Notified product marketing initiatives with responsibility for driving alignment on strategy and achievement of business results. Raime has 20 years of marketing experience in the technology sector. Prior to Notified she held marketing leadership roles at Hubb, Smarsh, Integra Telecom, and CBS Interactive. Raime has a Bachelor's degree from Northeastern University and an MBA from Willamette University. She has been named a Smart Women in Meetings Awards winner, a B2B Marketing Innovator by Demand Gen Report and a B2B Marketing Game Changer by Integrate.

3 KEY PRINCIPLES TO GUIDE YOUR EVENTS IN 2023

EFFECTIVE IN-PERSON NETWORKING STARTS WITH THESE FOUR STRATEGIES

When it comes to the design of networking activities at in-person events, there are four key strategies to keep in mind.

The first is to make it meaningful. Don't connect people who both like the color blue; instead ask thoughtful questions and bring people together who are struggling with the same issues or are working towards similar goals.

Second, make it easy. Create structures and systems that bring people together at the same time and give them something to do. Shared activities increase bonding (just make sure the activities are ones that require

interaction). This is especially important for introverted attendees who may struggle with unstructured "networking" time.

Third, make it fun. Putting people in teams and adding in an element of competition is a sure fire way to quickly create connection and increase engagement.

Lastly, make use of your digital event technology's gamification, matchmaking, and video roundtable tools to facilitate these types of networking interactions.

THE "HYBRID" LABEL MAY BE OUT, BUT MIXED FORMATS ARE IN

We're seeing a change in the formatting mix of events as well as in the way planners talk

about events. It's rare for a client to ask for a "hybrid event" and more common for them to indicate they are doing an in-person event with a virtual or digital component. The breakdown we're seeing is about 50 percent of events in person with a digital component, 25 percent fully virtual, and 25 percent fully in-person with no digital component. As the comfort with cost, and ease of adding in a digital element continues to increase, I can see the mix changing so that the hybrid number is even higher in the future.

EVENT GOALS SHOULD SHAPE NOT JUST CONTENT, BUT FORMAT TOO

The mix of formats available is an opportunity for event marketers to get really strategic in building out their event portfolio and creating

the right experience for the right audience. This requires gaining a deep understanding of your audience, then building out profiles and experiences that meet them where they are. You then need to align this with the organization's goals for the event. If the event goals are related to training and the consumption of content, or in expanding your reach, then you'll want to start with a digital-first approach. If the goals are more about relationships and community building, then a blended approach that combines intimate, meaningful in-person experiences followed by thoughtful digital touches is a better option.



NOLAN ETHER

Senior Content Marketing Leader, [Webex Events \(formerly Socio\)](#)

Nolan is the senior content marketing leader at Webex Events (formerly Socio). He's passionate about helping brands connect with their customers through engaging storytelling and immersive experiences.

4 TRENDS SHAPING THE FUTURE OF EVENTS

VIRTUAL AND IN-PERSON COMPONENTS RISE TO THE TOP IN NEW ERA OF EVENTS

We have some proprietary data on trends coming straight out of our platform. We've been tracking the ratio of event formats since before the pandemic. Most of the data would align with your expectations — mostly in-person pre-pandemic, almost entirely virtual during the pandemic. What's interesting, however, is that today we are seeing roughly an even split between in-person, virtual, and hybrid formats for our customers' events. Essentially this shows that two-thirds of all events being planned today have an in-person component and two-thirds of all events today have a virtual component.

IN-PERSON EVENTS GO BIG OR GO SMALL

I'm largely seeing two flavors right now in the return to in-person events. First is major flagship events. For these types of events, like large conferences and trade shows, I think it's table stakes at this point that you include virtual/digital elements. Whether you choose to call it "hybrid" or not, attendees have come to expect these elements. Further, excluding large groups that may not be able to attend physically provides an unnecessary cap to your event's reach. The other flavor is much smaller in-person events. I think these can be incredibly beneficial and don't require virtual elements.

When it comes to virtual events, they can serve so many purposes, but consider doing smaller virtual events and pilots that help build community and keep you top-of-mind with your attendees and customers year-round.

END-TO-END EVENT TECH BECOMES KEY SOLUTION FOR ENTERPRISES

Regarding enterprise events and event technology, it's a whole new world right now. Most large enterprises have been using older event technology that hasn't kept up with the competition and doesn't support their unique needs. What we're seeing is that enterprises are looking for that end-to-end event management platform

that they can incorporate into their tech stack, the same way they do with customer relationship management (CRM), enterprise resource planning (ERP) software, etc. They want something that has the security and compliance features they need and that IT can then leave in the hands of the end users.

Despite these goals, in most cases, large enterprises are still inefficiently using dozens of different solutions that have been purchased by individual lines of business over time. The cost savings alone is enough to migrate to a new system once they understand that the platform can serve their entire organization, from large flagship marketing events to internal sales kick-offs and all-hands meetings.

QUALITY OVER QUANTITY WINS FOR VIRTUAL ENGAGEMENT

To maximize virtual event engagement, aim for shorter presentations. Utilize segments like a TV or radio show to break things up and keep things moving. Spend more time on your content, making it more visually appealing, improving the production value, adding in motion, video, and other elements. Second, it pays to leverage engagement tools like gamification, polling, Q&A, selfie booths, and more. Allow your attendees to actually influence and impact your content by giving them a say in what you talk about or where you focus your presentation.

DIVING DEEPER INTO THE STATE OF BUSINESS EVENTS

THE BIGGEST CHALLENGE IN EVENTS

Decreased budgets amidst rising costs are proving a tough challenge. Higher costs and compromised budgets are not only affecting attendees' disposition to travel to events, but also the ability for planners to deliver to a high standard.

There are three core challenges defining events now and in the near future.



STAFF AND SUPPLY SHORTAGES

A lack of everything from basic supplies and staff to experienced industry partners and suppliers is requiring event professionals to spend more and to be more resourceful.



SHORTER LEAD TIMES

Over 75% of respondents reported having to plan events with shorter lead times than in 2019. At the same time, disrupted supply chains and unavailable industry partners are forcing event teams to resource less reliable solutions and build more buffer into their timelines.



RISING COSTS

As scarcity of supplies and staff drive their market value upwards, inflation in many major markets is surging. 57.8% of attendees reported less value for their money now than in 2019.

💡 Event professionals need bigger budgets now, but they're not getting them.

STAFFING AND SUPPLY SHORTAGES

After a widespread exodus of event professionals during the pandemic, staffing shortages, inflation, restricted budgets, and shorter lead times are all impacting the way planners and their partners navigate the complexities of supply and demand.

Staff shortages. One effect of mainstreaming remote workforces is that it has exacerbated staffing shortages. While Covid-related relief and welfare programs give event support staff some leverage in asking for higher pay, the wider decentralization of opportunity around major metropolitan centers makes workforces, talent, and therefore staff and business partners more distributed — and more expensive to bring onsite.

Global supply chain crisis. Industry-wide staffing shortages are just part of the problem. After the pandemic, they were compounded by a [rise in post-Covid demand](#) that caused delays in getting all kinds of goods and services. Meanwhile, regional events like [Brexit](#) continued to present ongoing challenges in local markets. Now, [Russia's invasion of Ukraine is putting into jeopardy](#) an extended network of energy and other resources, disrupting supply chains in every industry and putting strain on those that remain intact. The meetings industry is no exception.

Key Stat

48%

of respondents reported having difficulty securing day of event staff.

SHORTER LEAD TIMES

When respondents were asked how they have been impacted by supply chain issues, there was a common thread throughout the responses: Supply chain disruptions require planners to build more buffers into their timelines, which creates a crunch given the shorter lead times they're having to cope with.

Survey comment: *"Things that used to be readily available now have to be sourced from overseas. With the short lead times for planning and longer lead times for suppliers, it becomes very challenging."*

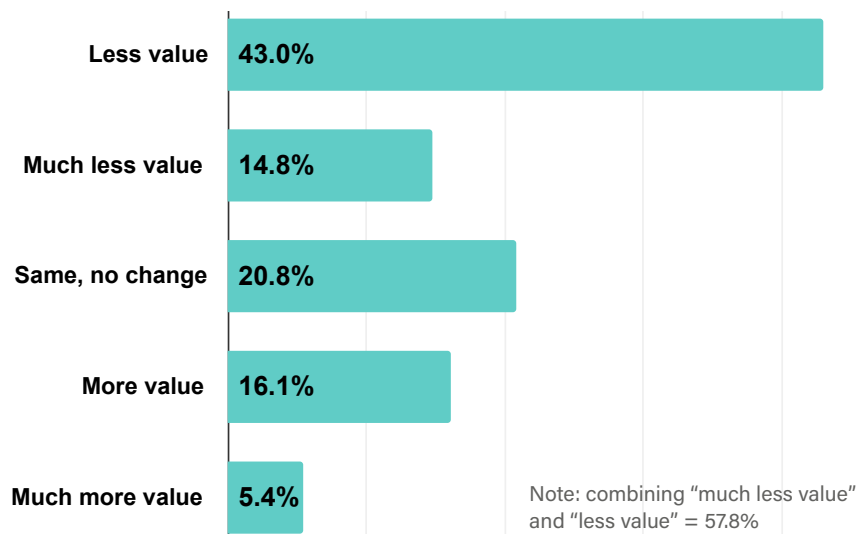
Event planning teams have had to diversify their supplier databases, even going so far as to have to source certain goods from abroad, which one respondent was concerned would undermine their sustainability goals.

RISING COSTS

When respondents were asked how they have been impacted by supply chain issues, there was a common thread throughout the responses: supply chain disruptions require planners to build more buffers into their timelines, which creates a crunch given the shorter lead times they're having to cope with.

RISING COSTS

VALUE FOR MONEY COMPARED TO PRE-COVID



It's the nature of supply and demand. Staff shortages, global supply disruptions, and rising energy costs are producing widespread inflation throughout the industry, while event budgets are largely staying the same or shrinking.

Key Stat

57.8%

of respondents report less or much less value for their money compared to 2019

Looking at only those who plan corporate events (corporate, independent, and incentive planners) in the U.S., U.K., and Canadian markets, just over 63% of both corporate and independent planners reported less or much less value for their money, compared to 55% of association planners.

Conversely, 30% of association planners actually reported more value for money compared to 15% of corporate planners and 5.26% for independent planners.

There are a number of reasons why this might be the case. Associations with more stable revenue from membership dues, or other long-term commitments, may be more resilient to the broader economic factors hitting corporate revenues (and therefore budgets). Moreover, they can to some extent place the burden on corporations to make up the difference through sponsorship revenue. Supply is compounding the effects of inflation, and associations have more costs and services absorbed by 'in-kind' sponsorship, especially around tech that is typically an expensive line item in their budgets but inexpensive for the tech provider to supply. Associations may also have longer term

contracts with venues and other partners that routinely serve their local chapters, whereas customer-facing corporate events often reinvent the wheel annually.

Survey comment: *“Attendees have less budget to travel for business events due to less revenue.”*

For internal events, corporates are pulling back on business travel and other expense categories that are more heavily impacted by rising fuel costs, travel chaos, etc.

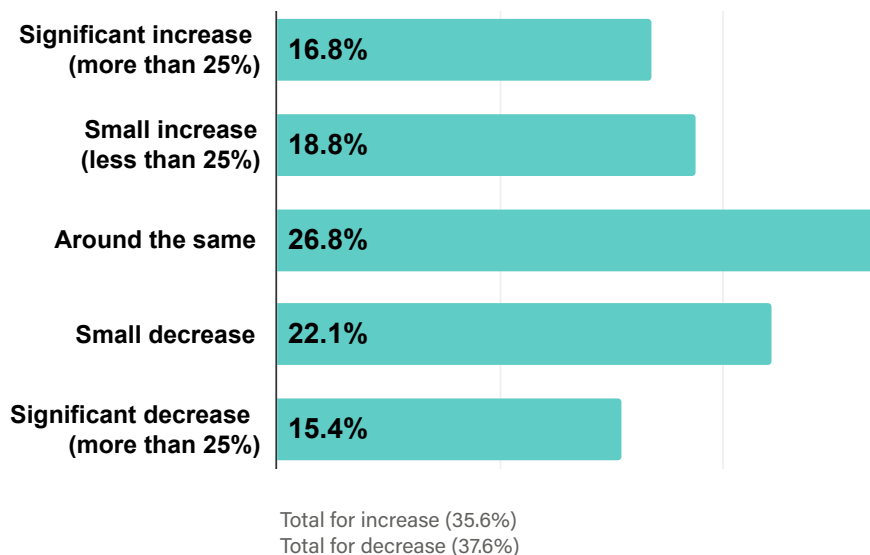


EVENT PROFESSIONALS NEED BIGGER BUDGETS NOW

Though event owners across the board are coping with various degrees of inflation, event budgets are not increasing to offset rising costs. 30% of survey respondents ranked decreasing budgets as their top concern and 65% ranked it within the top three out of nine.

When asked to compare the projected budget for 2023 to their budget in 2019, more respondents are working with less budget now than three years ago. Furthermore, 26.8% of respondents reported no change, which given rising costs effectively amounts to a decreased budget. Budgets need to increase in order to avoid straining event planning resources to execute at 2019 expectations for in-person events.

OVERALL 2023 EVENT BUDGET COMPARED TO 2019



Key Stat

36.7%

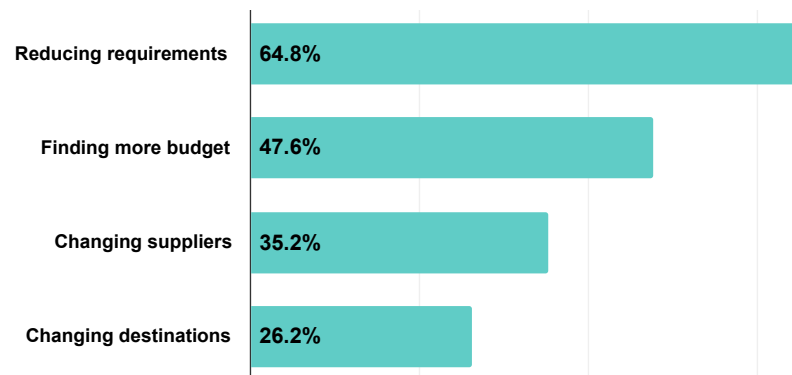
of respondents reported a decrease in their 2023 budget compared to 2019, while

35.6%

actually reported an increase in their budget

DEALING WITH INFLATION

HOW ARE PLANNERS DEALING WITH INFLATION



Just under 65% of respondents are coping with stretched budgets by simply reducing their requirements — that is, buying less or less feature-rich services — which suggests that many vendor and supplier price points have yet to reflect budget challenges on the planner side.

While the reduction in revenue is pressuring planners to scale up their operations, many suppliers are able to scale up or down according to the market, and reputable suppliers are in short supply and high demand. Suppliers therefore show low incentive to reduce their prices.

Some respondents are changing suppliers (35.2%) or moving to more cost-effective destinations (26.2%), but overall, the shortage of experienced industry partners and shorter lead times to find

and book them are forcing 47.6% of respondents to simply reconcile themselves to finding additional sources of revenue.

The percentage of planners migrating to other suppliers will likely increase in the absence of budget-friendly options; the current numbers reflect planners who are currently locked into multi-year contracts with suppliers, as well as others simply using credits left over from Covid. That being said, some suppliers are likely more amenable to price accommodations than others, especially those with low or fixed overhead costs that can make their pricing flexible.

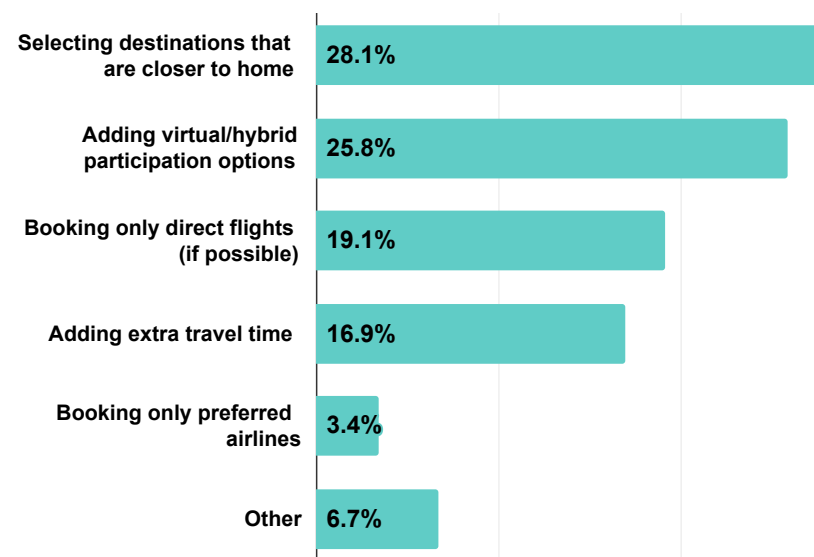
TRAVEL CHAOS: EVENT OWNERS NEED TO REDUCE ACCESS FRICTION

Widespread staffing shortages across airlines and airports have produced significant uncertainty around travel, forcing many to cope with delayed, postponed, or canceled flights — and occasionally leaving them stranded on layovers. This challenge is compounded by changing travel restrictions and visa requirements: Just under a quarter of respondents (22%) reported experiencing visa or entry requirement issues for their staff or attendees. Despite this, visa requirements are bottom of the list when it comes to selecting destinations.

About 60% of respondents' events have been impacted by travel chaos, largely in one of two ways: reduced interest on the part of attendees and other event stakeholders who don't want to risk a travel mishap, and last-minute flight cancellations preventing speakers, exhibitors, key staff members, etc. from making the event on time.

The impact of travel chaos has resulted in about a quarter of respondents (28%) selecting destinations closer to their attendees and one in five (19.1%) selecting destinations attendees can access via direct flights. It's clear that reducing friction to get to an event is a priority for planners.

IMPACT OF TRAVEL CHAOS



Survey comment: "Airline uncertainty and schedule changes forces us to get staff and speakers on location days earlier, which increases their billable hours and the cost of their accommodations."

Survey comment: "Many companies have frozen travel budgets or are prioritizing travel spend on sales meetings only, not conferences, which has impacted our events."

DESTINATION SELECTION PRIORITIES

Perhaps unsurprisingly, capacity is the top priority for planners when considering destinations. Attractiveness comes in second, outranking safety and security in third, suggesting planners facing higher costs are leaning into the inherent appeal of the destination to motivate registrations.

RANKING OF PLANNER CRITERIA WHEN SELECTING A DESTINATION

- 1 ADEQUATE CAPACITY
- 2 ATTRACTIVENESS OF DESTINATION
- 3 SAFETY AND SECURITY
- 4 SECTOR EXPERTISE (REPUTATION OF DESTINATION WITHIN SECTOR)
- 5 AIRLIFT
- 6 PRESENCE OF BIG BRAND HOTELS
- 7 SUSTAINABILITY CREDENTIALS
- 8 VISA REQUIREMENTS

Sector expertise, a big focus for some of the more established destination marketing organizations, comes in fourth place. Hosting

industry-specific events certainly makes sense for destinations with expertise in these sectors, but this ranking suggests that general attractiveness of a destination must not be neglected.

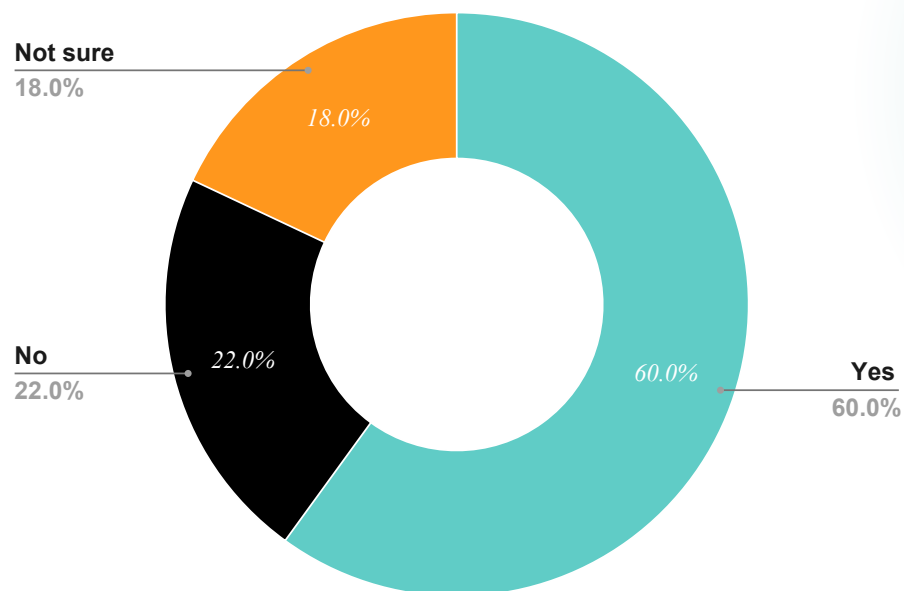
Although the destination attractiveness is high on the priority list for planners, the same respondents rate it much lower when asked to rank what they think attendees value most about in-person events. Out of ten choices, the ease of traveling to the destination and the attractiveness of destination came in at fifth and sixth, respectively.

It's also worth noting that respondents ranked access to big brand hotels behind airlift and the ease of access from other locations. This suggests that, while planners continue to weigh destination attractiveness more heavily than other factors, the real impact of rising costs and unreliable travel has shuffled their priorities. They would rather lower their logistical risk than go somewhere with a fancy marquee.

The U.S. Supreme Court's decision overturning [Roe v. Wade](#) brought diversity, equity and inclusion to the forefront of destination selection for many organizations. The merits of [boycotting](#) destinations based on political choices are fiercely debated in the meetings industry.

More than half of our respondents (60%) claimed their organization would actively avoid destinations that do not align with its values. How this plays out in practice is hard to measure precisely, but with polarization an ongoing concern across the world, this is an issue that isn't going away anytime soon.

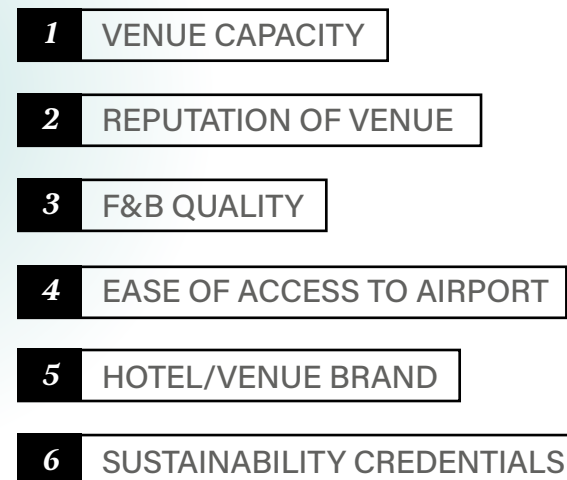
WILL YOUR ORGANIZATION ACTIVELY AVOID DESTINATIONS THAT ARE NOT ALIGNED WITH ITS VALUES?



VENUE SELECTION

Drilling down further into venue selection we find the logistical issue of capacity to be the top priority, closely followed by the reputation of the venue and then the quality of food and beverage. Ease of access to the airport comes next, ranked above the brand of the property and its sustainability credentials.

VENUE SELECTION PRIORITIES



This ranking suggests that when comparing venues with adequate capacity, the perceived and objective quality of the product take priority. Logistical considerations around airport access seem to not be as much of a priority and both brand and sustainability credentials the lowest priority.

SHIFTS IN DIGITAL ENGAGEMENT: IS HYBRID LIVING UP TO THE HYPE?

Travel chaos alone has also moved a quarter of respondents (25.6%) to include virtual/hybrid participation options for their events.

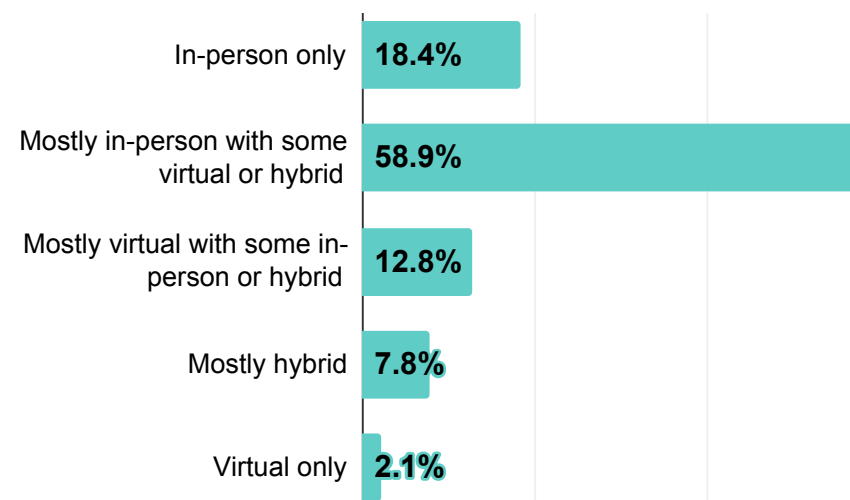
Only 2% of respondents host purely virtual events.

29% of respondents found uncertainty around the long-term value of investing in virtual to be the biggest frustration in sourcing virtual event tech.

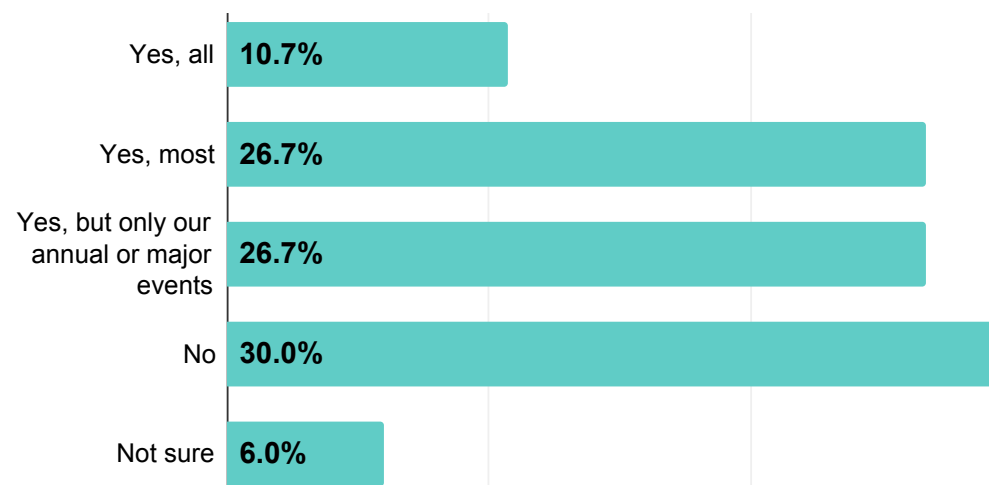
In total 64% have a virtual component to at least their major events. Only 18.4% of all respondents have forsaken virtual entirely (or never adopted it in the first place). Nevertheless, there is a general lack of confidence around the utility of virtual as a viable parallel to in-person engagement.

It is undeniable that virtual events have impacted the industry. And the utility of incorporating a virtual option as a fail-safe against uncertain world events means that virtual event elements will be around in one form or another for a while.

FORMAT OF EVENTS PLANNED



INCORPORATING A VIRTUAL ELEMENT FOR IN-PERSON EVENTS



EXPECTATIONS OF ONLINE AUDIENCE

WHAT
VIRTUAL
ATTENDEES
ARE
LOOKING
FOR

1 EDUCATION/CONTENT

2 OPTION TO ACCESS CONTENT ON DEMAND

3 SESSION TIME OF DAY

4 REPUTATION OF THE EVENT

5 NETWORKING

6 CHOICE OF VIRTUAL PLATFORM

7 NUMBER OF ATTENDEES

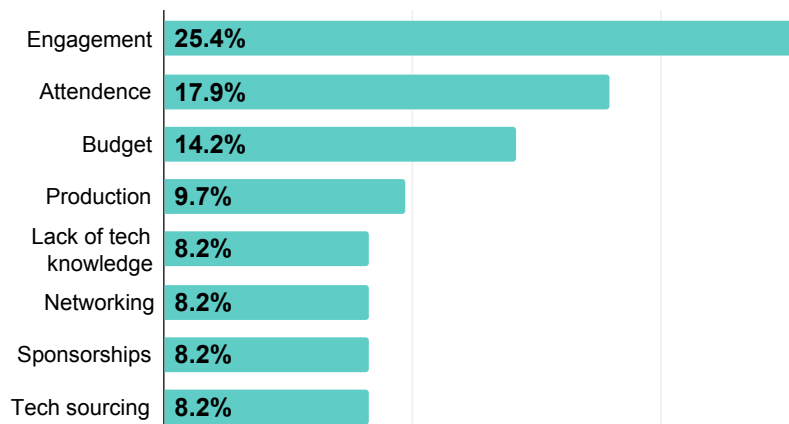
8 ENTERTAINMENT

When we asked respondents about what the online audience values most, the clear winner was **education and content**. As predicted in 2020 and 2021, virtual formats seem to have been relegated to content dissemination as soon as in-person events became viable again. For the purpose of consuming content and getting educational resources, virtual formats perform very well and often at a fraction of the cost of bringing everyone together physically to deliver them.

The high ranking of on-demand availability (#2) and dependency on session time of day (#3), compared to the relatively low ranking of networking and number of attendees (#5 and #7), suggests that planners do not currently see virtual events as a viable way to deliver a traditionally meaningful event experience in which attendees can connect in the moment.

Given that, it's little surprise that respondents don't feel that platform selection is a priority, ranking platform specificity sixth in a list of eight things attendees find valuable about virtual events. This implies that respondents think the efforts different platforms make to differentiate themselves with networking features have been in vain from the end-user's perspective.

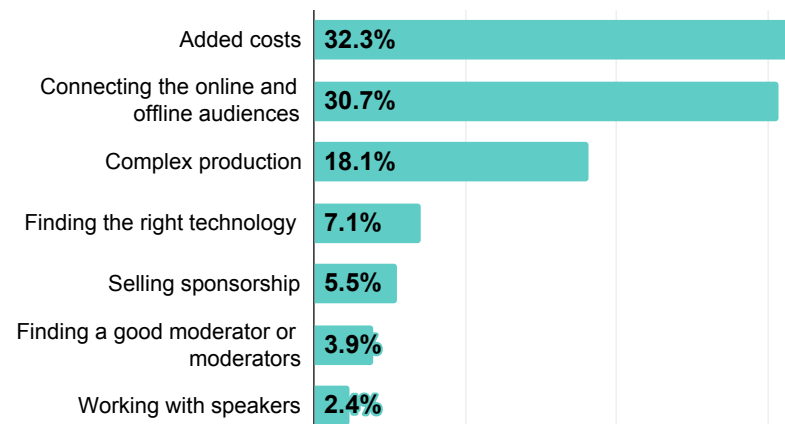
THE BIGGEST CHALLENGE WITH VIRTUAL EVENTS



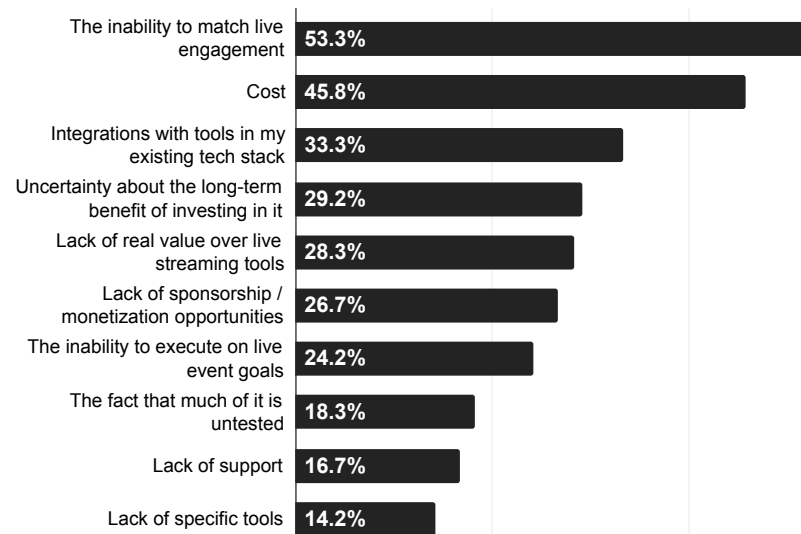
This conclusion is corroborated by respondents' frustrations with different formats:

- ▶ Engagement is the biggest challenge associated with virtual events.
- ▶ Connecting online and offline audiences is the second biggest challenge associated with hybrid events.
- ▶ Just over half (53%) of respondents found the inability to match onsite engagement to be the biggest frustration when selecting virtual tech.

THE BIGGEST CHALLENGE WITH HYBRID EVENTS



THE BIGGEST CHALLENGE OF VIRTUAL EVENT TECH



VIRTUAL EVENT BUDGETS ARE ON THE DECLINE

The lack of confidence in virtual as a stand-alone format may make it hard to justify the cost for many with restricted budgets this year.

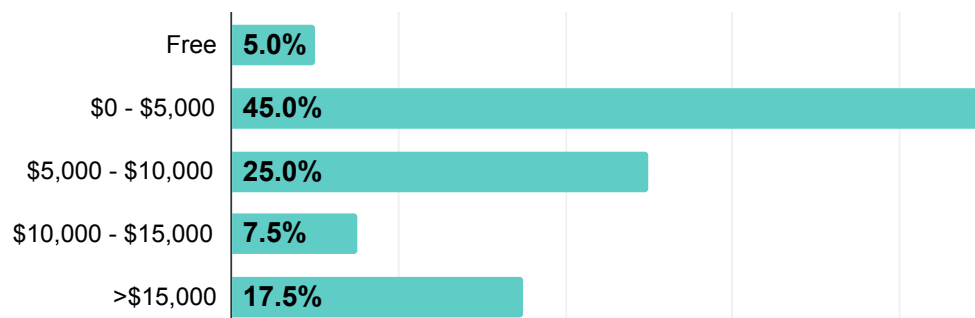
Key Stat

45.6%

find cost to be the biggest obstacle when sourcing virtual event tech.

In the context of strained budgets and underdeveloped networking capabilities, many meeting and event professionals (nearly 30% of respondents) perceive the real ROI of investing in it over simple live streaming tools to be lacking.

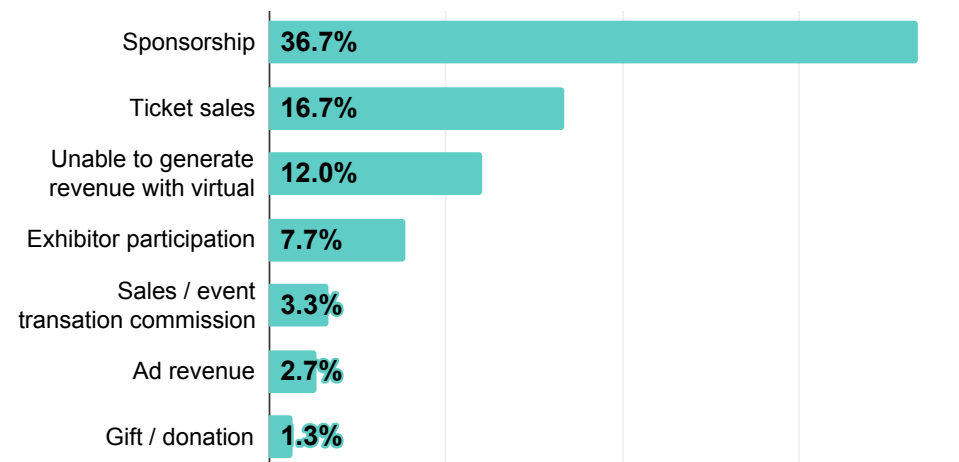
WHAT ARE PLANNERS WILLING TO SPEND ON EVENT TECH PER EVENT?



This is reflected in the average amount meeting and event professionals are willing to invest in their virtual event tech stack. Half the respondents would not exceed \$5,000 USD, which is the lowest bracket they were able to select. Only a quarter of respondents would be willing to spend over \$10,000 USD.

Budget restrictions may make it harder for the corporate sector to justify virtual event technology that doesn't offer much return with regard to revenue generating opportunities. The highest rated source of virtual revenue, cited by 36% of respondents, is sponsorship — a mechanism that doesn't apply to most corporate events.

PRIMARY SOURCE OF REVENUE FOR ONLINE EVENTS (VIRTUAL OR HYBRID)



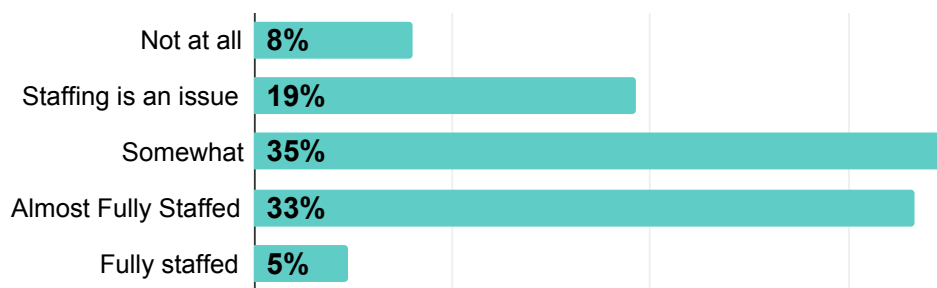
RESTRICTED BUDGETS, LEAD TIMES, AND SUPPORT RENDER HYBRID A BURDEN

Despite the fact that respondents view virtual primarily as a way to access event content, many event professionals still believe they need to invest in the virtual experience in order to justify the cost of the platform. A source of trepidation for those feeling strapped by restricted budgets and timelines, added cost is the number one challenge respondents associated with hybrid events.

It is interesting to note that almost 80% of event professionals say hybrid events require planners to design separate, dedicated experiences for their in-person and virtual audiences. This approach is complex and can be expensive. Additionally, it represents an obstacle for adoption of hybrid events.

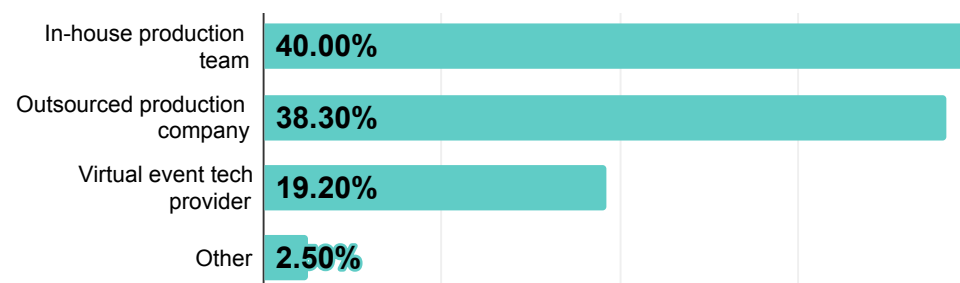
As 40% of respondents indicated that they deal with virtual production in-house, this presents a significant burden on event planning teams, 61.5% of whom graded their staff and resource sufficiency at 3 or less out of 5.

ADEQUATELY STAFFED



A further 38.3% outsource production to a third party, which impacts costs, and a comparatively small 19.2% lean on the virtual event tech provider itself. During the Covid pandemic, we saw a significant shift toward using the virtual event tech provider as the event producer. This seems to no longer be a popular option, suggesting that providers currently offering that service are less affordable than third-party partners.

WHO'S RESPONSIBLE FOR VIRTUAL EVENT PRODUCTION

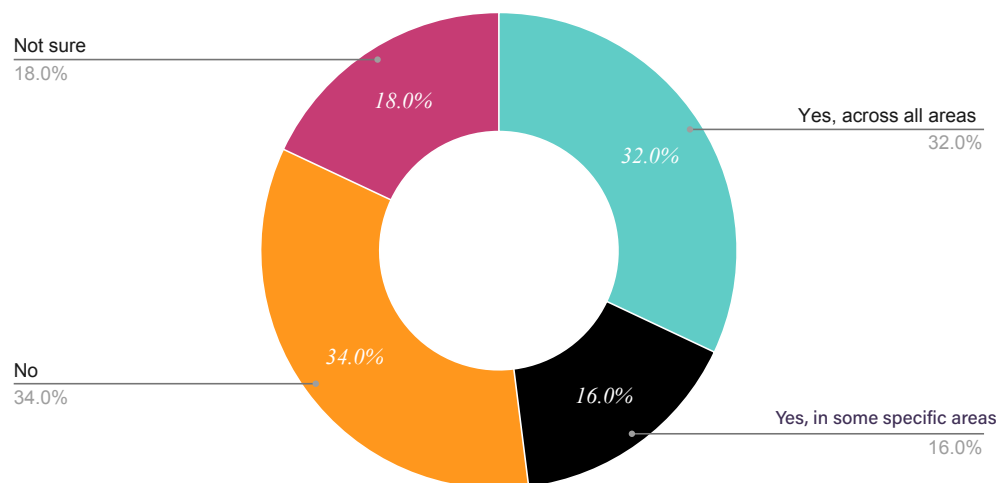


In a context where meeting and event professionals have shorter lead times and smaller budgets, tech companies will need to accommodate them by offering more support that respects financial constraints.

HIGHER COSTS RUN AFOUL OF SMALLER BUDGETS

Venues suffering from their own staffing shortages are dealing with reduced capacity and scaled back services. This is leaving planners who are already operating with shorter lead times with additional contingencies to plan for.

ARE YOU FACING CHALLENGES IN SECURING DAY-OF EVENT STAFF?



Similarly, 48% of respondents reported having difficulty securing day-of-event staff — and other partners and support staff around the destination and venue are also often unavailable. Respondents lamented a lack of F&B and catering staff; electricians, AV, and other technical staff when setting up exhibits; entertainment; and

even transport support for private transfers, guided tours, and other event excursions.

Another major concern expressed by respondents was a lack of professional experience, as qualified technicians are hard to come by and seasoned professionals with digital experience book up quickly.

Survey comment: "Quality support is much harder to find. Many people reorganized themselves, and it is very difficult to find the right match with experience in the digital field. We need to look at how to encourage experienced people to return to the event industry."

Some blame employment insurance schemes for offering event staff the financial leverage to demand higher pay, but also observe a lack of professionalism despite the increased rate. One respondent said that "staff are unreliable, and the level of professionalism is drastically 'less than.' Demand for pay is significantly higher, but staff don't care and there is a high rate of no-show/no-call to a scheduled shift." This contrast between the higher cost and lower level of professionalism was a common thread throughout the responses.

Survey comment: *“My staff require higher pay for the same job, otherwise they will not come to work. Pre-Covid, I was paying my staff between \$12-\$15 per hour, and they were happy. Now, they require \$25 per hour and up.”*

For many planners, the new reality of higher-earning event staff runs afoul of their reduced budgets/margins, and there is a clear air of resentment. One respondent noted that, “Event staff don’t know how to price themselves fairly,” and another reportedly offers above-average pay but still cannot secure reliable workers.

Planners are not the only ones who are sensitive to these changes. They are accountable to their clients, who often end up absorbing the costs.

Survey comment: *“A lot of our clients need education on how much more labor costs now. It’s a new world — the lockdown gave us some new options, and clients want them but do not understand the cost of having it all.”*

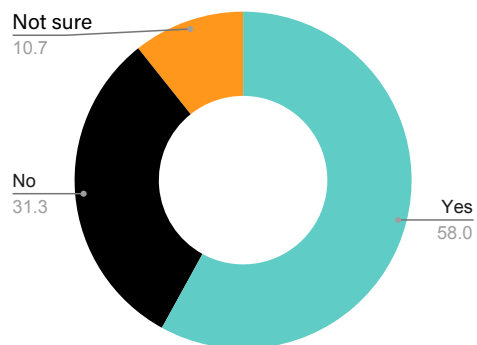
That being said, some event professionals reported circumventing staff shortages and rising staff costs through volunteer and apprenticeship programs, and using more volunteers in high-responsibility roles.



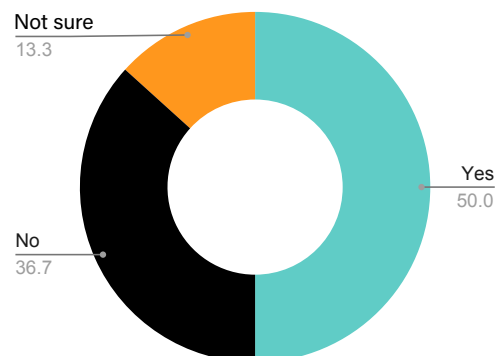
THE SUSTAINABILITY CONUNDRUM

We asked if sustainability plays a more important role in their job as compared to 2019 and 58% said yes and half (50%) reported new sustainability activities.

HAS SUSTAINABILITY BECOME MORE IMPORTANT ROLE IN YOUR WORK COMPARED TO PRE-COVID?



TAKING NEW ACTIONS ON SUSTAINABILITY COMPARED TO PRE-COVID



However, respondents also ranked it last in a list of nine concerns. What keeps event professionals up at night? Not sustainability, it seems.

Sustainability credentials also came in seventh out of eight choices when respondents were asked to rank their destination selection criteria, and last out of six choices when asked about venue selection criteria.

Despite raised concerns and reported actions, sustainability is not a priority for planners when they select venues or destinations in 2022.

TOP CONCERNS

- 1 DECREASING BUDGETS
- 2 SHORT LEAD TIMES
- 3 SUPPLIER STAFFING AND SERVICE ISSUES
- 4 ATTRACTING ATTENDEES
- 5 TECHNOLOGY ISSUES
- 6 ATTENDEE SAFETY
- 7 HIRING STAFF OR OUTSOURCING TALENT
- 8 TRAVEL CHALLENGES
- 9 SUSTAINABILITY

For most large-scale international events, travel is one of the biggest carbon contributors. This makes a destination's accessibility, proximity, and sustainability credentials some of the most needle-moving factors in reducing an event's carbon footprint. Unfortunately, sustainability seems to have been largely shelved in view of other concerns.

While many organizations are feeling the pressure to plan for net-zero targets, it remains to be seen whether their event teams have the bandwidth to prioritize them or whether, on the other hand, their new sustainability initiatives are helping to address their carbon impact and thereby assuaging their fears around it.

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