

Industry Outlook: The Event & Meeting Industry Transformation



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Objectives

- Key Themes
- How Corporations & Organizations View Events & Meetings
- Implications for Convention Centers



Key Themes

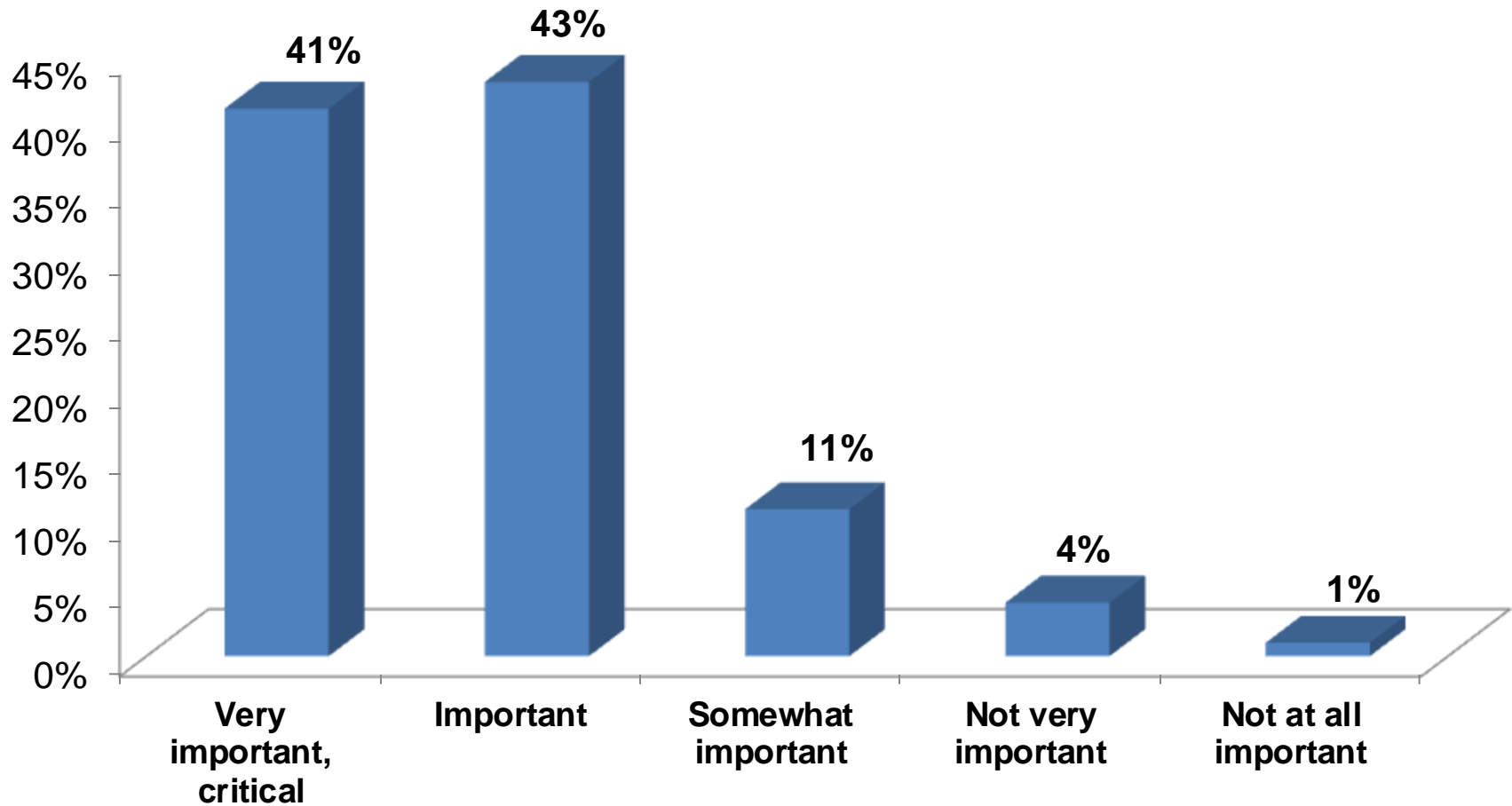
Key Themes

- Events are increasingly part of a mosaic, not “stand alone”
- Event content explosion
- Event cycle stretched out
- Attendee experience focus
- Trade shows = awareness; corporate events = sales
- Trend to more building renovations than expansions
- On-going trends, issues: technology, WiFi, slow economy, competition, search for new revenue streams, CVB and hotel relations, Municipal Government issues and support – more client negotiations
- *The Big Squeeze*

How Corporations View Events & Meetings

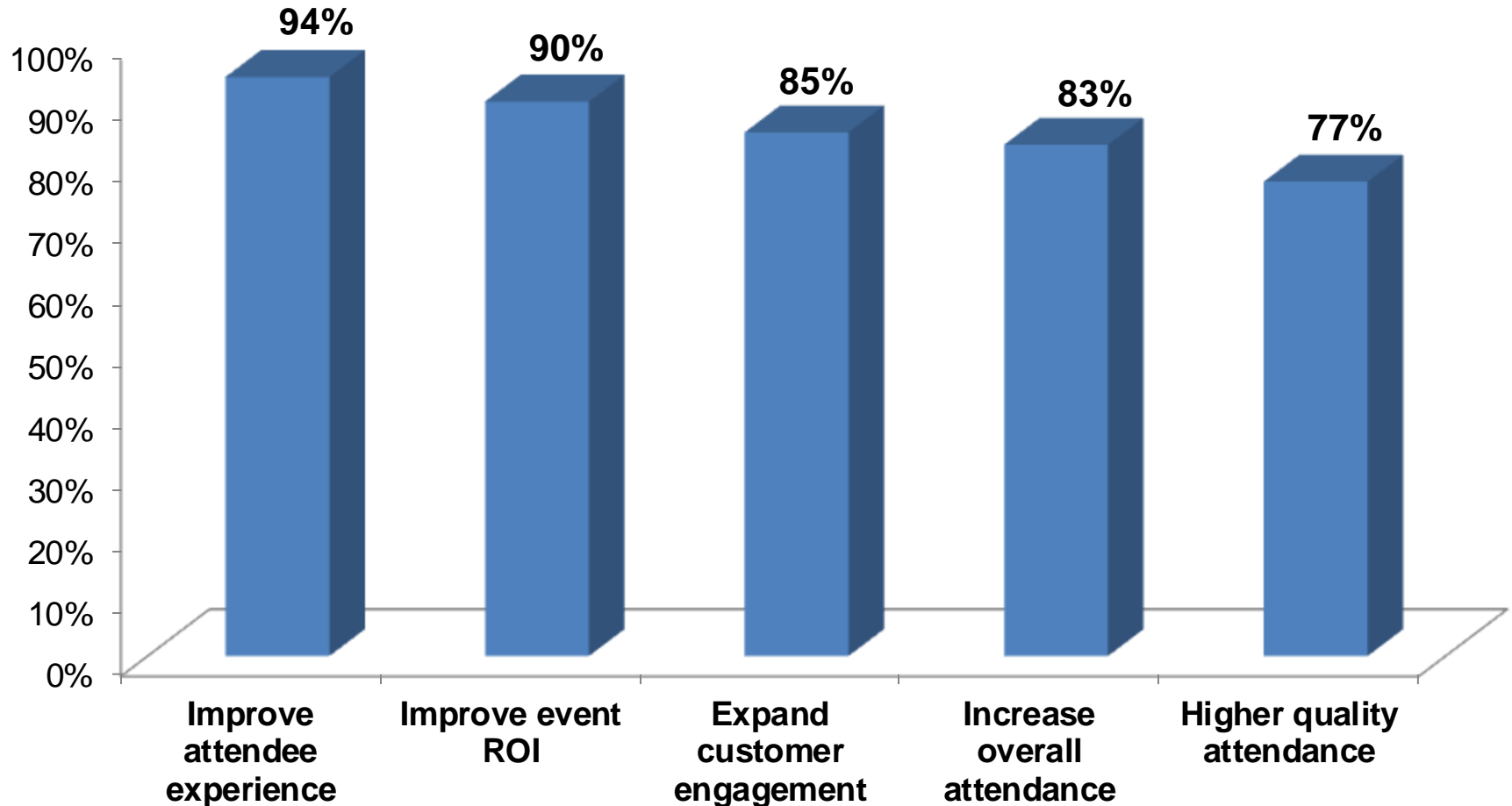


Top Corporate Marketers on the Importance of Events to Their Organization



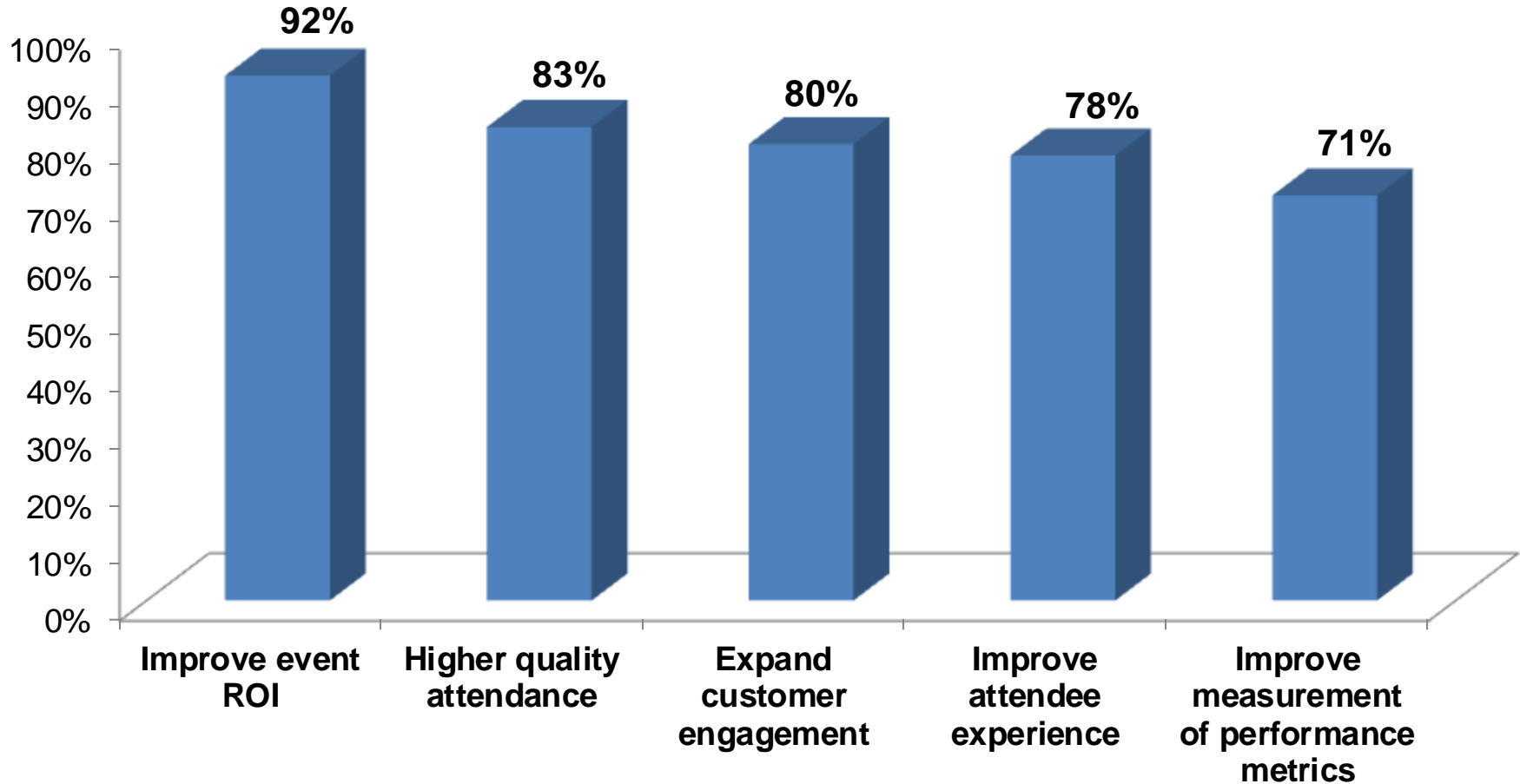
Top Event Producer Issues & Concerns

Top Challenges: growing quality attendance, driving revenue in slow economy, and integrating social media.



Top Exhibitor & Event Marketer Issues

Top Challenges: measurement and tracking ROI, budgets, driving quality attendance and visitors, and overall schedule management.



How Event Management & Attendees are Changing, According to Venues

Event Management	%
1.) Increased negotiations	88%
2.) Shorter booking windows, booking closer to the event dates	82%
3.) Requiring higher-quality food and beverage	51%

Attendees	%
1.) Shorter stays and visits at events	77%
2.) Shorter or less tourism-related activity/stays before/after events	58%
3.) Less spending on attendee-related services such as food concessions or business centre	46%

Why Companies Exhibit at Trade Shows

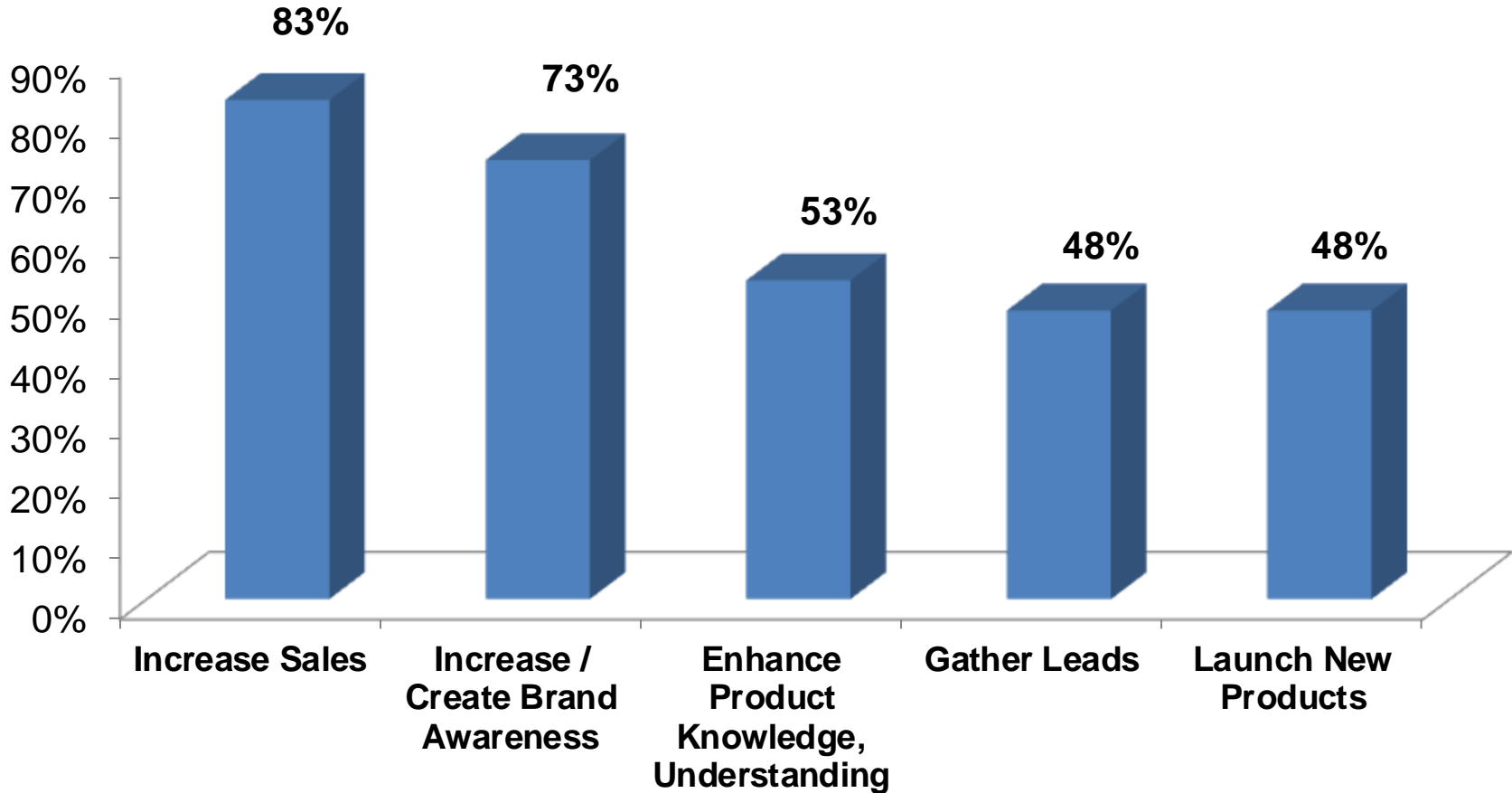
	%
Raise awareness of company and brand	88%
Leads from new buyers and prospects	72%
Create/strengthen industry relationships	70%
See current clients	65%
Network with colleagues and/or vendors	58%

Why Attendees Attend

	%
See new products	85%
Networking	75%
Stay up to date on industry trends and issues	74%
See many companies at one time	64%
Create and/or strengthen industry relationships	61%

Event Marketing: Driving Sales is Now the Primary Goal

Just a few years ago the primary goal was to increase awareness.



Corporations are Spending on Events & Experiential Marketing Again

2012 Corporate Event & Experiential Marketing Budget Growth Forecast

7.8% growth

***But a significant portion of this is not spent with exhibitions and conventions
– or in convention centers.***

Today's Event Industry Buzz Words

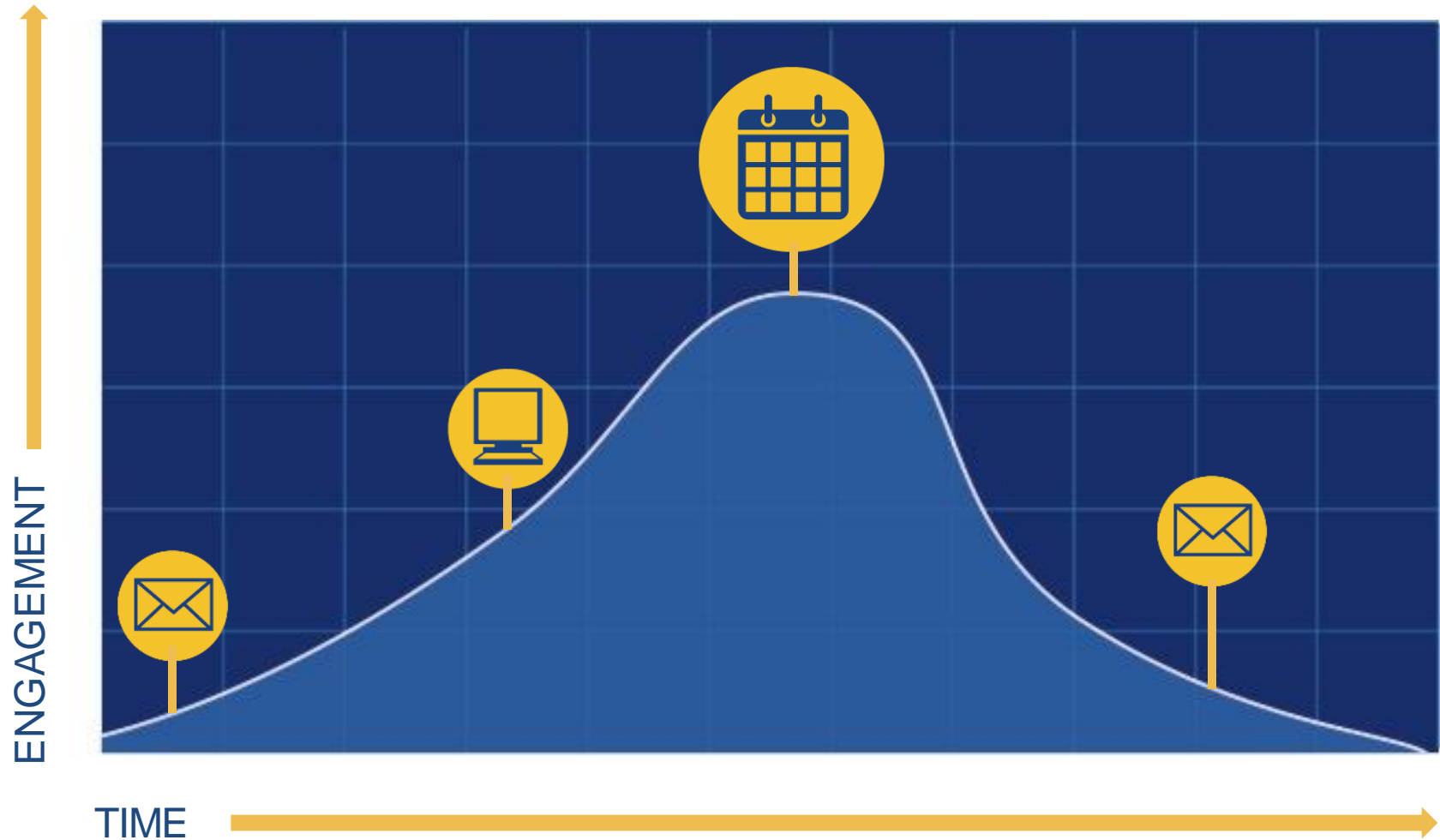
- ***Content***
- ***Community***
- ***Connected***
- ***Hybrid***



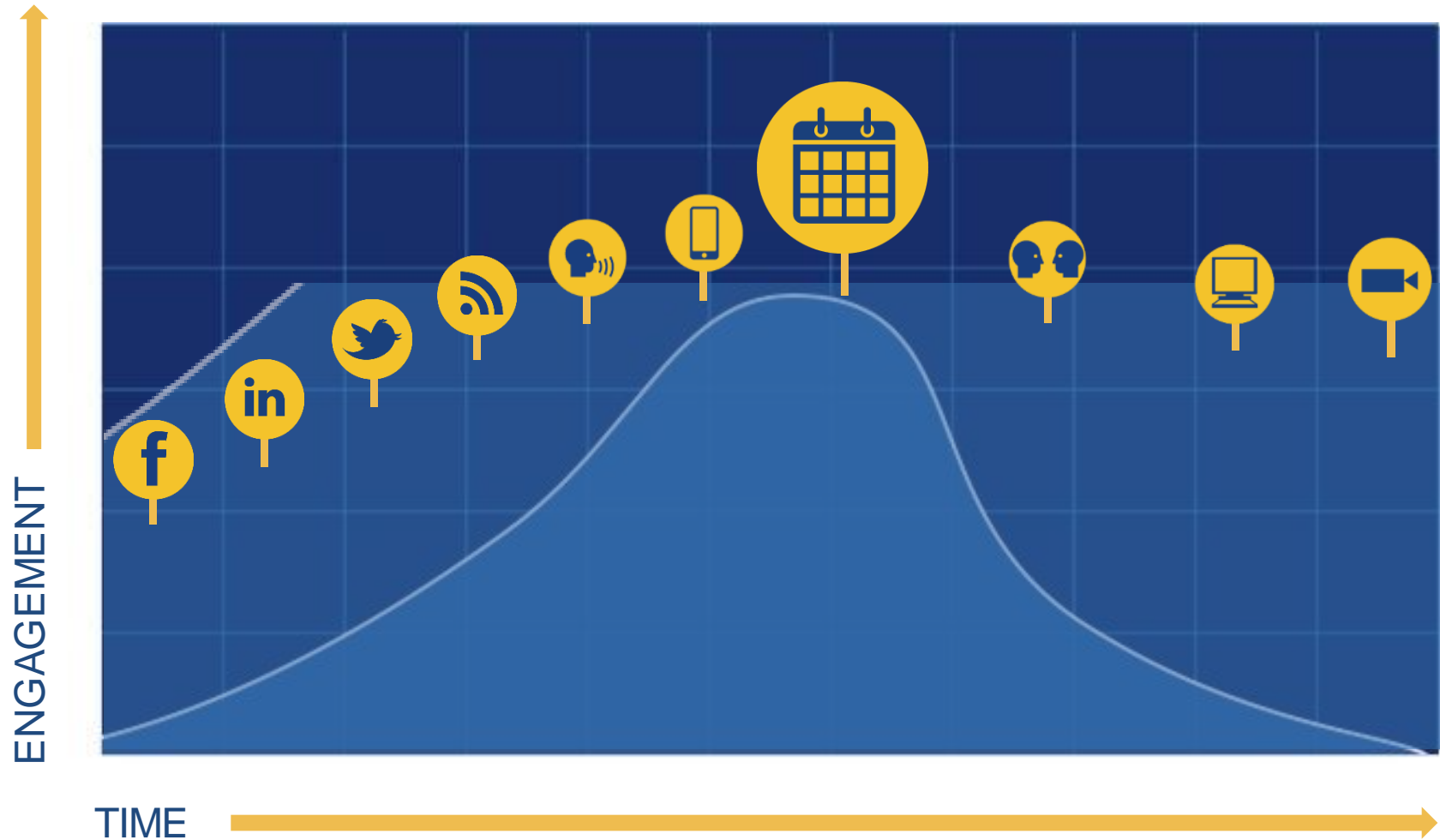
Examples of Leading Event Taglines & Themes

- **CES** (for attendees): *The Industry's **Brightest Minds Come Here***
- **CES** (for exhibitors): *Take **Your Place** on the World Stage*
- **E3**: ***Innovation** Unveiled*
- **Gartner ITxpo**: *Focus. **Connect**. Lead*
- **HIMSS**: *Next Spring HIMSS **Changes** Healthcare*
- **InfoComm**: ***Communications** Intensified*
- **NAB**: *Where **Content** Comes to Live*
- **VMWare**: *Education. **Collaboration**. Networking.*
- **World Market Center Las Vegas**: *All Your Best **Connections** are Here*

Evolution of Events – A Few Years Ago...

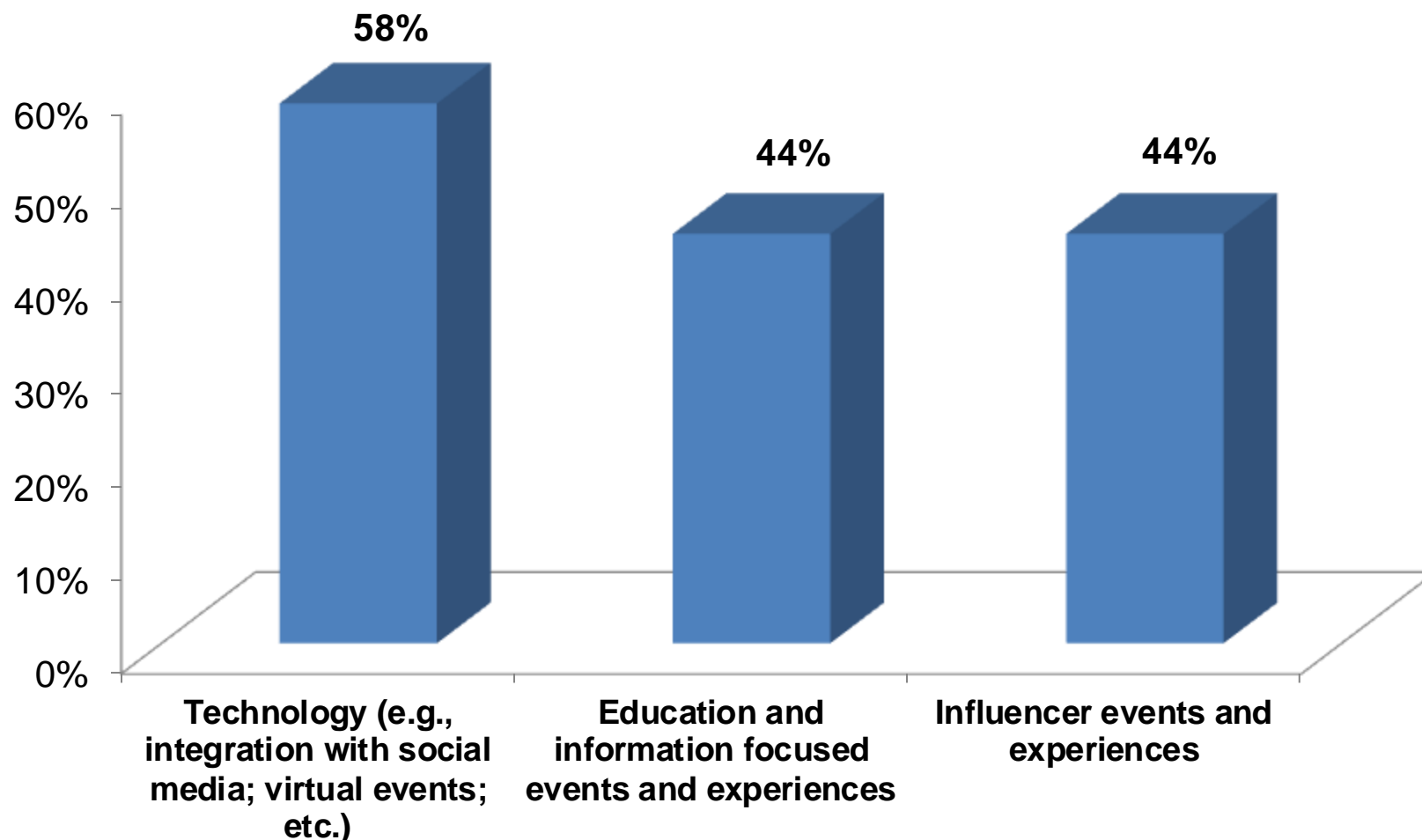


Evolution of Events – Today



Most Promising Strategies & Types of Events & Experiences

The most promising event strategy and approach relates to technology, specifically using social media. But tied for second are developing **education and information** and **influencer** events and experiences.




Corporate Event Case Study: SAP Sapphire

Digital Online Content & Communications

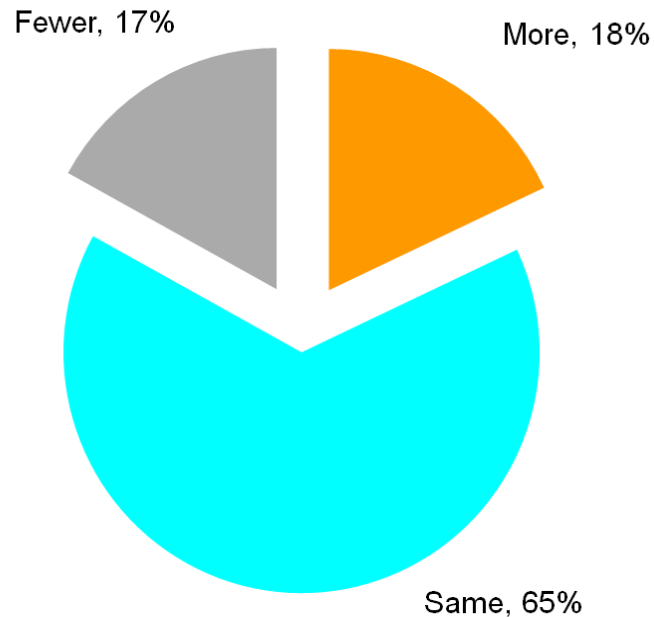
- Streams every session for free.
- Recruits social media ambassadors and produces many small video clips.
- Online goal is to amplify the show and the message, as well as drive additional lead generation and direct sales.
- Has impressive content production and broadcast “Studios” integrated on the event floor and near-by the keynote areas.
- Communications Center/Press Room is also on the show floor. For the keynotes they have tables with power access set up for all press and communications people to report, blog and use twitter, etc. easily.
- ***Part of corporate online strategy; not a virtual event strategy.***

How Attendees Have Changed

- Registering closer to the event; shorter event visits.
 - Smaller buying teams; those that attend have more authority.
 - Half are looking to see products first reviewed online.
 - Cost conscious, looking for discounts and deals.
 - Looking for more content and information.
- 
- *Attendee Quote:* “I used to buy bigger ticket items/machines at a show, **now I'm taking what I learned back home first and purchasing in the future.**”
 - *Attendee Quote:* “**More relationship building and meet and greet today versus purchasing years back.** Most purchasing can be done via internet now.”

Convention & Exhibition Attendee Trends

Will Attendees Participate in More, Fewer or Same Number of Events Over the Next Few Years?



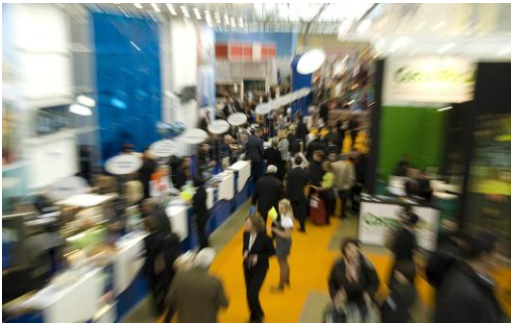
Reasons for Attending

- 1.) See new products: 85%
- 2.) Networking: 75%
- 3.) Stay up to date on industry trends and issues: 74%
- 4.) See many companies at one time: 64%
- 5.) Create and/or strengthen industry relationships: 61%

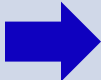
Increasingly Event Management is About Content

- Event management has become about managing more content and information. There are 38 different areas and types of event content, including:
 - Archived event information
 - Award events
 - Social media, digital communities
 - Educational sessions
 - E-newsletters
 - Entertainment
 - Exhibits, environments and displays
 - Keynotes
 - Mobile apps
 - Networking events
 - Publications
 - User-generated content
 - Video
 - Virtual events, Webinars/Webcasts
 - Post-event survey and evaluations
- There are two primary content categories:
 - 1.) Content and Information for Marketing, mainly to drive attendance.
 - 2.) Adding Value Beyond the Live Event to Attendees and Community Members.
 - Attendees want information **now**.
 - *How can venues help event producers develop and manage this content explosion?*
- 60% of leading event producers say they are “providing more content and information”.

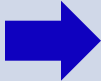
Implications for Convention Centers



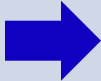
Event Content & Venue Response: Pre-Event

Event Content		Venue Response
Pre-Event Marketing & Promotion: <ul style="list-style-type: none">• Emails• Social Media• PR• Pre-event meetings, Exhibitor Advisory Board Meetings		Provide content and information to help drive attendance; testimonials. CVBs also provide, but how can your venue add value here?

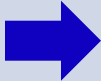
Event Content & Venue Response: On-Site Keynotes & Sessions

Event Content		Venue Response
On-site: <ul style="list-style-type: none">• Keynotes• Education• Sessions		Higher quality AV and video editing services; areas and services to capture and manage content; improved show management offices and work areas

Event Content & Venue Response: Networking & Special Events

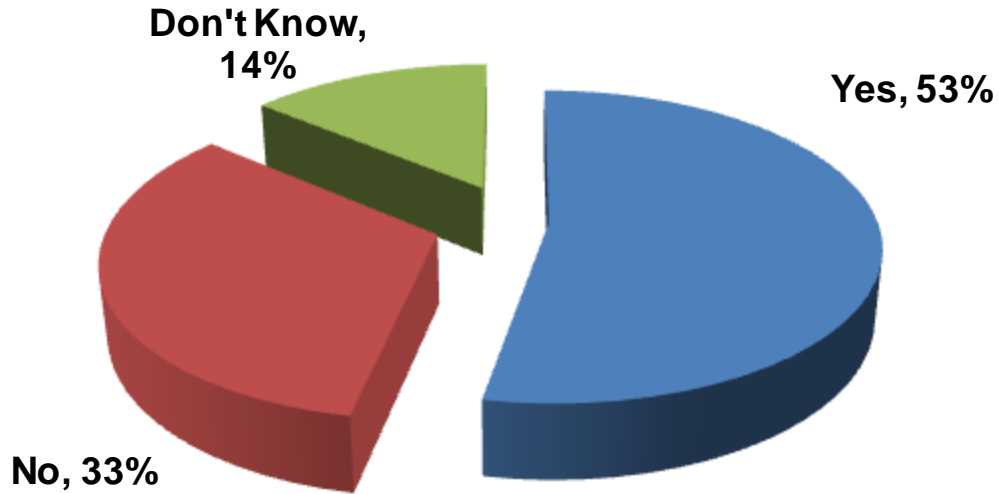
Event Content		Venue Response
On-Site: <ul style="list-style-type: none">• Networking events• Awards ceremonies• Entertainment		Special focus on special events and services, in addition to F&B; more examples of best-of-class events, guidance and consulting

Event Content & Venue Response: Video & Broadcasting

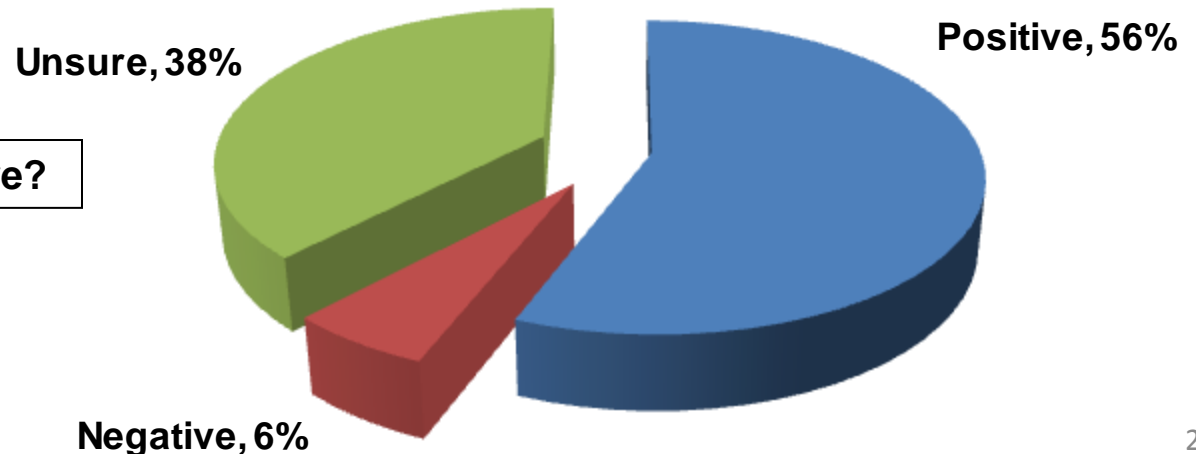
Event Content		Venue Response
Video & Broadcasting: <ul style="list-style-type: none">• Hybrid events• Digital communications• Reaching audience outside of venue		Studios, spaces, areas, service teams dedicated to video and online; how to help the events reach their community that didn't attend?

Hybrid Events

Are centers seeing more clients incorporating hybrid events that combine face-to-face and virtual/online elements?



Is this trend positive or negative?



New Venue Revenue Streams

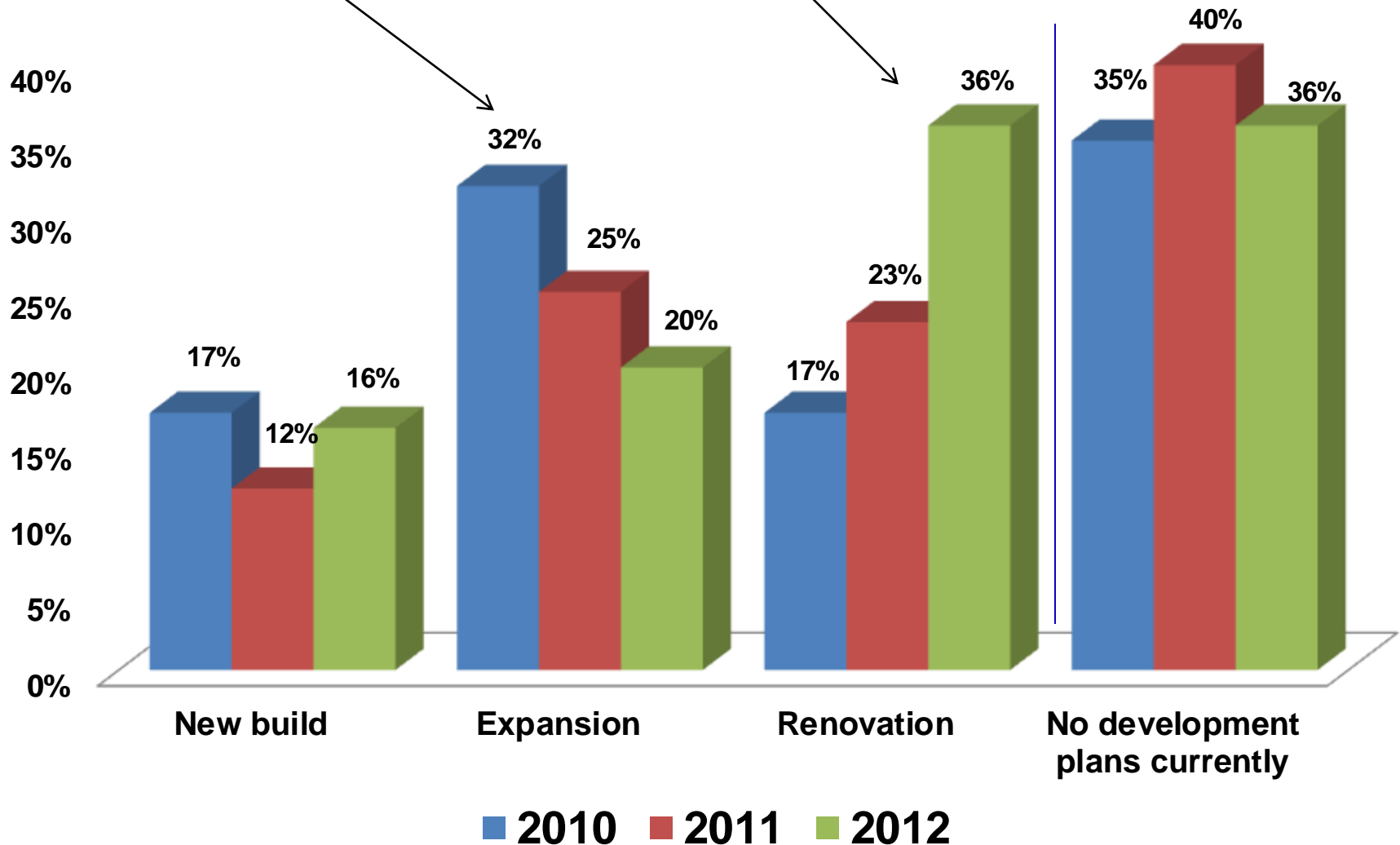
- Expanded, enhanced meeting / conference spaces and services
- Enhanced, improved AV services
- Enhanced, improved telecommunications and IT services
- Advertising and signage income
- Upgraded F&B, catering
- Hosting cultural exhibitions, entertainment and sporting events
- Partnering to launch events, share risk
- Changing pricing, package plans, value added
- Other: parking, security, cleaning services

% of Centers that Added a New Revenue Stream 2011 to 2012



New Building & Expansion Activity 2010, 2011 & 2012 – Top Venues Worldwide

Expansion activity slowing, renovations and refurbishment increasing.



■ 2010 ■ 2011 ■ 2012

Event Producers on How Venues Have Changed Over the Past Few Years

- “Convention centers seem **more willing to negotiate.**”
- “Despite the state of the economy, **prime dates in major cities are still very sought after** and difficult to maintain.”
- “More **competitive and better customer service.**”
- “More of a **buyer's market** but the tide is turning.”
- “More services are **in-house or exclusive.**”
- “Some 2nd and 3rd tier are getting more aggressive to try and lure business.”
- “Some **now charging for meeting rooms**, some charge for sponsorship banner locations.”
- “We are locked into one location due to size; our general impression is they take us for granted. They **have tried to work with their in-house exclusives to upgrade their service** levels and this has worked to some degree.”

Venue Managers on How Clients are Changing

- “Customers ask for same kind of spaces, but **expect more comfortable facilities** with various on-site services as lounges, technical possibilities, state-of-the-art restaurants and cafes, etc.”
- “Increase in the **demand for break-away spaces**, parallel meeting rooms and **network spaces**. Conferences are becoming **more interactive** and the spaces need to respond to this.”
- “Clients require more direct service, including more **active participation in the design of event logistics**. Clients are **much more reactive** to hot-button issues, and much less proactive in terms of anticipating changes and re-positioning their events.”
- “Centers are increasingly having to provide **more for less**. Clients are **negotiating much harder** on the areas that directly affect them and this is usually around the services provided by the centre. **Organizer fees, hotel rates, etc. seem to be less affected.**”
- “It’s a **buyers’ market** and will be for a long time to come.”

Conclusion

It's Still Very Early in the Digital Revolution

7%

... of consumer media companies with their
“digital media strategy fully developed” *

11%

... of business-to-business media
companies and associations with their
“digital media strategy fully developed” *

**2 years, 5
months**

Age of the Apple iPad



Conclusion

- Key challenges: weak economy, competition and empowered clients.
- Investment shift to renovations and upgrades from expansions.
- Event content trend.
- Focus on new products, deeper attendee engagement.
- Events are healthy, but a little stagnant. Better educate clients on what is possible.
- Opportunity: Event producers need to raise the bar and enhance the attendee, and exhibitor/sponsor, experience. *How to help clients event more?*

Q&A