



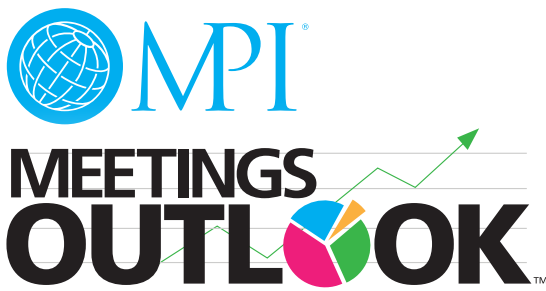
MEETINGS OUTLOOK™



Live, in-person events are projected to continue to grow at a sustainable level while the extreme seller's market of recent years recedes, giving many a glimpse of a more evenly balanced business landscape.

Q3 2024

A New Mindset, Greater Equilibrium



By Elaine Pofeldt

While many indicators suggest normalization is in the cards for event professionals in the year ahead, challenges and unknowns remain.

Meeting planner Alicia Schiro, founder of Aced It Events in New York City, is finding that 2024 has been a slower year than in the recent past, thanks to factors like inflation and the U.S. presidential election.

“People are waiting to see how things are going to shake out,” she says. “I think clients are being very cautious with budgets. Usually, they’ll plan several events per quarter. Now it’s fewer events per quarter but more is riding on them.”

And while room blocks are plentiful—“I’m finding availability everywhere,” she says—so are stricter contracts. “The hotels are being tougher in terms of pricing,” Schiro says. “They’re not letting people out of clauses and things like that.”

And more hotels are charging “venue” fees, she’s finding.

“So far, I’ve gotten them waived. By the time you add up all the taxes and fees, it’s about 35%-40% on top of the cost of the event,” she says, pointing to add-ons such as administrative and service fees. “It’s madness and it’s everywhere.”

The meeting and event industry is experiencing a greater sense of equilibrium, one in which, as meeting professionals like Schiro are seeing, hotels and venues still have to work to attract business while they are also taking steps to make sure they are whole financially.

Respondents to this quarter’s Meetings Outlook survey reported experiencing the most balanced market conditions since MPI began asking specifically about that data point, with 26% citing a balanced market, 43% seeing a seller’s market and 31% experiencing a buyer’s market.

But how meeting professionals are perceiving the

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LAURA NOTARBARTOLO

*Italian Special Occasions DMC and Events
MPI Italia Chapter*

market reflects the experiences they are having in their day-to-day business.

Cheryl Lovely, CMP, CTC (MPI Philadelphia Area Chapter), vice president of World Meetings & Events, sees a balanced market. She points to high demand for meetings in the post-pandemic, work-from-home environment.

“Now that so many employees are working from home, the need for in-person meetings has become extremely important,” she said in her survey response.

Yet her challenges include finding ways to lower costs at hotels for F&B and AV, as well as getting attendees to events amid full and delayed flights and “dirty, filthy airports,” she added.

Roxana Humphreys (MPI Sacramento/Sierra Nevada Chapter), manager of events for the California Chamber of Commerce, also sees a balanced market.

“Annual increases on AV and F&B prices are forcing me to get creative and look for alternatives,” she said in her survey response. “That might mean limiting functions at host hotels that have F&B, encourag-

ing the support of local businesses via discounts to attendees and holding more food-truck functions.”

Jonathan Goldwater (MPI Dallas/Fort Worth Chapter), vice president of creative services for GladTower Live Productions, sees a balanced market, too. However, one challenge in the current environment, he said in his survey response, is “clients wanting to book last minute for services sold out months ago.”

Against this backdrop, current conditions are sparking some suppliers to become more flexible.

“We’re adapting by integrating advanced technology for hybrid events, enhancing sustainability practices, implementing rigorous health protocols and offering flexible booking terms to accommodate changing circumstances and deliver personalized attendee experiences,” said one hotel-based supplier in the U.S., who requested anonymity.

But planner Laura Notarbartolo (MPI Italia Chapter), founder of Italian Special Occasions DMC and Events, reported a slight buyer’s market, despite domestic challenges.

BUSINESS CONDITIONS

Data reveals a slight bounce in overall business projections with 72% of respondents expecting favorable conditions for the year ahead. While this is up from last quarter, it remains below highs (80%+) from the earliest pandemic-recovery years.

| | Q4 '23 | Q1 '24 | Q2 '24 | Q3 '24 |
|------------------|------------|------------|------------|------------|
| Favorable | 70% | 76% | 68% | 72% |
| Neutral | 14% | 19% | 16% | 18% |
| Negative | 16% | 6% | 16% | 9% |

“Our business travel is challenged by increased costs in Italy, making destinations such as Portugal, Turkey, Morocco and Spain more appealing,” she said in her survey response.

A supplier in Italy who requested anonymity was increasing investment in events to stay competitive in an “ask/get more, pay less” environment, pointing to “mid-level customers [who] are requesting more complex and expensive events but...have small/reduced capacity for expenditure.”

While the percentage of respondents citing a balanced market or a buyer’s market is significant given that a shift or adjustment appears to be taking place, the largest group (43%) of respondents are indeed still experiencing a seller’s market.

Lou Marrocco, CMP (MPI Philadelphia Area Chapter), founder and president of Brandywine Events, described the current environment as a strong seller’s market, where one challenge is “trying to work with the hotels on menus and AV costs.” He is also navigating a lack of support from vendors and travel-related challenges, such as fewer direct flights and higher costs on extra baggage.

Brad Dean (MPI Potomac Chapter), CEO of Discover Puerto Rico, sees a seller’s market as well—but one he describes as slightly tipping in that direction. It is one where he is seeing challenges in air travel, in which the “overall level of customer service has declined, making travel less appealing and more challenging.” He cited “air service connectivity and ease of

travel” as among his greatest pain points.

In-person trends, challenges

This quarter’s Meetings Outlook saw a slight lift in overall business projections with 72% of respondents expecting favorable conditions for the year ahead. While this is up from last quarter, it remains below highs (80%+) seen in recent years.

The extent to which respondents expect business to grow is worth some greater exploration as only 13% of respondents expect overall business conditions to improve by more than 10% over the next year. This data point has been trending down for nearly two years. In fact, the last time Meetings Outlook found fewer respondents anticipating that level of improvement was for the survey in the field during December 2019. This could suggest numerous outcomes—the meeting and event business may simply be continuing to normalize; however, this could also indicate an economic slowdown or concerns of more significant economic challenges.

In-person events continue to shine, with 76% of respondents projecting favorable live-event attendance, up from 71% last quarter and on par with Q1 results (76%). Meanwhile, virtual event attendance projections remained stable.

“All the big conferences are back, whether or not these companies have the budget to do an after-party,” Schiro says. “Typically, they’ll spend a ton of money on the after-party. Now they’ll say, ‘What can you find

MARKET LANDSCAPE

Respondents are experiencing the most balanced market conditions since we began asking directly about this data point. This topic, of course, remains very market specific, but the collected data suggests, at least, a softening of the widespread, impressive seller’s market we’ve seen as in-person events flooded back.

| | Q4 '23 | Q1 '24 | Q2 '24 | Q3 '24 |
|-----------------|--------|--------|--------|--------|
| Buyer’s market | 17% | 21% | 25% | 31% |
| Balanced market | 22% | 20% | 18% | 26% |
| Seller’s market | 61% | 59% | 57% | 43% |

“There seems to be a trend toward smaller events—20-person leadership dinners versus large-scale events ... once a year.”

SARAH HATTER
ElevateCX

us for X amount?’ If people can afford it, they’ll invite more, [however] some of my clients have struggled with attendance.”

One case in point was an event that got pushed when the organizer, who was trying to get attendees

to show up and buy its products, found that attendees were not willing to pay for their own rooms.

“If you’re well known, like Dell or Microsoft, people will pay,” Schiro says. “If you are a new company, like this one, trying to get in front of customers, they won’t.”

BUDGET PROJECTIONS

Budget projections are stable, with 72% of respondents indicating favorable expectations for the year ahead, very much mirroring results from this year’s Q1 report.

| | Q4 '23 | Q1 '24 | Q2 '24 | Q3 '24 |
|-----------|--------|--------|--------|--------|
| Favorable | 68% | 72% | 66% | 72% |
| Flat | 17% | 17% | 19% | 16% |
| Negative | 15% | 11% | 15% | 12% |

To what extent are budgets expected to change? A strong majority of respondents (60%) expect budget increases of 1%-10%. Of potential concern—considering the widespread cost increases throughout the industry—the percentage of respondents anticipating budget increases greater than 10% is the lowest we’ve seen since 2021.



| | |
|------------------------|------------|
| More than 10% increase | 12% |
| 6%-10% increase | 21% |
| 1%-5% increase | 39% |
| No change | 16% |
| 1%-5% decrease | 7% |
| 6%-10% decrease | 3% |
| More than 10% decrease | 2% |

Speaker Michael Scott, who describes himself as a global book ambassador, said he is finding there is a strong desire for in-person connection and community among attendees.

“I think meeting planners that are thoughtful about ways to cultivate and facilitate that are going to be the real winners in this environment,” Scott says. “People are looking for ways to engage. Whatever tools you can bring to help ignite, fuel and foster engagement among people is going to be critically important.”

In his own business as founder of Great Books, Great Minds, which promotes books and reading through curated events and a Substack newsletter, Scott has found that there is a demand for smaller, more intimate events.

“I would say the smaller, more intimate, the

better,” he says. “One of the benefits of a facilitated reading group is it allows the participants an opportunity to get to know each other on a more intimate basis. People want to make connections with other professionals they can compare notes with and get useful advice with respect to their work.”

Also among those who are seeing a demand for smaller gatherings is Sarah Hatter, the Sacramento, Calif.-based founder of ElevateCX, a community for customer-experience leaders, and community manager for Rebuy Haven, a personalization engine for Shopify stores, which hosts many smaller events.

“There seems to be a trend toward smaller events—20-person leadership dinners versus large-scale events they do once a year,” Hatter says. “I think people are seeking out smaller events for more of the relationship building that helps sales a lot more.”



ATTENDANCE FORECASTS

Data shows positive movement for in-person event attendance projections with 76% citing “favorable” projections—on par with Q1 results. Meanwhile, virtual event attendance projects are generally stable.

Projected Live Attendance

| | Q4 '23 | Q1 '24 | Q2 '24 | Q3 '24 |
|----------|--------|--------|--------|--------|
| Positive | 70% | 76% | 71% | 76% |
| Flat | 15% | 11% | 19% | 13% |
| Negative | 15% | 13% | 11% | 11% |

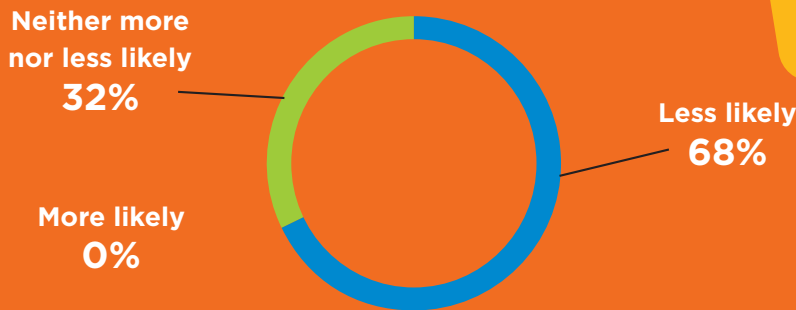
Projected Virtual Attendance

| | Q4 '23 | Q1 '24 | Q2 '24 | Q3 '24 |
|----------|--------|--------|--------|--------|
| Positive | 17% | 18% | 23% | 22% |
| Flat | 33% | 33% | 31% | 34% |
| Negative | 50% | 49% | 46% | 44% |

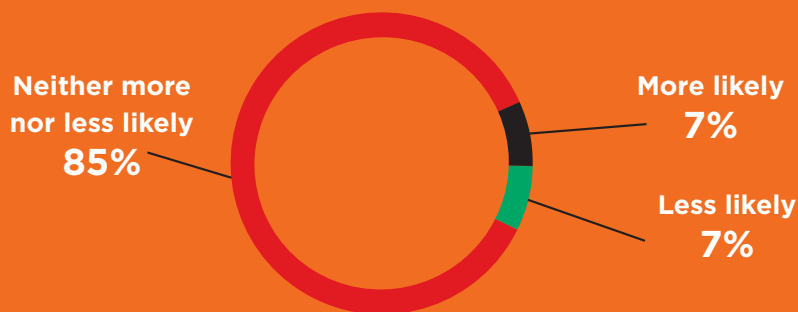
OLYMPICS BUMP?

Adding a sliver to the ongoing debate as to if and how the Olympic Games affect a destination's appeal for meetings and events, a subset of survey respondents shared their views. (Note: Due to the limited size of the respondent pool for these questions, this data should not be considered definitive, rather simply as a collection of event professional opinions.)

Are you more or less likely to book an event in an Olympics host city during the Olympic Games?



Are you more or less likely to book an event in a destination that has previously hosted the Olympic Games?



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