Meetings & Events Pulse Survey

Q2/Q3 2023

A bi-annual report on what is currently driving decisions in the global MICE industry

Responses collected June/July 2023

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Key Insights

Higher costs are not inevitably causing budgets to rise

While higher costs are the number one challenge for planners and are reported to be the main influence on budgets, budgets are not necessarily getting larger. Higher costs actually mean some meeting and incentive budgets have decreased as organizations are left with less money to allocate elsewhere. Less than 40% of planners say their budgets increased across 2023 for meetings and incentives.

Flight costs & sustainability play a large role in selecting a destination

71% of planners report that rising airfare costs are a factor in choosing a destination for their programs and 30% report that sustainability is a driving factor in selecting a destination, with an additional 50% reporting that sustainability is sometimes a driving factor.

Per person budgets for both meetings & incentives vary widely

The most popular response for meeting budgets was less than $2,500 per person, and the most popular response for incentive budgets was between $2,501-$4,000 per person. Some respondents mentioned that while the overall budget for the program decreased or remained unchanged, their per person budget had increased due to less overall attendees.

Some planners are struggling with event attendance

Most respondents (46%) report that they are seeing about the same number of attendees at their in-person events as compared to previous years. Only 36% report that they are seeing more attendees at their in-person events. 18% report that they are seeing less attendees than previous years.
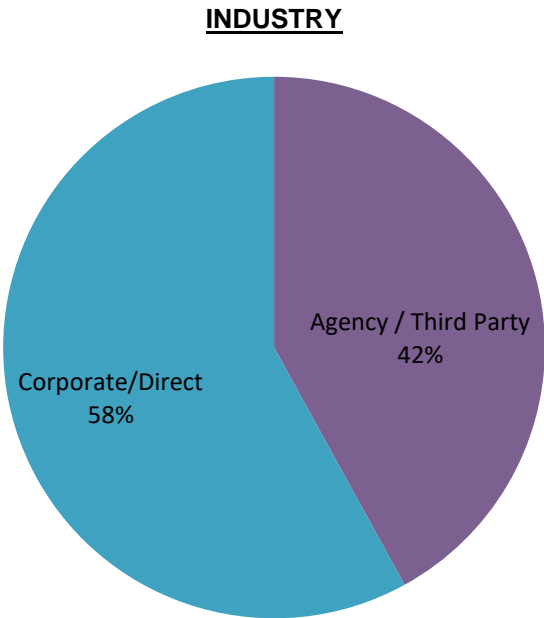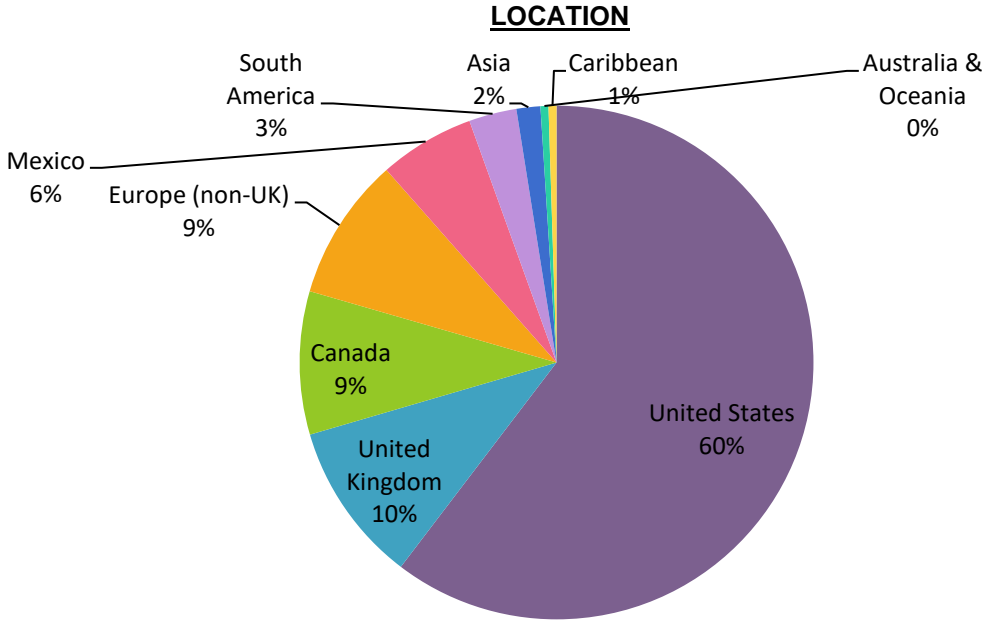
Incorporating sustainability into meetings & events continues to grow

As compared to our report one year ago, 20% more organizations are now building sustainability goals into their travel, meetings, and event programs. Reducing plastic usage/waste is reported as the number one sustainablity goal.
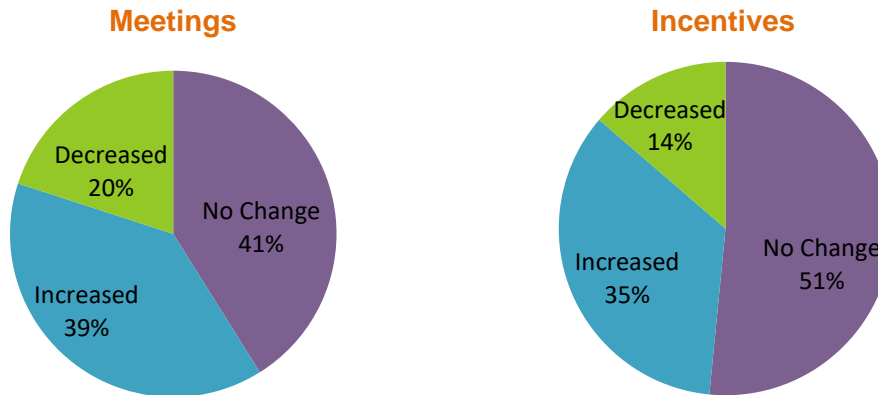
Respondent Demographics

Highlights:

- 200 Meeting and Event Professionals
- Majority based in the United States or Canada with about 20% in Europe
- 58% Corporate/Direct, 42% Third Party

LOCATION

South America 3%
Asia 2%
Caribbean 1%
Australia & Oceania 0%
Mexico 6%
Europe (non-UK) 9%
Canada 9%
United Kingdom 10%
United States 60%

INDUSTRY

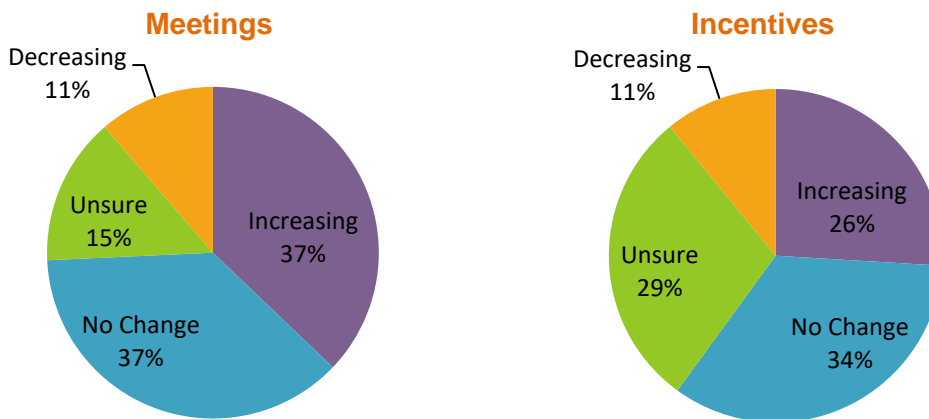Agency / Third Party 42%
Corporate/Direct 58%

Budgets & Costs

Although costs remain high, meeting and incentive budgets for many planners are not increasing to account for rising costs. Less than 40% of planners say their budgets increased across 2023 for meetings and incentives. Many remain unsure about 2024 budgets, however 37% say their 2024 meeting budgets are increasing, while 26% report 2024 incentive budgets are increasing. Over one-third of planners report that their meeting and incentive budgets will remain stagnant from 2023 to 2024.

Did budgets increase across 2023?

Meetings

No Change 41%
Increased 39%
Decreased 20%

Incentives

No Change 51%
Increased 35%
Decreased 14%

Are budgets increasing from 2023 to 2024?

Meetings

Increasing 37%
No Change 37%
Unsure 15%
Decreasing 11%

Incentives

Increasing 26%
No Change 34%
Unsure 29%
Decreasing 11%

Comments from respondents varied around budgets; some mentioned frustrations with unchanging budgets and some cited inflation and high costs forcing budgets to change, but not necessarily increase:

- *No change, but with the cost of everything going up, it feels like the budgets have decreased.*
- *Budgets are increasing across the board due to inflation and skyrocketing airfares.*
- *Many clients are clinging to their 2020, 21, 22 budget numbers and hoping for the same program at the same price.*
- *I am actually still working off pre-pandemic budget numbers.*
- *Most programs have exceeded budgets due to increases in airfare and F&B pricing.*
- *We had a budget increase from 2022 to 2023. No change in budget throughout 2023.*
- *Companies want more for less.*
- *I have to work twice as hard to host more attendees with the same budget I was given 5 years ago*

Why are budgets increasing?

| Value	Percent
Inflation / higher prices	85.4%
Company decision	31.3%
Change in # of attendees	31.3%
Program format changes (ex: incorporating more tech, additional safety measures)	27.1%
Currency exchange rates	27.1%
Unsure	2.1%

Why are budgets decreasing?

Value	Percent
Inflation thus decreasing M&I budget	45.0%
Company decision	45.0%
Less revenue/COVID-related	35.0%
Less # of events/programs	30.0%
Change in # of attendees	25.0%
Program format changes	10.0%

Inflation is the number one reason that budgets are changing, but they aren't necessarily getting larger. In some cases the rising costs are forcing meeting & incentive budgets to increase. However, rising costs are also causing some meeting & incentive budgets to decrease as organizations need to allocate spend elsewhere. Comments below from respondents reference both scenarios.

- *Because of currency exchange rates and the inflation across Europe my clients are holding back and cancelling incentives.*

- *Increased due to pricing of all goods and services*

- *The rising cost of hotels, resorts and especially airfare have forced corporations that sponsor incentive program to increase their budgets*

- *Increased, but not by a lot. Clients are reducing their program in the number of nights and other included options to try and keep budgets closer to what they spent in the past few years.*

- *This has primarily been due to keeping up with inflation and increased flight costs.*

- *Not meeting Financial and P&L targets, so the events budget is decreased.*

- *There is a lot of hesitancy from clients to expand their budgets despite rising cost*

- *We have been thinking about doing away with incentive gifts to have more money towards rising hotel fees.*

Are rising airfare costs affecting the destinations that you choose for your upcoming programs?

Rising airfare costs are still affecting the chosen destinations for the majority of planners (71%). Below are comments about how planners have recently selected their destinations for programs.
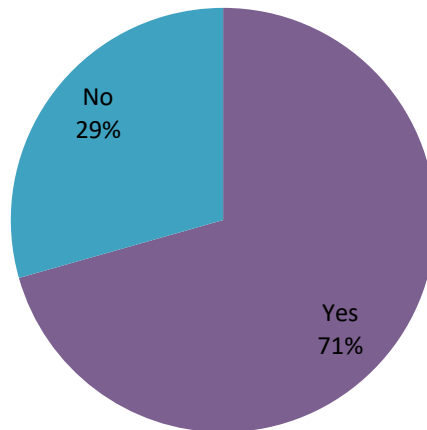
- *The locations of our events are already set based on the need for the workshops. In some instances, these destinations are already expensive, and with rising costs, these destinations have become even more expensive. That being said, it hasn't affected the choice of location.*

- *Some incentives are spending more on destinations which are not long haul and looking for increased value and content in more local destinations.*

- *We consistently prefer direct flight locations.*

- *Because we plan government related events, we have to use US carriers, and so the pricing of airfare (as much as it kills the overall budget), it doesn't affect it as much.*

- *Traveling to Europe is very expensive so clients are looking for shorter travel time destination.*

- *We review flight patterns and airfare before we decide destinations.*

- *Airfares are totally inconsistent [compared] to length of travel. This results in higher costs no matter the distance to the destination.*

- *Sometimes the budget clients have is almost used entirely for airfare.*

- *Airfares are changing the dynamics of everything travel related.*

- *Clients are being more aware of airfare costs when selecting destinations.*

What is your average budget per person for <u>Incentives</u> for 2023?

Value	Percent
$0 - $2,500	16.1%
$2,501 - $4,000	27%
$4,001 - $5,000	14.6%
$5,001 - $6,000	12.4%
$6,001 - $7,500	12.4%
$7,501 - $10,000	10.2%
Over $10,000	7.3%

What is your average budget per person for <u>Meetings</u> for 2023?

| Value	Percent
$0 - $2,500	41.7%
$2,501 - $4,000	33.9%
$4,001 - $5,000	10.7%
$5,001 - $6,000	6.0%
$6,001 - $7,500	4.2%
$7,501 - $10,000	1.8%
Over $10,000	1.8%

Per person budgets vary across the board, and some respondents say that while the overall budget for the program decreased or remained unchanged, the per person budget was larger due to less overall attendees. Many also cited that they do not track budgets in this manner or it varies so much based on factors such as type of group, client, program, attendee demographics, etc.

- *Total budgets will most likely stay the same, but will increase if calculated per person*

- *What we saw in our incentive program is a decrease in attendees (based on the original contract) because a lot of employees didn't meet their quota, so didn't qualify for the trip. However, the client would keep the same budget and spend more on each attendees. We still were expected to come in under budget but there was a "per person" increase in the budget.*

- *It varies depending on the group and their specific budget. Some budgets are smaller and some are larger.*

- *Per person incentive costs vary dramatically depending on job level*

- *It all depends on whether you're going abroad or locally. Depending on our corporate clients, our budgets range from $0 to $4,000, and for private clients, budgets can vary from $7,500 to $10,000.*

- *We have three tiers so [my response is] truly an average.*

Top Challenges

Higher costs continue to be the #1 challenge for planners, followed by finding availability. Timely approval from decision-makers, responsiveness, service levels/quality, contract negotiations and budget management are all very closely ranked in third place. Comments from respondents are below.

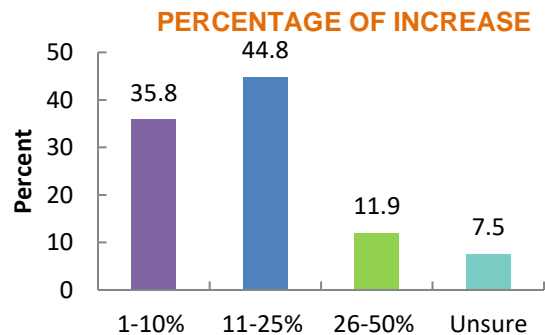**What are the top three challenges you are currently facing?**
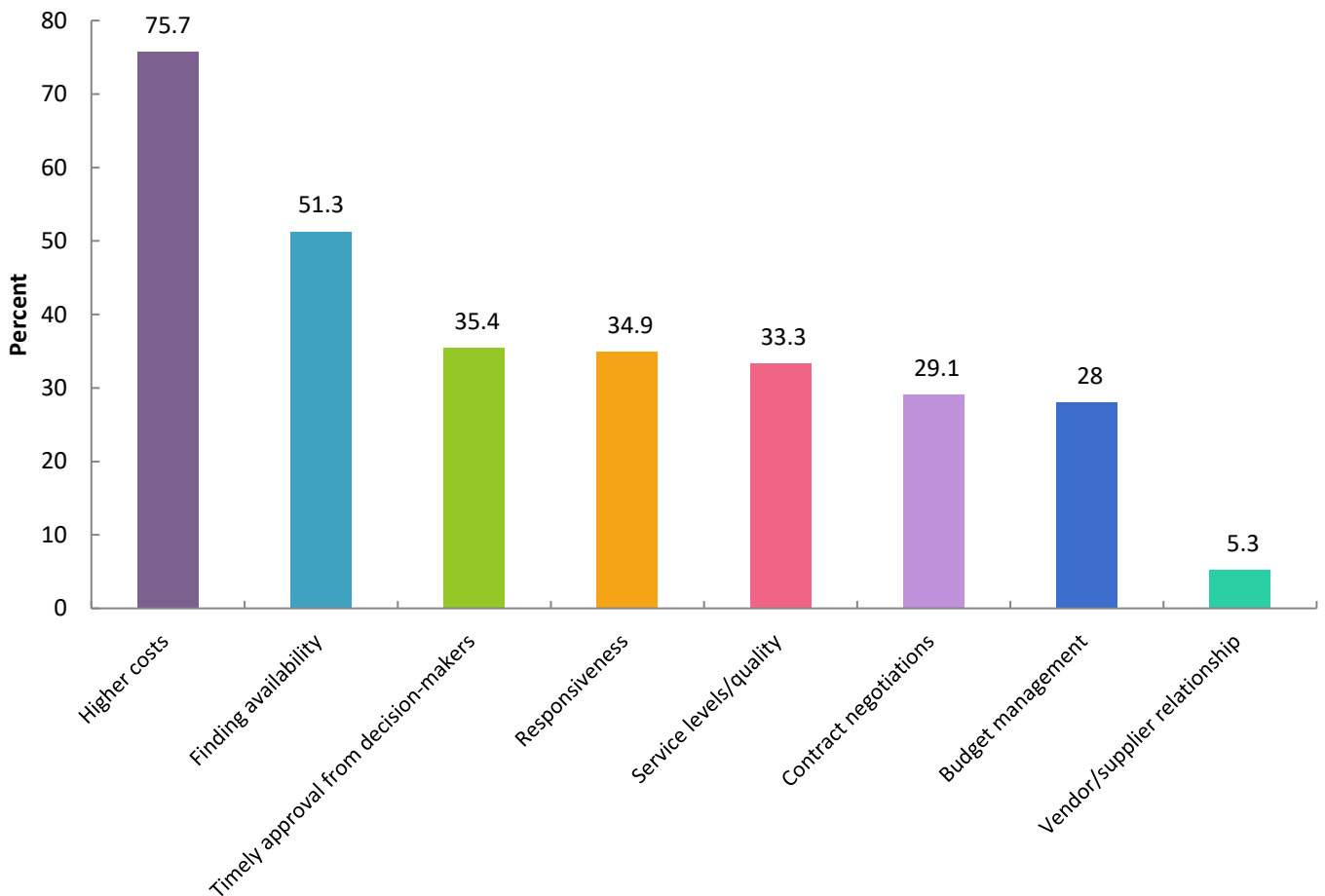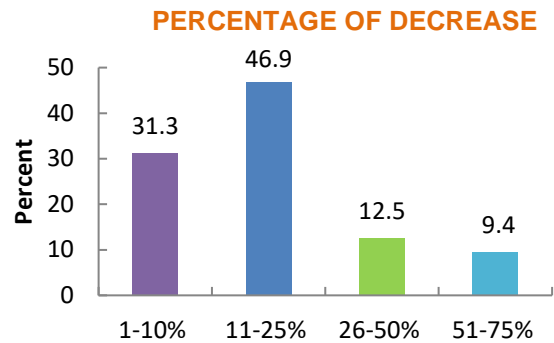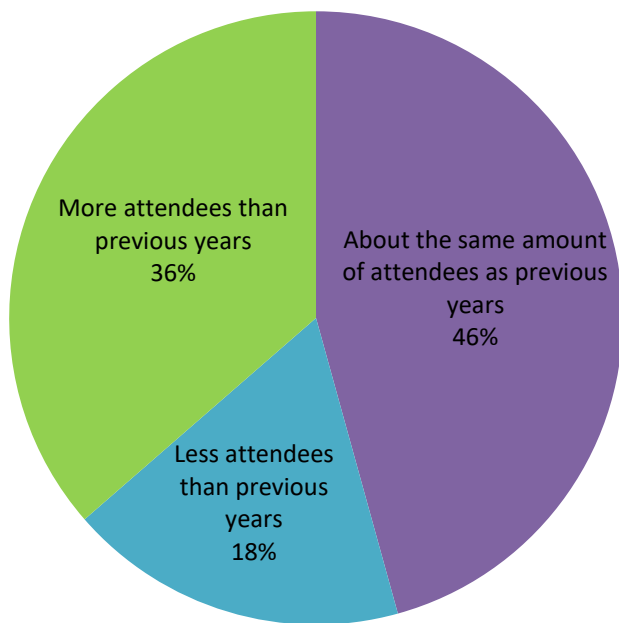

- *It's very frustrating that service and responsiveness is down while costs continue to rise.*

- *As for my perspective, leisure travel has increase[d] post pandemic. Hotels and suppliers are giving preference to leisure travelers than groups. Availability is becoming a problem, and higher costs come within this problem. Service levels have decreased after the pandemic. Poor service + higher costs + low availability are forcing us to stop using specific suppliers and even turning around on destinations.*

Event Attendance

Most respondents (46%) report that they are seeing about the same number of attendees at their in-person events as compared to previous years. Only 36% report that they are now seeing more attendees at their in-person events. 18% report that they are seeing less attendees than previous years.

At your in-person events what are you seeing in terms of attendance levels?

Pie chart:
- More attendees than previous years 36%
- About the same amount of attendees as previous years 46%
- Less attendees than previous years 18%

PERCENTAGE OF DECREASE
- 1-10%: 31.3
- 11-25%: 46.9
- 26-50%: 12.5
- 51-75%: 9.4

PERCENTAGE OF INCREASE
- 1-10%: 35.8
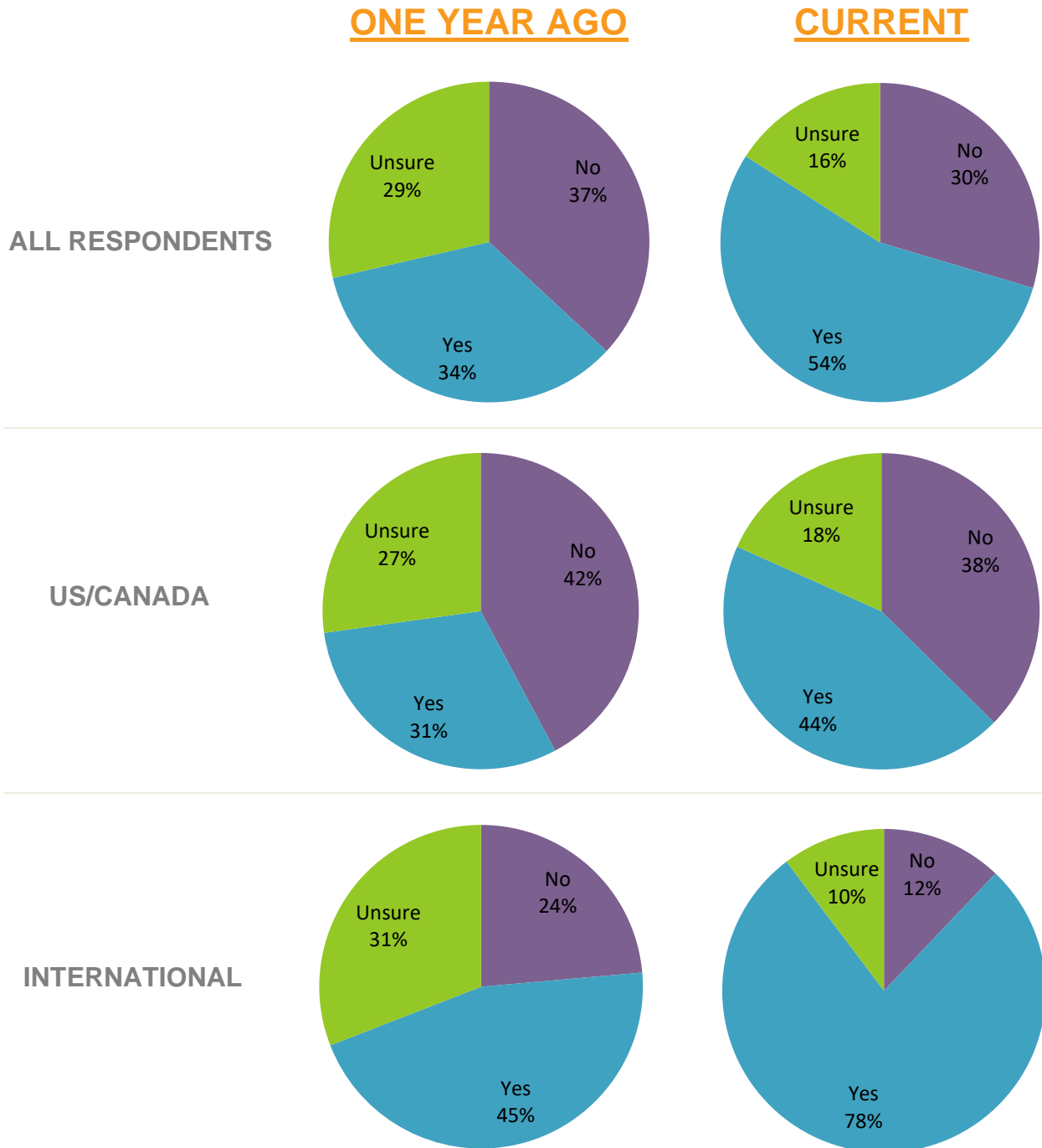- 11-25%: 44.8
- 26-50%: 11.9
- Unsure: 7.5

Respondents cited a mix of sentiments in the comments regarding their attendance levels:

- *Really depends. Large 20K+ citywides are slow to come back. Smaller programs are still not back to pre pandemic numbers but there is an increase over 2022.*

- *Currently for 2023 we've seen an increase. We're expecting a decrease in 2024.*

- *Attendees that qualify for or part of the corporate travel plan are increasing as more people come back to their companies after Covid*

- *We hosted our user conference this past May - first time since 2019 - and we struggled to get folks to attend. We offered a virtual option as well, so that likely had an impact on in-person attendance as well as budgets, interest, etc.*

- *We saw a 19% increase in attendance for our incentive trip in 2023. It is probably due to the destination. Room rates were selling at 200% more online than what we had contracted.*

Sustainability

Overall, as compared to our report one year ago, 20% more organizations are now building sustainability goals into their travel, meetings, and event programs. When separating international responses and US/Canadian responses, both groups currently have more reporting that they now have sustainability goals in place as compared to a year ago. 78% of international respondents now report that they build sustainability into their programs with 44% of US/Canadian respondents reporting the same.

Do your clients/your company have sustainability goals in place for travel/meetings/events?

|	ONE YEAR AGO	CURRENT
ALL RESPONDENTS	No 37%, Yes 34%, Unsure 29%	No 30%, Yes 54%, Unsure 16%
US/CANADA	No 42%, Yes 31%, Unsure 27%	No 38%, Yes 44%, Unsure 18%
INTERNATIONAL	No 24%, Yes 45%, Unsure 31%	No 12%, Yes 78%, Unsure 10%

Sustainability can also be a factor in determining the destination for a meeting or event with 50% reporting that sustainability can sometimes be a factor and 30% reporting that it is a factor in choosing a destination for upcoming programs. Most organizations do not require that their vendor/suppliers/venues have certifications around sustainability with only 15% reporting they require it, but 39% report they sometimes require it. Comments from respondents cite that while they do not require it, it gives the vendor/supplier an edge if they do have sustainability certifications:

- *Sometimes yes, and in [in the case] of restaurants I try to work with healthy, local cuisine. As well for caterers. In terms of meeting venues / hotels it's always prefered to check their sustainability certification or policy.*
- *Not in all cases, but we do prefer it where possible.*
- *We don't require it, but it's certainly a "plus" and gives them an edge if they do.*
- *[It's] always asked in our RFPs and is a consideration [in] selection.*
- *Will be the future for sure.*

Are these sustainability goals a driving factor in choosing a destination for upcoming programs?
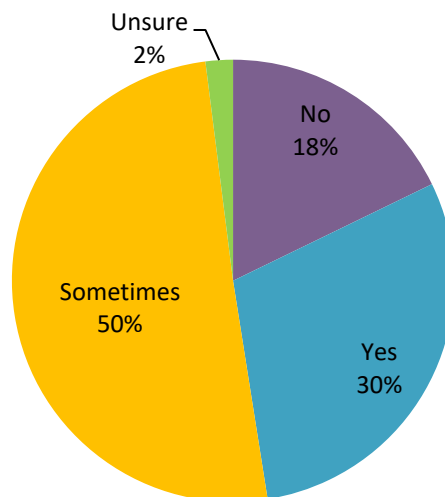
Do you require your vendors/suppliers/venues to have a certification of sustainability?
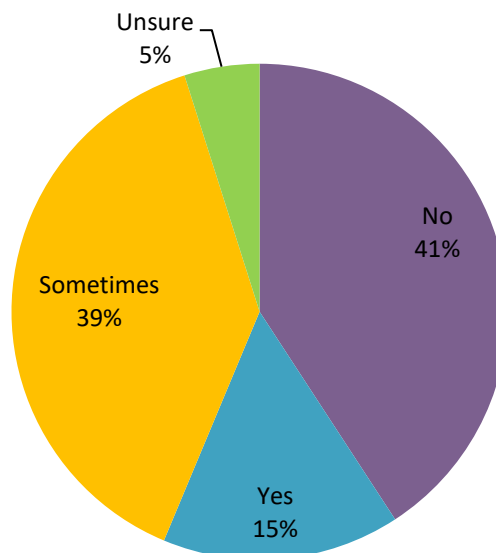
Reducing plastic usage/waste is the #1 sustainability goal for most organizations' meetings and events. When comparing the international group and the US/Canadian group, there is a notable difference in their responses about the importance of carbon tracking and offsetting and only working with vendors that have sustainable efforts in place (but are not certified). Other differences can be seen between the two group's responses below:

**Out of the list below, what is included in your company/clients' sustainability goals?**

Goal	US/Canada Response	International Response
Reducing plastic usage/waste	87.9%	91.1%
Locally-sourced food options	70.7%	75.6%
Carbon tracking & offsetting	48.3%	73.3%
Selecting program components within walking distance	48.3%	53.3%
Only working with vendors that have sustainable efforts in place (but are not certified)	31%	48.9%
Plant-based food options	29.3%	37.8%
Hybrid/electric transportation	10.3%	35.6%
Only working with certified sustainable vendors	3.4%	13.3%

Regions of Interest

We continue to see increased interest in almost all regions around the globe for 2024 programs, with notable increases in interest in Asia, South America and Central America since the last Pulse Survey report.

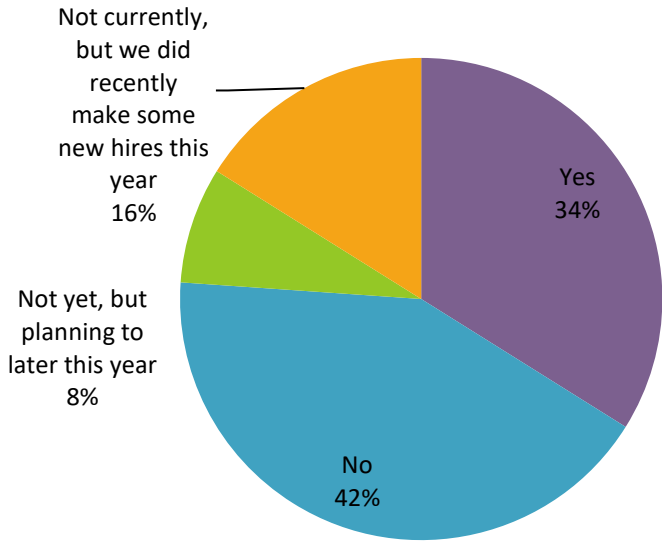**What regions are you considering for your programs in 2024?**

Region	Previous Pulse Report		Current Percentage
United States/Canada	83.4%		83.5%
Europe & UK	70.1%		68.1%
Mexico	38.5%	↗	43.1%
Caribbean	33.7%	↗	39.9%
Asia	25.1%	↗	33.5%
South America	17.1%	↗	25.5%
Central America	16.6%	↗	24.5%
Middle East	17.1%	↗	18.6%
Africa	15%	↗	18.1%
Australia & South Pacific	12.8%	↗	14.9%

South America
+8.4%

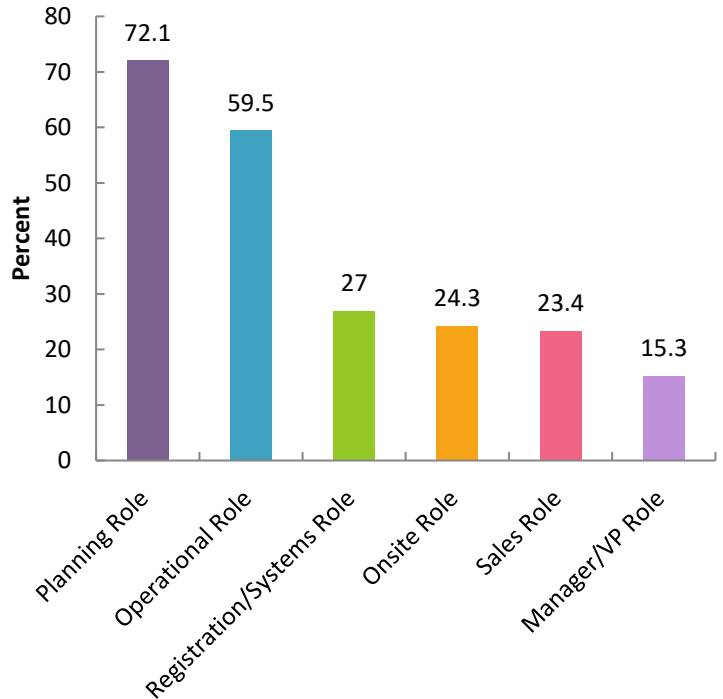**Central America**
+7.9%

Asia
+8.4%
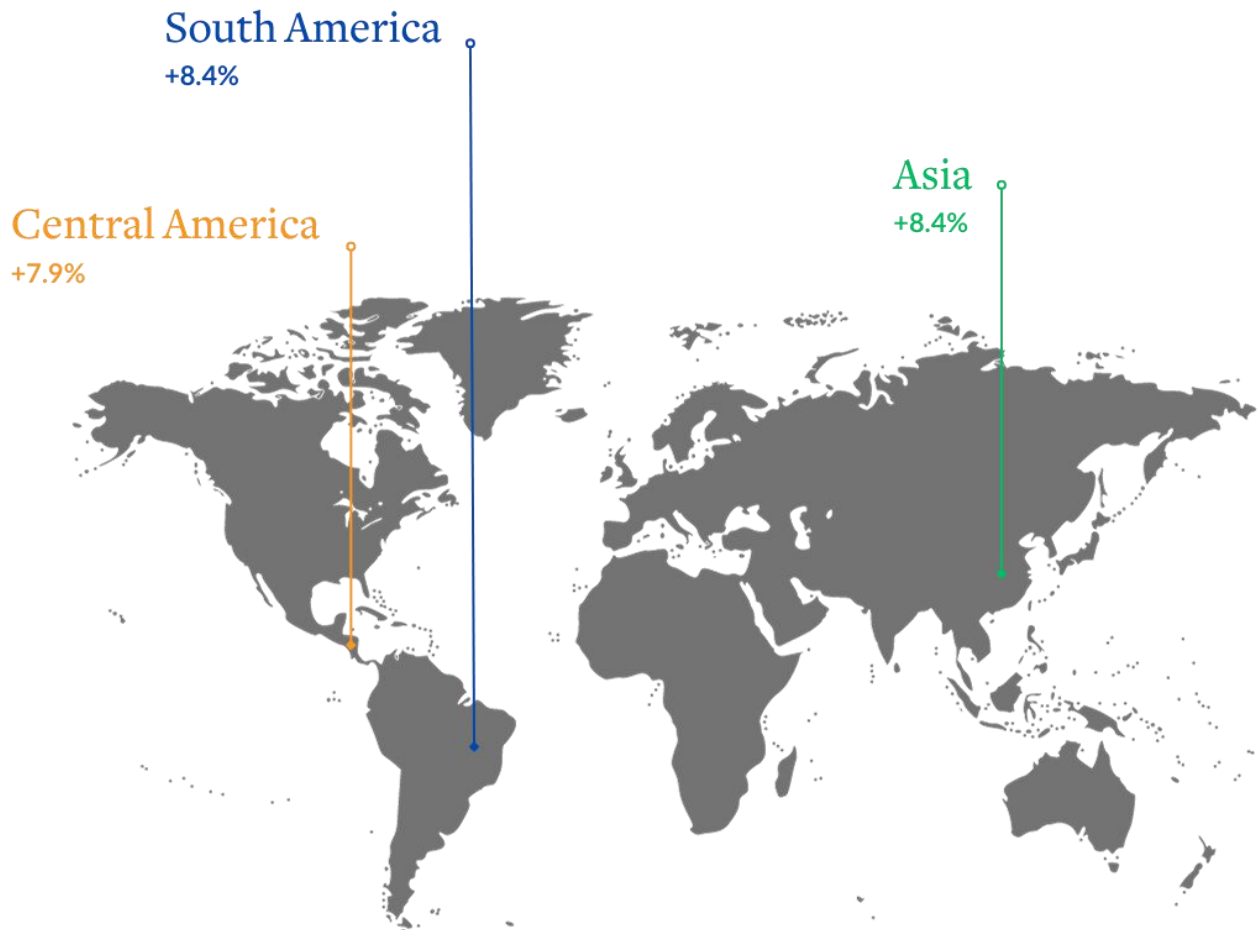
Hiring / Staffing

Of those that are hiring, 72% are hiring planning roles, and comments cited the increased hiring of freelancers

Is your organization hiring in the events/planning department right now?
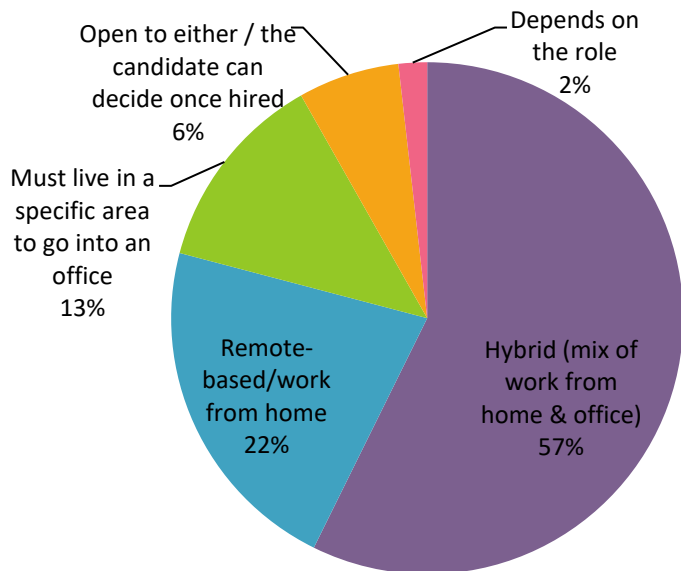
Not currently, but we did recently make some new hires this year
16%

Yes
34%

Not yet, but planning to later this year
8%

No
42%

What types of roles are you looking to fill?

Role	Percent
Planning Role	72.1
Operational Role	59.5
Registration/Systems Role	27
Onsite Role	24.3
Sales Role	23.4
Manager/VP Role	15.3

As other industries call employees back into the office full-time, the MICE industry overall supports a hybrid or work from home model. This is the number one factor that respondents report contributes to a good sense of work/life balance.

Are the roles you're hiring for based in a specific location or are they remote-based?

Open to either / the candidate can decide once hired
6%

Depends on the role
2%

Must live in a specific area to go into an office
13%

Remote-based/work from home
22%

Hybrid (mix of work from home & office)
57%

Please rank how the following factors contribute to a good sense of work/life balance:

Item	Overall Rank	Score
Option to work from home	1	603
Flexible working hours	2	475
Additional staff / internal resources	3	415
Less travel	4	240