2014 Global Meetings and Events Forecast
Contents

Executive Summary

2013 Global Meetings Activity
Meetings Activity & Characteristics
Meetings Budgets & Planning
Group Hotel Rates
Global Meetings Property Demand & Supply
Global Group Air Trends

Global Trends
Top Trends in Meetings Activities
Meetings Program & Policy Trends
Emerging Regions

Special Sections
Virtual Meetings
Meetings Payments: Enabling Achievement of Organizational Meetings Program Goals
Social Media in Meetings: Rising Impact and Opportunity

Trends by Region and Commentary
North America
Meetings Activity
Meetings Budgets & Planning
Meetings Locations
Pricing Trends

EMEA
Meetings Activity
Meetings Budgets & Planning

Asia Pacific
Meetings Activity

Central/South America
Meetings Activity
Meetings Budgets & Planning
Meetings Locations & Destinations
Pricing Trends
Methodology

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Dear reader,

We are pleased to present the third annual Global Meetings and Events Forecast.

Meetings and events continue to grow in importance and be recognized as critical to the achievement of strategic business objectives for organizations across the globe. As companies seek growth, merge and change, meetings and events provide an important forum for communication, inspiration and reward between companies and their employees, customers and partners. With global expansion driving the need for companies to ensure consistency in their messages across borders and growing employee populations, organizations must think differently about the role that meetings play in their overall communications strategy. Bringing people together is more important than ever. This is an exciting time for our industry.

This past year has been a successful one for us and our clients, as we worked together to create interactions that helped clients achieve their growth objectives, deliver a more consistent message to the marketplace and reach critical audiences. The coming year will be truly exciting for American Express Meetings & Events. We will continue to evolve our business and work to redefine meetings investment and experience management through the incorporation of digital meetings solutions. To support the changing needs of our clients, we will further expand our offerings and provide the expert insight needed to design innovative meetings experiences that support their strategy and, ultimately, drive global commerce.

Over the past two years, we have seen growth in meetings across many regions. Modest budget and activity increases have been the trend, with caution in some areas driven by economic challenges and uncertainty that continue to trouble some countries, particularly in the European Union. We’ve also seen increases in the role of procurement and compliance relative to meetings that has created an increased focus on approvals and the establishment of meetings policies. This formalization has likely increased the visibility of meetings across many organizations, creating a stronger awareness of the value they deliver for companies.

Looking to 2014, our survey respondents and contributors indicate that the rising use of social media and mobile applications are certainly the largest anticipated trends in meetings across every region. Additionally, we see meeting planners once again pointing to budget challenges in 2014 and a continued shift to more local meetings across every region.
Across all regions surveyed, respondents indicate that the approval process for meetings is becoming more rigorous. Given that meetings is often one of the least managed spend categories within many companies, this shift is natural as procurement turns their attention to the category in an effort to create more efficiencies for organizations.

Meetings activity is undergoing very minor adjustments across regions, indicating that demand may be stabilizing globally. After seeing growth over the last two years, Asia Pacific is predicted to see small declines in 2014 in budgets, number of meetings and attendees. Our respondents see no adjustment to the number of meetings or number of attendees in Central/South America, with budgets expected to be slightly down, suggesting a need for planners in that region to find small areas of savings to deliver on expectations. Across Europe, the region will likely undergo strong variations by country. Germany and the United Kingdom see optimism in nearly all meeting categories while in France, Sweden and Spain, small declines are predicted in key categories such as spend, number of attendees and number of meetings in 2014.

As corporations expand in Brazil, Russia, India and China (BRIC countries), so does the effort to create formal meeting programs in those countries. While demand for meeting activity within each of these countries varies, there is consistency among planners regarding their greatest areas of focus, starting with ensuring compliance to company expense policies. Another area of concern is identifying strong and capable local partners to rely upon when managing meetings in these countries. As companies look to grow their revenues and operations in the BRIC countries, it is likely that we will see increased attention and support for meetings management in these countries.

Across all regions, group hotel rates for meetings and events are expected to rise in 2014. Meetings demand for mid-tier properties is also predicted to continue rising in 2014 as it has for the last two years suggesting that mid-tier properties have become the primary choice among meeting planners globally.

Destination choices among our survey respondents continue to be driven by safety and security concerns. There appears to be a company-wide focus on duty of care in a greater number of organizations, creating increased coordination between security departments, meeting owners and hotel security staff. As economic instability and political unrest continue in many areas, safety is anticipated to be a larger part of the meeting planning and decision making process in 2014.

Mobile applications and social media are two technologies frequently used by attendees in their personal lives. As the use of meeting-specific apps and social media within meetings continues to rise, meeting planners are expected to face greater pressure to incorporate these technologies into their events as well. Expectations regarding interactivity with other attendees, the ability to share opinions and “review” a meeting in progress, as well as access to deeper information about presenters and content are growing among meeting attendees. The available tools and ease of use are also growing; however, incorporating these elements does not yet appear to be a consistent component of the planning process.

Another element receiving increasing attention is the incorporation of group air into the meeting planning process, a trend which appears to have plenty of room for growth. Group air rates are expected to remain relatively flat or see some very modest increases over the next two years. As planners become more aware of the cost advantages and
Flexibility associated with group fares, they are likely to focus more on this area. Many planners looking to find increased savings in a world where budgets are remaining stable but meeting needs are growing, are likely to turn to group air to help alleviate a bit of pressure.

As a supplement to this forecast, we have included in-depth reports that offer perspective on three key issues facing the meetings industry today:

- Last year we featured a report on virtual / hybrid meeting solutions. The continued interest in these solutions and growing conversation inspired us to feature this topic once again. Building on the foundation established last year, this report reveals updated statistics regarding actual and projected virtual/hybrid meeting solutions adoption rates, interest and more, including a region-by-region view. The authors also offer insight into the most effective use of virtual and hybrid solutions, and advice on building a business case for their use.
- Another topic that drew tremendous interest and was further researched for this year’s forecast is meetings payment and expense management. Our expert discusses the latest policy and payment solution implementation data, as well as best practices and thoughts on closing the risk gaps associated with meetings payments.
- Our final in-depth report takes a look at the growing impact of social media on meetings from both the planner and attendee perspective. One of newest and fastest-growing influences on meetings, social media is already changing how attendees interact in many meeting settings. You’ll learn about the trends and risks associated with the use of social media within the meetings environment and what planners and meeting owners should consider when looking to harness the power of social media for their own meetings programs.

After years of upheaval and uncertainty, it seems there is a sense of stability returning to the meetings industry. However, we also see continued global expansion, and the importance of understanding the country-by-country dynamics given vast variances both within regions, as well as in emerging countries. Influencing this stability and expansion is a rise in meetings-related policies and programs designed to ensure meetings are executed in a way that complies with policy and delivers against strategic objectives.

As meeting owners and planners look to manage through the increasing complexity and execute on their meetings and events strategies, there are many new tools available to assist us today. The digital world in which we live gives us the ability to communicate, track and problem-solve in a real-time and more collaborative manner. By employing the right tools, we can alleviate many of the pressures covered in this forecast including safety and security concerns, globalization, changing attendee expectations and more, today. With our plans to continue developing new solutions that will better address these current and future needs as we move forward together, we are committed to helping companies address their current and evolving strategic meetings management requirements.

Thank you for your interest in the 2014 Global Meetings and Events Forecast.

Regards,
Issa Jouaneh
Vice President and General Manager, American Express Meetings & Events
2013 Global Meetings Activity

Meetings Activity & Characteristics

Number of Meetings per Company

Signs of stability. For the second year, most survey respondents predict only slight adjustments to their meetings activity per company, indicating that demand may be stabilizing across the industry (figure 1).

The meetings professionals we interviewed take that as a sign of optimism that the large declines in activity witnessed in 2009 and 2010 are truly a past phenomenon. Findings from the American Express/CFO Research Global Business and Spending Monitor 2013 report released in June appears to lend some support to this sense of stability. In a survey of 519 senior finance executives from around the world, 48% of them planned to spend the same amount on travel to industry conferences, management retreats or professional development meetings, and another 29% expected to spend more1.

Similar to last year, hoteliers are slightly more optimistic than the meeting planners surveyed in their predictions for next year, pointing to an industry wide increase of 3.0% in the number of meetings per company.

Jose Miguel Moreno, Global Business Travel & MICE Director for Melia Hotels International, is seeing positive year-over-year growth in terms of meeting bookings across all regions where the company operates, but does see significant variability within each country. North America appears to be the region of highest meetings growth for Melia in 2014 as of the writing of this forecast.

Asia Pacific’s shift from strong growth predicted in 2013 (+6.4%) to a slight decline expected in 2014 (-1.2%) is the most dramatic shift amongst all of the regions surveyed. Meeting professionals with knowledge of the region believe that heightened spend scrutiny and formalized approval processes are likely the key drivers of this shift.

1 AMERICAN EXPRESS/CFO RESEARCH, GLOBAL BUSINESS AND SPENDING MONITOR 2013, JUNE 2013
Across all regions, there was a diverse range of responses from meeting planners regarding their activity in 2014. While regions overall are moving slightly in one direction or another, decisions regarding the number of meetings held appear to be on a company-by-company basis.

**Number of Attendees**
**Small adjustments being made.** Planners also expect small adjustments to their average attendee numbers next year (figure 2). Europe’s predicted average attendee decline of 5.2% in 2013 has dropped to less than 2% for next year. Asia, after expecting an increase of 5% last year is predicting a small decline as meeting spending is seen to be receiving more attention in the region. Once again, there’s no clear consensus amongst survey respondents in their predictions, indicating that decisions regarding attendance numbers are being made for individual reasons within each company.

**Days per Meeting**
**Meeting length stabilizing.** Meeting planners surveyed indicate that meeting length is still trending downward slightly in most of the world (figure 3). With the exception of Asia, the declines predicted are even smaller than last year, again a sign of stability within the industry. In North America, for instance, 72% of respondents expect no changes to their average meeting length and 93% expect shifts of no more than 5% in either direction. Experts we interviewed including hotel groups, corporate meeting program owners and leaders from third party meetings companies noted that in many cases, meetings have already been trimmed to such an extent that further declines are not practical and could impact the ability to achieve desired results.

Asia Pacific, after pointing to longer meetings in 2013, forecasts a small decline of 2.3%, very similar to the shift in attendee numbers noted above. Within this region, there is a sense among meeting professionals that many meetings could be shortened slightly with little or no detrimental effect.
Meeting Budgets & Planning

Overall Meeting Spend within Organizations

Nothing drastic planned. Many companies have already made their big program budget cuts and are now planning only minor adjustments in 2014 (figure 4). Survey respondent predictions for program spending declines are all smaller in magnitude than last year, with the exception of Asia Pacific’s anticipated 3.6% decline. In North America, program spending is forecasted to remain the same in 2014.

In Europe, although a small decline is predicted overall, there is considerable optimism in many regions, particularly in Germany, the UK and Belgium, according to one of the meeting experts interviewed. Spain is expected to continue to struggle more than the other major countries as a result of its economic situation (see the EMEA section for more country-by-country predictions).

In Asia Pacific, after years of budget increases, a small decline is anticipated, driven by two-thirds of respondents forecasting a decrease in their 2014 overall meeting spend. This is one trend where Asia Pacific respondents are more aligned than others. Compliance issues, as well as cost considerations, are the likely drivers of this trend.

Individual Meeting Budgets

A little bit less. Budgets are projected to essentially hold steady in most regions, with Asia Pacific as the lone exception (figure 5).

North America is showing some strength and stability; 90% of respondents expect budget changes of less than 5% in either direction within their organizations.

Europe’s predictions are much less uniform, with apparent stability and optimism higher in the UK and Germany, and much less so in Spain.

In Central/South America, respondents had a wide diversity of individual responses as well, with a very slight decline predicted overall. Asia Pacific respon-
dents however, are more uniform in their budget expectations with nearly 80% forecasting meeting budget declines next year.

**Lead Times**

*Time crunch.* “Getting shorter” and “They can’t get any shorter” are the typical responses from meeting professionals around the globe when asked about the current state of lead times for meetings.

Similar to last year, planners in every region expect lead times overall to get shorter again next year, although not by a large amount and there is a significant range of opinion (figure 6). Asia Pacific is seeing the largest decline at 4.0%, as a result of 61% of respondents pointing in that direction.

<table>
<thead>
<tr>
<th>Prediction: Lead Times for Meetings by Region &amp; Suppliers</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
</tr>
<tr>
<td>1.6% ▼</td>
</tr>
</tbody>
</table>

**Figure 6: Lead Times**

(Sources: American Express North American, European, Asia Pacific, Central/South America and Key Supplier Surveys, September 2013)
Group Hotel Rates

Looking up. Predictions for group hotel rates for meetings and events are very similar to those for 2013, with increases of 3-5% forecasted for all regions, except for Europe, which once again is expected to remain essentially flat (figure 7).

With demand relatively stable, hoteliers are expected to push rates a bit higher; however, hoteliers that responded to our survey are not as optimistic about rate increases as meeting planners are. One of our European experts has seen hoteliers in 2013 attempt to raise rates, only to find them return to the same level as 2012 at the end of negotiations.

Meeting experts have noticed that the major hotel brands are becoming more focused on their meeting sales. Many now have dedicated meeting specialists to promote their properties specifically from a meetings perspective. Some are also branding their meeting services, such that there is a standard set of services available across their properties.

Global Meeting Property Supply & Demand

Regional Meeting Demand

More local, less global. Once again, across the globe, respondents expect meeting demand to increase the most within their own region (table 1). Reducing travel costs and time are seen as the main drivers of this trend by our experts.

Experts also noted that many organizations that have significantly reduced employee headcount are keen to present a ‘cost-conscious image’, and wish to avoid being seen as spending extravagantly by choosing an international destination for their meetings, unless it is absolutely necessary.

Overall, changes in regional demand are small, with no one region expecting a large jump in global demand next year, as nearly all economies are expected to grow slowly.
2014 Hotel Openings by Segment

The same, but different. According to TOPHOTEL-PROJECTS GmbH, a leading hotel business-to-business information and online database provider, 1978 midscale to luxury hotel openings are planned around the world in 2014 (figure 8), almost exactly the same as 2013 (1,974 openings).

What is expected to change next year is a shift to more openings in Europe and South America, and fewer in North and Central America.

Hotels Under Construction

Europe and Asia Pacific lead the world in hotels under construction as well as for planned 2014 openings (figure 9).

Rolf Schmidt, Managing Director of TOPHOTEL-PROJECTS GmbH, notes that hotel construction remains at approximately the same level as recent years but the areas of highest construction are shifting a bit. China is still seeing high rates of construction, but not as strong as in the past few years. Africa is seeing increased construction activity recently as well.

Construction in the Middle East seems to be ‘coming back’ but locations such as Oman, Qatar and Abu Dhabi are experiencing the increase more than Dubai which has seen much activity in recent years.

In the U.S., it appears that upscale, and upper upscale property construction is returning to pre-recession levels, compared to the past 2-3 years where there seemed to be very little construction.
Meetings Facilities in New Hotels

Ready to meet. According to Rolf Schmidt, virtually all of the larger four and five-star properties are being built with meeting facilities, as they aim to capture some of the conference and incentive industry business. Even leisure properties are making room for meeting facilities, hoping to help fill their hotel rooms outside of the main tourist season.

On the other hand, Rolf sees most of the new style-conscious, economy brands focused on the young, urban traveler, opting to forgo meeting facilities. Instead these properties are focused on room design, marketing and providing limited food and beverage.

Top Cities for Hotel Openings

London calling. In 2014, London is predicted to overtake Dubai as the city with the largest number of hotel openings (figure 10). The Middle East, however, will likely still have four of the top ten cities. Chengdu, an electronics and financial hub in China, and Istanbul are both new additions to the 2014 list.

Top Three Cities per Region for Hotel Opening

New places to meet. New York and London both dominate hotel openings in their respective regions at 28 and 34 openings, respectively (figure 11).

In the Middle East, the concentration of openings in Dubai seen in the past few years has spread to other major centers such as Riyadh and Abu Dhabi.

Chinese cities lead in Asia, with Bangkok close behind.

Not surprisingly, Rio de Janeiro, Brazil has the lead in South America, with the upcoming major global sporting events.

In Africa, Marrakech is a recent hot spot, with 15,000 new rooms becoming available in the period between December 2012 and early 2015, according to TOPHOTELPROJECTS GmbH.
Meeting the demand. Three and four-star properties are expected to lead five-star properties in terms of the number of hotel openings in all regions except the Middle East, where luxury hotel openings dominate (figure 12). The gap is closing considerably, however. In 2013, two luxury properties opened for every one 3-4 star property in the Middle East and the ratio is now much closer to 1:1.

In Europe and North America, the ratio of mid-tier properties to luxury properties opening in 2014 is more than 4:1.

Property Type Demand

Mid-tier matters most. Throughout the world, mid-tier properties are expected to see the greatest increase in meeting demand and in similar amounts to predictions for 2013 (table 2).

For most meetings, particularly internal employee events, mid-tier properties are considered the default choice by companies in nearly all industries, with finance perhaps being an exception. Meeting professionals interviewed indicated compliance, public image and cost reasons all lead meeting planners to lean towards mid-tier properties.

Luxury and resort properties are still considered for incentive and VIP-level events. For other events, many meeting planners will only consider them when the rates offered are quite close to those of a mid-tier property.

Non-traditional meeting facilities are continuing to grow in popularity, according to meeting planners participating in our surveys. Only Central/South American meeting planners see this category remaining the same in 2014.

Table 2

<table>
<thead>
<tr>
<th>Property Types in 2013</th>
<th>North America</th>
<th>Europe</th>
<th>Central/South America</th>
<th>Asia</th>
<th>Global Hoteliers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resort Properties</td>
<td>0.0% ▲</td>
<td>2.5% ▼</td>
<td>0.6% ▲</td>
<td>0.0% ▲</td>
<td>1.2% ▲</td>
</tr>
<tr>
<td>Luxury Properties</td>
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<td>3.0% ▼</td>
<td>1.8% ▼</td>
<td>0.6% ▼</td>
<td>0.0% ▲</td>
</tr>
<tr>
<td>Mid-Tier Properties</td>
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<td>1.4% ▲</td>
<td>3.0% ▲</td>
</tr>
<tr>
<td>Lower Tier Properties</td>
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<td>0.0% ▲</td>
<td>1.9% ▼</td>
<td>0.9% ▲</td>
</tr>
<tr>
<td>Non-Traditional Meeting Facilities</td>
<td>1.4% ▲</td>
<td>2.5% ▲</td>
<td>0.0% ▲</td>
<td>2.5% ▲</td>
<td>2.4% ▲</td>
</tr>
</tbody>
</table>

(Source: American Express North American, European, Asia Pacific, Central/South America and Key Supplier Surveys, September 2013)
**Top Perceptions Influencing Destination Choice.**

**Reducing the risks.** When asked what top headlines or perceptions will influence the choice of meeting properties, survey respondents pointed to ‘safety concerns or perceptions’ overall as the most important one (figure 13).

Meeting experts see meeting owners more cautious in their choice of destinations than leisure travelers as the potential ramifications of their meeting attendees finding themselves at risk are top of mind.

At a property level, Kaaren Hamilton, Vice President of Global Sales for Carlson Rezidor Hotel Group, typically sees meeting planners inquire about both the security-related infrastructure of the property, as well as the contingency and emergency plans that are in place should an unexpected event occur.

As a potential precursor to safety and security issues, economic/political instability concerns are also high on the list. Industry experts mentioned that planners typically avoid countries and regions where unrest is either occurring or has been noted to be a potential issue (e.g. upcoming elections).

In France, one expert has seen demand for Tunisia, Morocco, Turkey and Egypt, all once popular meeting destinations, decline considerably in the past three years, with Spain, Portugal and Italy being the beneficiaries of that decline.

A third concern is the public perception issues surrounding the choice of a resort destination property for meetings. Both internally and externally, companies wish to be seen as spending their funds wisely, particularly those who may be experiencing a challenging business environment.
Global Group Air Trends

Group Air Rates

Inching upward. Responses to our group air expert survey point to small average group rate increases of 1.6% in 2014 and 1.1% in 2015 (figure 14). These predictions represent a decrease from last year’s forecast predictions of 3.4% and 3.9% for 2013 and 2014.

According to Alynne Hanford, Global Sales Manager at American Airlines, zone fares for the airline have remained unchanged since 2010, with the exception of a slight increase in European fares.

Fuel plays a significant role in the cost of airfares overall. The U.S. Energy Information Administration’s current estimates for 2014 crude oil prices are down approximately 2.5% from their 2013 estimate. While jet fuel and crude oil prices do not exactly follow each other in costs over time, this estimate does suggest that fares next year should not be significantly impacted by a change in jet fuel prices.

Regional Group Air Rates

Regionally, rates are predicted to rise the most in Asia Pacific at 2.8% in 2014 (table 3). Only the Middle East is predicted to experience a group rate decline next year, at -1.0%. The remaining regions are expected to see increases of between 1.0% and 2.2%.

These increases are minor but they will likely add to the budget pressures that many meetings owners are already experiencing.

International rates are predicted to rise even further, by 3.0%, which should help to make local events even more attractive from a cost perspective next year.

Table 3

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>North America</td>
<td>1.0% ▲</td>
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<td>Western Europe</td>
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<td></td>
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<tr>
<td>Asia Pacific</td>
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<td>Central America</td>
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<tr>
<td>South America</td>
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<td>Middle East</td>
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</tr>
<tr>
<td>Africa</td>
<td>1.7% ▲</td>
<td></td>
</tr>
</tbody>
</table>

(Source: American Express North American Meeting Group Air Expert Survey, September 2013)
Airline Capacity & Group Volume

Group air survey respondents anticipate a small increase in overall airline capacity next year, but no net increase in group air volume (figure 15).

Alynne Hanford of American Airlines has noticed an increase in last minute group air requests which may indicate some volume increases could occur, perhaps as a result of pent-up demand from previous years. She has also noticed a slight decline in the number of travelers per group air program but a shift towards farther, more desirable destinations, particularly for incentive travel.

In the absence of large capacity increases, alliance agreements can still improve the flexibility and choice available to meeting owners who are in need of group air for their events.

Fare Class Usage

According to group air professionals, the ratio of business class seats to economy has declined in the past four to five years but appears to have stabilized. Business class seats are predicted to represent just 8% of total group air program seats in 2014 (figure 16). While some industries continue to use business class seats more frequently than others, this average is seen to be similar to the business class usage in 2013 as well.

Norma Dean of Delta Air Lines sees more than 10% of the airline’s meetings and events volume in premium classes but expects the increased availability of Economy Comfort options to be an alternative option to business class seating that meeting owners will likely take advantage of in the future.

This sentiment aligns with the opinion of one group air professional who has noted a shift towards companies directing more of their spend to the event itself, and its content, rather than using their funds to cover the higher cost of premium travel.
Inclusion of Group Air Management

When survey respondents were asked what percentage of meetings includes a group air component, the results were quite varied (figure 17).

In North America, over a third of respondents indicated that more than 50% of their events include group air, but another 38% said group air is included in no more than 10% of their events. North American experts interviewed see their customers placing a higher importance on group air in their meeting programs as they come to realize the potential savings available.

European survey responses have a similar pattern, again with a third of respondents incorporating group air into more than half of their events. Asia Pacific respondents were more likely to use group air in only 21-30% of their events, indicating that adoption of group air is more limited in the region.

Perhaps most surprising is the high level of group air use amongst Central/South American respondents, with an average usage in 44% of events overall.

According to group air specialists, many meetings, particularly large ones, could see their transportation costs decrease if they incorporated a group air component. Traditionally, air has often been managed separately from the typical meetings management function and often by separate organizations. Many meeting owners are starting to look to consolidate those functions together, in order to gain a ‘bigger picture view’ of their total meeting spend.
Types of Group Air Contracts
Group air professionals who responded to our survey see airlines continuing to prefer to negotiate flat rate contracts for individual destinations (figure 18). Airlines also appear willing to incorporate mini-route deals/conference window rates in conjunction with flat rates as well. According to our survey respondents, however, they do not appear to prefer negotiating purely mini-route deals/conference window rates on their own.

In terms of contracting group air, one air expert surveyed noted that there is a lack of common products and contract terms for groups across the airline industry at a global level, and the departments responsible for selling group air also vary from airline to airline. This situation can present an additional challenge to meeting owners and planners, particularly when they require group air capacity from multiple airlines for an event.

The increased alliance activity noted above may help to alleviate this challenge to some extent. All airline executives interviewed for the forecast noted their ability to negotiate contracts across their alliance networks. Norma Dean of Delta Air Lines also noted the airline’s effort to grow their online presence in order to make group air contracts and availability easier for meeting professionals to access and secure.

Group Air Contract Element
Respondents see airlines being most willing to negotiate deviations to itineraries, name changes, ticketing deadlines and cancellation fees (figure 19).

One group air professional interviewed was slightly surprised at the perceived openness to negotiate ticketing deadlines as that is one term where she has experienced considerable pushback when negotiating with airlines, on a fairly regular basis. She did note, however, that the size of a particular contract and the overall volume of air purchased by a particular
meetings management company, or individual company, can greatly impact the negotiation stance of the airline provider.

It’s interesting to note that complimentary lounge access and Wi-Fi are not considered to be as easy to secure as other terms, and carbon emission offsets are not seen as being easily negotiated by any survey respondents. Airline experts indicate these costs are typically either external to the airline, or fixed within the airline itself, such that the airline’s group air department must actually pay for those services themselves if they are included in the contract.

**Terms Included in Group Air Contracts**

Not surprisingly, respondents see terms associated with ticketing deadlines, reduced cancellation fees and name changes to be included more often in group air contracts (figure 20). With lead times as short as they are, corporations are oftenconfirming their list of attendees very close to the timing of the actual event and are in need of the flexibility accorded by later ticketing deadlines. They are also looking to reduce their risk of increased event costs by negotiating for the allowance of name changes and reduced cancellation fees.

![Figure 20: Group Air Contract Terms Included](source: American Express North American Meeting Group Air Expert Survey, September 2013)
Global Trends

Top Trends in Meeting Activities

Meetings Program & Policy Trends

Program Categories
Survey respondents were asked about the increasing or decreasing importance of several categories or factors associated with their meeting programs. The results were relatively consistent across most regions.

Meeting-Specific Apps
Technology trumps all. Overall, respondents indicate increased interest in the use of mobile apps and meeting-specific apps rising in importance globally (Table 4). All of the meeting experts we interviewed noted the rising level of discussion about apps and social media amongst meeting owners within their regions, and a real desire to learn how to best utilize apps to the specific advantage of their individual meetings.

Particularly with large events, mobile apps are seen as a valuable method of communicating with attendees. According to one North American meeting expert, with the technology to develop meeting-specific apps becoming ‘mainstream’, many companies are now in the process of choosing the appropriate tools and providers for their meeting apps.

One global professional services firm has internally developed a mobile app that can be ‘recycled’ for use at individual events, for the cost of a customization fee.

Experts also noted that as meeting owners and individual attendees become more familiar with mobile apps for their personal use, it will likely help spur adoption of apps for meetings and events.

Mobile apps within a meeting setting must however be implemented with a full understanding of any potential risks. The CIO of another multinational

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Table 4

<table>
<thead>
<tr>
<th>Meetings Program Categories</th>
<th>North America</th>
<th>Europe</th>
<th>Central/South America</th>
<th>Asia</th>
<th>Global Hoteliers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget challenges</td>
<td>3.4%↑</td>
<td>3.1%↑</td>
<td>1.7%↑</td>
<td>3.8%↑</td>
<td>2.6%↑</td>
</tr>
<tr>
<td>Safety &amp; security</td>
<td>1.8%↑</td>
<td>2.2%↑</td>
<td>2.4%↑</td>
<td>2.6%↑</td>
<td>2.3%↑</td>
</tr>
<tr>
<td>Local meetings</td>
<td>2.7%↑</td>
<td>4.1%↑</td>
<td>4.2%↑</td>
<td>0.0%</td>
<td>2.8%↑</td>
</tr>
<tr>
<td>Destination driven meetings</td>
<td>0.9%↑</td>
<td>0.6%↑</td>
<td>2.0%↑</td>
<td>0.8%↑</td>
<td>1.4%↑</td>
</tr>
<tr>
<td>Family friendly meetings</td>
<td>1.3%↓</td>
<td>2.2%↑</td>
<td>2.5%↓</td>
<td>1.5%↓</td>
<td>0.0%</td>
</tr>
<tr>
<td>Adding meeting content to incentive trips</td>
<td>1.2%↑</td>
<td>1.2%↑</td>
<td>2.3%↑</td>
<td>2.4%↑</td>
<td>2.3%↑</td>
</tr>
<tr>
<td>CSR/Charitable Activities</td>
<td>2.0%↑</td>
<td>0.0%</td>
<td>0.9%↑</td>
<td>1.4%↑</td>
<td>1.3%↑</td>
</tr>
<tr>
<td>Green/paperless meetings</td>
<td>2.4%↑</td>
<td>0.0%</td>
<td>0.0%</td>
<td>1.5%↑</td>
<td>1.8%↑</td>
</tr>
<tr>
<td>Use of social media</td>
<td>4.0%↑</td>
<td>2.5%↑</td>
<td>1.3%↑</td>
<td>3.2%↑</td>
<td>5.6%↑</td>
</tr>
<tr>
<td>Use of mobile apps/meeting-specific apps</td>
<td>4.9%↑</td>
<td>3.2%↑</td>
<td>2.6%↑</td>
<td>4.0%↑</td>
<td>6.1%↑</td>
</tr>
</tbody>
</table>

(Sources: American Express North American, European, Asia Pacific and Central/South America Surveys, September 2013)
technology company has initiated a project to investigate how attendee personal information is being collected and used at company’s meetings, including in any mobile apps, to ensure compliance with the company’s privacy policies.

There is great opportunity to optimize the value of mobile apps in the meetings environment. New consulting services associated with mobile apps for meetings may well be a near term development within the meetings management industry.

A meetings expert in France witnessed the unique use of a mobile app at an incentive event; it incorporated a walking tour of Paris. In teams, attendees were asked to take a picture of the most beautiful part of Paris they saw during the tour and then share it with the entire group after the tour, which resulted in much discussion.

For more commentary on the rising importance of social media, please refer to the special feature located within the forecast (see page 42).

Local Meetings

Near, not far. Demand for local meetings once again is expected to gain in popularity in all regions except Asia Pacific. Compliance, cost, and travel time all have been cited by industry experts as reasons for this trend. One European expert noted that he has also seen companies select local meeting locations as a means of demonstrating public support for the local community and in turn generating some valuable internal and external goodwill.
Budget Challenges

Challenging times. Even though industry activity appears to be stabilizing and experts are seeing optimism amongst planners, there is no indication of budgets becoming easier to secure or stay within for an individual event.

Over 50% of respondents in every region see budget challenges increasing. Planners in Asia, where budgets have been growing in recent years, appear to be experiencing the greatest pressure, with 75% indicating budget challenges are rising.

One approach a leading global technology company is taking to address their budget challenges is to combine some of their large events to an even greater sized event. This will result in fewer large events but more attendees, delivering an overall smaller cost per attendee.

Safety and Security

More consideration. Safety and security continues to rise slightly in importance, as mentioned previously in the destination perceptions section. Less than 5% of survey respondents in any region point to it decreasing in importance.

“Attendee safety is high on the list of concerns when planners are choosing a destination,” stated Kaaren Hamilton of Carlson Rezidor Hotel Group. She noted that Carlson often coordinates a meeting between their head of security and the head of security for the meeting client, in order to address any issues well in advance of the event taking place.

For meetings already planned, North American experts have seen cancellations and significant alterations occur as soon as any unforeseen event takes place within the region of the meeting.

In Asia Pacific, after recent disasters, meeting planners are realizing the full extent of resources and planning required to ensure the safety of groups in the event of an emergency.
While safety and security is receiving increased attention, it’s worth noting that only approximately 20% of organizations surveyed in most of the regions have explicit safety and security language incorporated into their meetings policy (figure 21). It is likely this number will rise as companies realize that a formal policy can help them ensure they have addressed all of the major risks.

Formal Meetings Policy Status
For the first time in our forecast, we specifically asked meeting professionals about the status of their formal meetings policy and the results were enlightening.

**Policies are in place.** In North America, Europe and Central/South America, over 60% of respondents have formal meetings policies in place for their entire organizations, and over 80% at least have policies in place for some parts of their organizations (figure 22). One North American expert has seen the size of corporate meeting policies expand considerably. Whereas corporations may have had a single paragraph about meetings inside their business travel policy, they often now have a detailed standalone meetings policy.

Only 19% of Asia Pacific respondents have policies in place for the entire organization, but 43% of them do have policies for some parts of their organizations, indicating the maturity of meetings management policies in the region is growing but lags behind North America and Europe. Asia Pacific meeting experts confirm this trend and note that formal, strategic meetings management is becoming a more frequent topic in their conversations with meeting program owners.

Central/South American survey respondents have the highest percentage of formal policies in place, although it is important to note that the majority of respondents in the region also indicated involvement with large and/or multinational organizations operating in the region.

---

**Figure 22: Formal Meetings Policy Status**

![Figure 22: Formal Meetings Policy Status](image-url)

(Source: American Express North American, European, Asia Pacific and Central/South America Surveys, September 2013)
Both Central/South America and Asia Pacific have the highest number of respondents with no formal meetings policy in place. Essentially one out of every four respondents indicated they are lacking a formal policy and do not have one under development.

**Program Plans**

We also asked meeting professionals what initiatives they plan to implement in their meetings program over the next two years. There was reasonable consistency in the responses across the region. Initiatives regarding procurement, global standardization and meetings technology topped the list (table 5).

### Changes in Procurement Policy

**Sourcing strategically.** Experts are noticing procurement departments playing a greater role in meeting sourcing activities in every region. This is most likely the driver behind the trend of plans to change meeting and event procurement policies in many organizations over the next two years.

In North America, one expert has seen several companies make policy changes that restrict the number of suppliers allowed to assist with meetings management activities as a means to help procurement ‘get their arms around the total meeting spend’.

Another expert noted that many companies are onto their second or third generation of meeting policies and that other companies are now leapfrogging to these more sophisticated policies and procedures as well.

In Europe, one expert has seen very mature procurement procedures for other company purchases but meetings procurement has historically fallen outside of those procedures and lacked the same rigor. He is now increasingly seeing meetings being incorporated into those standardized procurement processes.

---

### Table 5

<table>
<thead>
<tr>
<th>Meetings Policy Status</th>
<th>From</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>North America</td>
</tr>
<tr>
<td>Changes in meetings/ events procurement policy or procedures</td>
<td>18%  19%  22%  17%</td>
</tr>
<tr>
<td>Changes to meetings/ events payments policy or procedures</td>
<td>12%  15%  14%  17%</td>
</tr>
<tr>
<td>Changes to meetings/ events payments tools</td>
<td>9%    10%  11%  11%</td>
</tr>
<tr>
<td>Implementation of meeting planning technology</td>
<td>14%  16%  15%  17%</td>
</tr>
<tr>
<td>Implementation of social media policy</td>
<td>8%    5%  3%  8%</td>
</tr>
<tr>
<td>Global expansion/ standardization of meetings and events program</td>
<td>17%    17%  18%  17%</td>
</tr>
<tr>
<td>Introduction or expansion of meetings ROI metrics</td>
<td>8%    6%  5%  6%</td>
</tr>
<tr>
<td>Introduction or expanded use of 3rd party meeting planners</td>
<td>6%    5%  9%  1%</td>
</tr>
</tbody>
</table>

(Sources: American Express North American, European, Asia Pacific and Central/South America Surveys, September 2013)
Global Program Expansion/Standardization
Meetings follows the leaders. Expansion is a key goal of many companies as they look ahead to the future. A North American expert sees approximately 20-30% of corporations she works with having a globally standardized program and senses that meetings globalization initiatives typically follow after a company has already standardized other procurement practices.

Experts have seen several companies conduct meeting program process mapping and analysis projects, to help them understand what their current practices are, identify how they can be improved, and then roll out the new formalized processes across all of the regions where they have meetings activity.

Implementation of Meeting Planning Technology
See. Understand. Control. Many meeting program owners appear to be looking to integrate meeting planning technology into their programs in the next two years, as well. According to several experts these initiatives tend to be driven by the desire to:

1. Ensure all company meetings are registered in a central database to give visibility into total meetings activity
2. Gain a greater understanding of meeting spend overall
3. Implement controls to ensure compliance to meeting policy

One expert interviewed stressed that companies are wise to define their processes first before investing heavily in their meeting planning technology. The technology is of greatest value when it is implemented to align with processes and procedures that have already been optimized for the individual organization.

Separately, experts have also noted an increase in the number of companies looking for outside assistance to ensure they are meeting their compliance requirements. In many countries, for example, meetings management providers are being asked by pharmaceutical companies to track expenses down to the individual physician attendee, including whether or not each attendee was present at a dinner or coffee break.

Approval Processes
It’s not getting any easier. Most meeting professionals surveyed believe that the process for securing meeting approvals continues to become more difficult, a trend continuing from our 2013 forecast (table 6).

The increase appears greatest in Europe and Central/South America, with over 75% of professionals surveyed in each region finding approvals for individual meetings harder to secure.

One aspect of the increased difficulty is the complexity of the approval process that many organizations are implementing, in order to better control where their meeting funds are being spent and to avoid holding non-compliant meetings and events.

While these processes can add time and additional steps, they also provide clarity into meeting spend and activity that can help organizations create or revise their preferred supplier program, and improve rates, terms & conditions with frequently used providers.
The typical parameters that need to be addressed in the approval process include:

- The purpose of the meeting
- Alignment to organization’s overall goals
- Proposed cost
- Cost reduction opportunities
- Alternatives to holding the meeting
- Meetings policy compliance
- Use of preferred suppliers
- Insurance policy compliance

As a result of these approval processes, one of our North American meetings experts has witnessed a shift to more revenue-focused, external meetings (i.e. revenue drivers) and fewer internal, employee-only events.

Another aspect of the approval challenge experts have noticed is tied to a company’s financial situation. As in the past few years, many companies appear to still be waiting for the previous quarter’s financial results before fully approving an event. Seemingly, even in cases where there is no question that an event will be held, the event’s size, length and other parameters are not fixed until organizations are certain that the funds are available. In France, one expert has seen meetings approved, pending the ability to reduce the total cost by 20%.

Additionally, it appears that the role of meetings approver is increasingly being played by the procurement department in many organizations, and senior level executive approval is often required for meetings above a certain budget or attendee number threshold.

In Asia Pacific, one expert sees the region in the early stages of implementing meeting approval processes, with Australia being the first to treat meetings as a strategically managed spend category. Ensuring
compliance and ‘staying out of the headlines’ is one of the key drivers of approval processes as well. She has seen meeting owners asking for guidance on appropriate meetings approval processes as they currently do not have them in place.

Once meetings are approved, ensuring compliance to company policy is another concern. Experts in Central/South America noted that they must send any new employees assigned to a pharmaceutical company’s account to the company’s headquarters for compliance training before they are allowed to begin managing events on their behalf.

In addition to approvals, one company interviewed has put controls in place to identify when meeting vendors are being paid for their services from departments outside of the meetings and events group. These controls have helped identify meetings that are not being centrally managed, and are therefore in violation of the company’s policy.

Emerging Regions

A new addition to this year’s forecast, we asked meeting professionals about their meeting programs and demand for meetings within the emerging countries of Brazil, Russia, India and China (BRIC countries).

Demand for Meetings

Fine tuning demand. Predicted 2014 demand for meetings within these emerging countries is mixed, with mostly minor adjustments expected (table 7). It appears that the economic situation in the home country of each planner is determining the direction of each prediction, rather than the economies of these emerging countries. Brazil shows the most consistent results pointing to increased demand, but the gain is very slight.

Demand in Russia appears to be experiencing the largest decline, with India and China seeing more demand from North America and Asia, and less from Europe and Central/South America.

### Table 7

<table>
<thead>
<tr>
<th>Demand for Meetings in</th>
<th>From</th>
<th>North America</th>
<th>Europe</th>
<th>Central/South America</th>
<th>Asia</th>
<th>Global Hoteliers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td></td>
<td>1.7% ▲</td>
<td>0.0% ▲</td>
<td>0.3% ▲</td>
<td>0.7% ▲</td>
<td>2.6% ▲</td>
</tr>
<tr>
<td>Russia</td>
<td></td>
<td>0.0% ▲</td>
<td>1.8% ▼</td>
<td>3.6% ▼</td>
<td>1.1% ▼</td>
<td>0.7% ▼</td>
</tr>
<tr>
<td>India</td>
<td></td>
<td>1.0% ▲</td>
<td>2.2% ▼</td>
<td>3.4% ▼</td>
<td>1.9% ▲</td>
<td>1.2% ▲</td>
</tr>
<tr>
<td>China</td>
<td></td>
<td>0.9% ▲</td>
<td>1.1% ▼</td>
<td>3.5% ▼</td>
<td>4.1% ▲</td>
<td>1.5% ▲</td>
</tr>
</tbody>
</table>

(Sources: American Express North American, European, Asia Pacific and Central/South America Surveys, September 2013)
Formalizing Meetings Programs

Not quite half. Survey respondents see 40% or more of companies from each region formalizing their meeting programs in at least one of the BRIC countries (table 8).

North American respondents are almost equally focused on formalizing meeting programs in Brazil, China and India, with Russia farther behind.

For European companies, respondents indicate that China and Brazil are the leading countries for formalization efforts, with Russia and India much further behind.

As one might expect, Asian respondents are more focused on getting their arms around their meetings activity in China and India than others, and Central/South American respondents are almost exclusively focused on formalizing programs in Brazil.

Issues of Greatest Importance

A lot to think about. Survey respondents were also asked what issues were of greatest importance to them when managing meetings within the BRIC countries. Judging by the results, meeting owners have a lot on their minds when formalizing their meetings programs in these countries (table 9).

Complying with expense policies is seen as the greatest issue of concern in all regions and is clearly top of mind, with virtually all respondents noting it as a concern. In many of these countries, payment processes are not necessarily well formalized or documented and the risk of fraud is somewhat higher than in other regions where the meetings industry is more mature. Experts note that meetings in these countries can be particularly vulnerable to fraud due to the large number of suppliers that are typically involved in delivering a meeting.

Table 8

<table>
<thead>
<tr>
<th>Formalizing Meetings Programs in</th>
<th>From</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>North America</td>
</tr>
<tr>
<td>Brazil</td>
<td>26%</td>
</tr>
<tr>
<td>Russia</td>
<td>12%</td>
</tr>
<tr>
<td>India</td>
<td>22%</td>
</tr>
<tr>
<td>China</td>
<td>22%</td>
</tr>
<tr>
<td>None of the above</td>
<td>57%</td>
</tr>
</tbody>
</table>

(Source: American Express North American, European, Asia Pacific and Central/South America Surveys, September 2013)
To reduce the risk of expense fraud in emerging countries, one meeting expert has seen companies put external consultants in place to ensure the proper use of the company’s accounting system and conduct semi-annual audits of all meetings expenses. In another company, for compliance reasons, the meetings program in one of the BRIC countries was removed from the global meetings program. The company’s local country office is provided a meetings budget and left to manage their own program and spend in an effort to increase local control and oversight over their meeting activity.

Destination management support, the second highest concern noted by respondents, can be critical to the success of an event in the BRIC countries. Access to knowledge about the destinations and potential suppliers is often not as publicly available as it is in other regions, and language and cultural differences can present a challenge as well, according to one expert. Having a connection to a destination management company (DMC) with local expertise can help ensure the right planning decisions are made and improve the overall attendee experience. DMCs can also assist with the selection of appropriate meeting destinations.

Securing preferred suppliers was the third highest area of concern, particularly in Brazil.

Overall meetings program management was the least important issue to respondents but, at an average score of 69%, is still important to a majority of meeting owners operating in those countries.

<table>
<thead>
<tr>
<th>Issues of Greatest Importance</th>
<th>Brazil</th>
<th>Russia</th>
<th>India</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enforcement of Meetings Policy</td>
<td>85%</td>
<td>75%</td>
<td>78%</td>
<td>77%</td>
</tr>
<tr>
<td>Identifying Appropriate Destinations</td>
<td>87%</td>
<td>73%</td>
<td>80%</td>
<td>80%</td>
</tr>
<tr>
<td>Securing Preferred Supplier Agreements</td>
<td>97%</td>
<td>70%</td>
<td>82%</td>
<td>88%</td>
</tr>
<tr>
<td>Complying with Company Expense Policies</td>
<td>98%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Destination Management Support</td>
<td>100%</td>
<td>80%</td>
<td>76%</td>
<td>89%</td>
</tr>
<tr>
<td>Program Management</td>
<td>85%</td>
<td>57%</td>
<td>69%</td>
<td>64%</td>
</tr>
<tr>
<td>Complying with Local Privacy Laws</td>
<td>82%</td>
<td>82%</td>
<td>82%</td>
<td>84%</td>
</tr>
</tbody>
</table>

(Source: American Express North American, European, Asia Pacific and Central/South America Surveys, September 2013)
Virtual Meetings – Opportunity to Grow Adoption

Quick Recap from Last Year
In the 2013 Meetings Forecast we discussed the current state of adoption in the marketplace for virtual and hybrid solutions, either as replacements or enhancements to live meetings.

Small Audience Virtual Meeting collaboration tools are widely adopted and utilized. The use of these online meeting tools such as web meetings, conference calls, video conferences, etc., are primarily viewed as business travel solutions providing opportunities to address small scale meetings needs.

Broader Audience Virtual tools were slowly gaining adoption, most predominately in the technology sector and amongst associations.

Hybrid Solutions, combining live and virtual meeting elements, were anticipated to gain momentum as corporations develop the strategies and capabilities required to integrate these concepts into their meeting and event portfolio to assist in driving business results.

Meeting Planner Perspective
We conducted a follow-up survey in September 2014 to evaluate year-over-year progress in the adoption of virtual and hybrid solutions. Generally the results indicate a modest increase in adoption, perhaps due to the fact that the virtual / digital toolkit has gotten more sophisticated and costs are moderating.

Figure I compares the adoption of virtual or hybrid meetings the planner audience projected for 2013 to the adoption actually reported this year. Generally, actual reported activity is less than projected. Most notably, in the 2013 forecast 56% of the audience projected that virtual or hybrid meetings would represent more than 10% of their meetings activity.
This year however, only 26% of the planners surveyed reported more than 10% of their meetings were virtual or hybrid meetings.

When asked to project 2014 integration of virtual and hybrid solutions, the planner audience suggests a year over year increase, most notably in the 10% - 20% range.

Figures II and III indicate how 2013 planner reported utilization and 2014 planner projected utilization break down geographically.

So while interest and intent to use these solutions is reflected in the projected use figures, there appear to be barriers to putting that intent into action.

**Potential Reasons for the Slow Pace of Increased Adoption**

Based on the relatively slow growth of virtual and hybrid solutions a few questions were posed in an attempt to understand underlying reasons. One question asked the planner audience to rate, in order of importance, the top three reasons that would drive the adoption of virtual / hybrid solutions. The rankings were very similar across all regions – with cost savings clearly viewed as a primary driver (table I).

The two most compelling reasons, cost savings and reduced travel, appear to be driving an increase in use of virtual solutions. While these are important considerations, virtual meetings can deliver expanded reach; extend a live event, and more. These alternative formats may continue to experience only modest gains in utilization until meeting owners are focused on using them to achieve business outcomes vs. savings.
Planners were also asked to evaluate obstacles to adoption. Figure IV compares responses from the 2013 and 2014 forecast surveys. The perceived inability to effectively engage the audience and meeting owner readiness continue as the biggest hurdles to address.

Interestingly, when asked the same question, the Hotel Executive audience identified complex technology issues at the primary obstacle, indicating this has become a larger concern for Hotels year-over-year (figure V).

Increased development continues relating to both technology, and expertise in the application of virtual meetings solutions. And as daily use of one-to-one virtual solutions like FaceTime and Skype increases, both meeting planners’ and attendees’ level of comfort with virtual meetings is also likely to increase. Meeting planners interested in the use of hybrid and virtual solutions should seek guidance regarding the most appropriate technology for their meeting type, as well as insight into how to best prepare content and speakers to deliver an engaging experience for virtual attendees.

Another issue around adoption appears to be that decisions around the utilization of virtual and hybrid solutions continue to be made at the individual meeting level. Only 8% of planners reported their organization had an overarching policy or strategy dictating how virtual and hybrid solutions should be integrated into the overall meeting and event strategy (figure VI). Another 46% responded that they did not know if there was a defined policy or strategy, suggesting that, in those instances, even if a policy or strategy exists it is not effectively implemented. The creation of a strategy supported by policy is crucial to ensure organizations have the appropriate infrastructure and skill set in place, along with the alignment of meeting owners. This is a significant gap that meeting planning departments have the opportunity to assist in closing.

Figure IV: Planners: Obstacles to Adopting Virtual & Hybrid Solutions

<table>
<thead>
<tr>
<th>Obstacle</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dealing with complex technology issues</td>
<td>15%</td>
<td>16%</td>
</tr>
<tr>
<td>Inability to effectively engage audience and monitor active participation</td>
<td>28%</td>
<td>25%</td>
</tr>
<tr>
<td>Lack of project management skills to support logistics requirements for these solutions</td>
<td>6%</td>
<td>4%</td>
</tr>
<tr>
<td>Lack of understanding around how to build an agenda and deliver content in virtual or hybrid meeting</td>
<td>12%</td>
<td>9%</td>
</tr>
<tr>
<td>Meeting owners are not ready to re-think traditional live meeting formats</td>
<td>19%</td>
<td>19%</td>
</tr>
<tr>
<td>Virtual and hybrid meetings are not viable alternatives to live meetings</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Other</td>
<td>16%</td>
<td>19%</td>
</tr>
</tbody>
</table>

(Sources: American Express North American, European, Asia Pacific and Central/South America Surveys, September 2013)

Figure V: Hoteliers: Obstacles to Adopting Virtual & Hybrid Solutions

<table>
<thead>
<tr>
<th>Obstacle</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dealing with complex technology issues</td>
<td>25%</td>
<td>46%</td>
</tr>
<tr>
<td>Inability to effectively engage audience and monitor active participation</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Lack of project management skills to support logistics requirements for these solutions</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Lack of understanding around how to build an agenda and deliver content in virtual or hybrid meeting</td>
<td>25%</td>
<td>23%</td>
</tr>
<tr>
<td>Meeting owners are not ready to re-think traditional live meeting formats</td>
<td>14%</td>
<td>33%</td>
</tr>
</tbody>
</table>

(Sources: American Express Key Supplier Survey, September 2013)

Figure VI: Do your clients have a defined virtual policy or strategy?

<table>
<thead>
<tr>
<th>Response</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>8%</td>
<td>31%</td>
</tr>
<tr>
<td>No</td>
<td>31%</td>
<td>14%</td>
</tr>
<tr>
<td>Some Clients Do, Others Don’t</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Most Clients Do</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I Don’t Know</td>
<td></td>
<td>46%</td>
</tr>
</tbody>
</table>

(Sources: American Express North American, European, Asia Pacific and Central/South America Surveys, September 2013)
Hotel Executive Perspective

The feedback from the hotel community is similar to planner feedback. 38% of respondents indicated a modest 10% - 20% year-over-year increase in 2013, while 54% indicated almost no activity, or that activity was flat year-over-year (figure VII).

When asked to project the percentage of their meetings that would involve a virtual or hybrid component in 2014 the projections were flat to below what was projected for 2013 (figure VIII).

Quick Recap

While there is continued interest, virtual and hybrid solutions have not gained traction as a fully integrated tool within most organizations meetings and events portfolio.

The next portion of our virtual section is intended to assist meeting planners, marketing executives or other interested parties in gaining advocacy for virtual and hybrid meetings.
Building a Case for Virtual Meetings and Events

Virtual meetings can provide numerous benefits to an organization and its attendees. To drive adoption towards using virtual meetings, an organization may want to communicate the benefits of using virtual technologies so everyone begins to recognize that the delivery medium is a win / win for all involved.

When to use Virtual Meetings

Virtual meetings can be the best delivery method for many meetings; but they may not be the right answer for all meetings. The answers to the following questions will help determine the right delivery method.

1. What is the general meeting type?
2. What is the general purpose of the meeting?
3. What is the expected outcome and how will it be measured?

Meeting Types

The meetings best-suited to a virtual delivery method are internal meetings, general business meetings, training programs, ongoing client meetings, and supplier meetings. Gaining ground but less common, virtual technologies may be used for important (or new) client meetings, recruiting, interviewing, exhibits, conferences, conventions and sponsorships. Rarely are retreats, incentives or celebratory events delivered through a virtual medium. However, all of these common face-to-face meeting types can be supplemented with virtual sessions to progressively immerse attendees in the meeting experience.

By categorizing the meeting types into three groups, it becomes easier to determine which types of meetings may be successful using a virtual technology (table III).

---

### Benefits of Virtual Meetings & Events

<table>
<thead>
<tr>
<th>Provides Better Access to Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>› Allows immediate immersion into visual, listening and participative environments with people who are not nearby</td>
</tr>
<tr>
<td>› Provides immediate access to subject matter experts, multiple presenters from numerous locations and more spontaneous and immediate decisions in lieu of planned meetings</td>
</tr>
<tr>
<td>› Provides for replay/archive capabilities for people who are unable to be present or want to replay the on-demand archive</td>
</tr>
<tr>
<td>› Provides multiple language options</td>
</tr>
</tbody>
</table>

### Improves Scalability and Reach

| Provides for tracking of multiple metrics, including attendance during live and archived sessions, poll/survey compliance statistics, and activity data to track what users actually do within the platform |
| Improves consistency in branding and marketing |
| Cuts the carbon emissions and environmental impact of travel |
| Cuts non-productive traveling and flight time and travel expenses |
| Reduces telecom costs with a unified communications strategy |

### Dramatically Improves Measurement

| Provides for tracking of multiple metrics, including attendance during live and archived sessions, poll/survey compliance statistics, and activity data to track what users actually do within the platform |
| Improves consistency in branding and marketing |
| Cuts the carbon emissions and environmental impact of travel |
| Cuts non-productive traveling and flight time and travel expenses |
| Reduces telecom costs with a unified communications strategy |

### Table III

<table>
<thead>
<tr>
<th>Meeting Types</th>
<th>Easy to transition to virtual*</th>
<th>May be a challenge to transition to virtual; but it is possible</th>
<th>Difficult to transition to virtual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal meetings</td>
<td>Prospective new client meetings</td>
<td>Recruit or interview people*</td>
<td></td>
</tr>
<tr>
<td>General business meetings</td>
<td>Conferences / conventions</td>
<td>Exhibits / sponsorships</td>
<td></td>
</tr>
<tr>
<td>Program / project management meetings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management / executive meetings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training programs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current client meetings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplier meetings</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Many organizations use virtual technologies for interviewing candidates; however, it is recommended that at least one interviewer conduct an interview in a face-to-face environment.

---

*Many organizations have recognized that an initial face-to-face, physical meeting provides the foundation for successful, subsequent virtual meetings.
Meeting Purposes

A virtual meeting is a good option when the meeting sponsor or planner wants to share information, communicate, demonstrate, motivate, offer subject matter expertise, sell, present and educate (table IV). In contrast, face-to-face meetings may be better if the meeting sponsor or planner wants to discuss sensitive issues and view the attendees’ body language or reactions, build team camaraderie at the beginning of a project, strive for 100% engagement during presentation of complex topics, deliver to locations with unstable connectivity, or manage multiple cultural norms with some countries that may not be receptive to virtual meetings.

Measure Success

A meeting’s content and messaging are more important than the delivery medium. Virtual meetings are not about the technology, but rather about bringing together virtual attendees to accomplish a goal. All of the creativity that meeting planners bring to a face-to-face meeting can be repackaged in a virtual environment, albeit, in different ways. Virtual meeting planners must learn how to add the human touch to virtual meetings by consciously creating an interactive environment where attendees can engage as though they are mingling in a hotel hallway or meeting room. However, it is very challenging to measure interactivity levels in a hotel hallway or meeting room; whereas in a virtual environment, it is much easier to gauge these informal actions.

Most virtual planners need to prove a return on investment (ROI) and should identify the expected benefits and measurements before planning the meeting. For the most part, meetings are held to communicate, motivate, educate, celebrate, evaluate, generate revenue, or regenerate the workforce through recruiting. Consider the measurements in the adjacent table V to calculate ROI for a virtual meeting or event.

<table>
<thead>
<tr>
<th>Table IV</th>
<th>Meeting Purposes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Easy to transition to virtual</td>
<td>Difficult to transition to virtual</td>
</tr>
<tr>
<td>› Share information</td>
<td>› Meet / discuss and also view body language / reaction to the topic</td>
</tr>
<tr>
<td>› Communicate / discuss</td>
<td>› Build team camaraderie</td>
</tr>
<tr>
<td>› Demonstrate</td>
<td>› Convey sensitive information that may not have favorable reactions</td>
</tr>
<tr>
<td>› Motivate</td>
<td>› Conduct longer than 4-hour sessions (that cannot be divided into shorter segments)</td>
</tr>
<tr>
<td>› Provide subject matter expertise</td>
<td>› Deliver to locations with unstable connectivity</td>
</tr>
<tr>
<td>› Present</td>
<td>› Offer complex and numerous meeting breakout sessions</td>
</tr>
<tr>
<td>› Educate</td>
<td>Consider conducting the meeting via a face-to-face, physical event or using technologies that will provide for visual and auditory two-way communications if a virtual meeting medium is selected. Also, use small group sizes if a virtual medium is chosen.</td>
</tr>
</tbody>
</table>

Consider virtual technologies to supplement or replace a face-to-face, physical meeting. It is important to design the right agenda and content to engage attendees.

<table>
<thead>
<tr>
<th>Table V</th>
<th>Methods for Calculating ROI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Objective</td>
<td>Measurement Methods</td>
</tr>
<tr>
<td>Communicate</td>
<td>Survey for comprehension or the number of attendees who received communication</td>
</tr>
<tr>
<td>Motivate / Generate Revenue</td>
<td>Evaluate if behavior was improved (e.g. increased sales)</td>
</tr>
<tr>
<td>Educate</td>
<td>Survey or test for competency</td>
</tr>
<tr>
<td>Participate</td>
<td>Measure registered and live attendees; and those who viewed on-demand: Measure length of engagement, number of leads generated, number of questions asked, number of downloads</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>Measure attendee and meeting sponsor satisfaction Measure number of complaints / issues, technology failures</td>
</tr>
<tr>
<td>Financial</td>
<td>Measure cost of delivery and cost of alternative method if virtual meeting would not have been held Measure cost per attendee per event or per hour</td>
</tr>
</tbody>
</table>
Influences in Driving Adoption
Many people have a limited propensity to change their current face-to-face, physical meeting practices. Often, an organization’s culture and leaders’ perceptions are that face-to-face meetings are encouraged and supported to foster business relationships. Even though the face-to-face meetings are necessary for many reasons, virtual meetings can enhance business relationships when leadership support embraces this delivery medium and makes it part of the day-to-day culture.

The biggest competitor to a virtual meeting is multi-tasking. As such, it is critical to build the right agenda with the right content and the right interactivity. No one likes to participate in a one-way communication webinar and experience ‘death by PowerPoint.’ To build stimulating virtual events, design creative activities to engage the audience with interactive content that enforces the message.

When attendees are progressively immersed before, during, and after the virtual meeting, the ROI is more likely to be positive (figure IX).

Conclusion
Technology is integrated into many factors of our life; as a result, virtual meetings will continue to increase in popularity. Virtual meeting tools like FaceTime and Skype are used daily in our personal life; similarly, these types of tools, and more advanced virtual meeting technologies, can be integral parts of our work environment. Meeting planners who embrace virtual meeting opportunities will deliver successful, creative meeting solutions for their clients. Planners have the opportunity to become agents for accelerating the change by building advocacy, creating policy and strategy, and working with meeting owners to re-think traditional meeting design and content delivery.
1. Pre-virtual meeting / event
Identify meeting / event tangible objectives to measure ROI; marketing / communication campaign including social networking; social interactions with attending colleagues; supplier advertising

2. During virtual meeting / event
Chat; web links; file sharing; download presentations; screen sharing; annotations; multi-way camera and voice; whiteboards; polling; segregated "conference rooms"; exhibits and booths

3. After virtual meeting / event
On-demand; archived sessions; social networking; share list of attendees; follow up on survey/poll; requests or concerns; follow up with attendees to evaluate the use of content to report ROI; reports/analysis

(Footnotes: Debi Scholar, Scholar Consulting Group, September 2011)
Meeting Payments: Enabling Achievement of Organizational Meetings Program Goals

Since last year’s forecast, companies around the world have continued to actively pursue the development of strategic procure-to-pay processes to maximize the value of their meetings investments. Recognizing the impact of applying scrutiny and strategy to the meetings expense category, many organizations have concentrated on implementing optimal payment and expense management processes that are an integral part of any successful strategic meetings management program (SMMP).

To build on initial investigations in 2013, the 2014 Meetings Forecast sought to gain greater insight into payment best practices observed within the industry, and to understand the role payment programs can play in the achievement of organizational meeting goals.

Meetings Payment Best Practices in Action

One of the most fundamental meetings management best practices is the creation of a formal meetings policy to help drive core payment and procurement processes. About 80% of North American companies reported having a formal policy in place for some or all of the organization, up 20% from last year (figure X). Additionally, we observed a rise in the prevalence of specific policy language around meeting payment method and processes (up 11 percentage points to 32%) and procurement of goods and services (up 20 percentage points to 39%) compared with 2013 (figure XI). These findings indicate heightened recognition of the importance of addressing payment and procurement processes within formal policy.

Perhaps due in part to the improvement in meetings policy in use, this year about 87% of North American respondents reported they most often use company-issued cards for meetings spend, up significantly from last year’s forecast (figure XII). This trend suggests
that organizations see value and benefit in using this payment form for their meetings spend. While respondents in Asia Pacific and Central/South America also indicated most prevalent use of company-issued cards, European respondents still indicated the use of invoice/check most often for meetings-related expenses.

**Payment Solutions Can Enable Achievement of Higher Level Meeting Program Goals**

Earlier this year, American Express Meetings & Events released findings from a Risk Exposure research study on existing gaps between organizational meeting management policies and active practices. In this study, meeting planners and leaders identified several key areas of opportunity for focus within their overall meetings management program, including a focus on legal and regulatory compliance, financial goals, and safety and security improvements in order to reduce organizational risk3. Meetings payments are considered to be a necessary component in the execution of all meeting and event activities. One goal of this study was to understand the role organizations believe meeting payments play in the achievement of higher order meeting program goals, including reducing costs, increasing savings, reducing organizational risk, and meeting legal and regulatory requirements.

At least 50% of respondents indicated they believed their meeting payment solution supported their achievement of every goal (figure XIII). About 65% of organizations associated their payment solution with supporting the reduction of organizational risk. This sentiment can logically be linked to features of various payment solutions including spend limits, fraud protection, and detailed expense reporting.
Over half of survey respondents also reported that their meeting payment solutions contributed to the achievement of priority financial goals. Nearly 56% and 55% of respondents believe their payment solutions help to reduce costs and increase savings, respectively. Many payment programs can help to streamline processes driving resource efficiencies. Moreover, consistent use of payment tools can increase overall visibility into meeting spend that can be leveraged for strategic decision making, such as supplier negotiations or policy compliance, to ultimately drive additional savings. Even when considering the need to meet new regulatory requirements, such as more detailed event reporting, 50% of respondents indicated they believed their meeting solutions supported their success (figure XIII). The ability to report on any meetings spend requires the initial ability to capture a record of all transactions. Payment products, such as company issued cards, offer an automated, efficient way to capture meeting expense data, from which an organization can more accurately report.

Payment Capabilities Can Support New Challenges of Managing a Global Meetings Program

As the trend toward globalization has progressed, further connecting people and ideas across the globe, corporations have continued to geographically expand their business operations and preferred supplier lists. While global expansion of meetings programs has helped to bring together colleagues and customers around the world, it has raised new organizational challenges for managing a global meetings payment program. Risk study survey respondents were able to provide insight into the greatest challenges they are facing in their global payment programs today (figure XIV).

The most common challenge identified, reported by nearly 20% of respondents, was managing cross border transaction fees. It is easy to understand how the multitude of different local fees, including foreign exchange fees, currency fees, or consumption taxes
such as value added tax or VAT), can add confusion and complexity when doing business across countries. However, some payment solutions can help to support the overall management of these various fees. Certain payment solutions offer organizations the ability to do business in local currency, potentially reducing the number of transactions fees. Other solutions can more clearly capture consumption tax details to facilitate more detailed reporting that may be needed to meet new regulatory requirements. While it is imperative that companies take their global footprint into account when selecting any payment vehicle, they should also consider leveraging features of various payment solutions to optimize this decision when doing business around the world.

Second to this, nearly 17% of organizations indicated continued challenges managing to a predetermined budget. Although this is a complex problem to tackle, various meeting payment types can help to ease this pain point by offering control features, such as overall spend limits or authorization of specific transaction amounts, to enable approved spend that fits within a given meeting’s budget.

Finally, the third most common challenge reported by survey respondents was overall compliance with meetings policy, indicated by 15% of organizations. While meeting policy compliance involves engagement from a wide range of stakeholders within any organization, it begins with having excellent visibility into meeting expenses and procurement activities happening today. Strategic selection of payment products can not only offer visibility into meetings expenses when used consistently, but can also offer automated reporting capabilities to more easily analyze spend data. Ultimately, these data insights can be used to identify compliance gaps for which targeted strategies can be created to help address them.

### Summary

Meetings management is one of the largest and most undermanaged spend categories in many organizations. Meetings can represent a sizable portion of a corporate budget and internal resources, and can benefit from the establishment of guiding principles and a management framework. As companies of all sizes continue to prioritize the need to optimize the value of their meetings investments, it is evident from these survey findings that they have increased adoption of basic payment and expense management best practices, such as the establishment of a formal meetings policy and the use of company-issued cards. Moreover, these findings suggest that companies view their meeting payments solutions as a strategic element of their overall meetings management processes that contributes to the achievement of overall financial, risk, and legal & regulatory goals.

The overall global expansion of business has begun to influence the way in which organizations design and execute their overall meetings programs. While these changes have raised new organizational challenges for managing a global meetings payment program, survey findings indicate that payment and expense management solutions can offer support to ease some of the main challenges identified. In order to begin to best manage an expanding global program, the most important first step is to create a comprehensive, holistic view of your meeting program footprint. By identifying common payment needs, while noting local country requirements and differences, an organization can gain true visibility into their global meetings program needs and begin to prioritize them. The organization can then work to identify the optimal payment and technology solutions that best support its meetings program, in the countries most important to its business overall.
Social Media in Meetings: Rising Impact and Opportunity

As technology continues to advance, so will the way attendees engage with others in a meetings and events environment. Social media is one technology that has significantly impacted the way individuals view and interact with one another, build and maintain relationships, and market their professional brand. While there are many upsides to this technology, social media can represent a significant risk to meeting outcomes as well. In addition to social media policies for employees attending events, meeting planners and owners need to have clear strategies for incorporating and managing social media within their events to help deliver positive outcomes.

Social Media Use on the Rise

According to the Pew Internet & American Life Project, as of May 2013, 72% of online U.S. adults now use social networking sites. Smartphone penetration has increased by 10 percentage points in most major regions since 2012 and daily use of social networking sites via those smartphones has also increased according to research from Google’s Our Mobile Planet, with the most significant increases occurring in Brazil, Italy, Mexico, Norway, Saudi Arabia, and United Arab Emerites (figures XV & XVI). The data collected concludes that over 40% of mobile users in the countries reviewed utilize social media from their mobile device at least once on a daily basis. Countries with over 50% of users accessing social media on a daily basis include Australia, Brazil, Canada, Italy, Mexico, Norway, Saudi Arabia, United Arab Emerites, Spain, United Kingdom, and the United States.

The use of social media within meetings is expected to slightly increase next year, continuing the trend of social networking around the globe (figure XVI).
Prior to implementing social media tools for a meeting, it’s important to identify whether or not the association, meeting owner, or specific event has a social media policy in place. Half of all North American survey respondents indicate their organization or clients do have a social media policy, while 32% indicate they do not, and only 14% state that a policy is under development (figure XVII). In Asia, Central/South America, and Europe, nearly 70% of respondents in each region indicate their organization or clients do not have a social media policy in place.

Social media policies play an important role in maintaining an organization’s digital integrity. These policies provide guidelines to protect confidential or internal information, while protecting and guiding appropriate representation of their brand. When engaging in social media on a company or client’s behalf, all guidelines listed in their social media policy must be followed. Some companies require that employees clearly state in their social network profiles that the opinions expressed are their own to avoid confusion as to whether their tweet, post or blog is an official company statement. Attendees have the freedom and ability to express their opinion on social media, but it is suggested that if they do so, they are mindful of their company policies and potential impact on their personal brand.

### Figure XVII: Have a Social Media Policy?

<table>
<thead>
<tr>
<th>Region</th>
<th>Yes (%)</th>
<th>No (%)</th>
<th>Some clients do, others don’t (%)</th>
<th>Social Media Policy is under development (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>50%</td>
<td>34%</td>
<td>29%</td>
<td>45%</td>
</tr>
<tr>
<td>Central/South America</td>
<td>35%</td>
<td>34%</td>
<td>32%</td>
<td>34%</td>
</tr>
<tr>
<td>Europe</td>
<td>45%</td>
<td>34%</td>
<td>32%</td>
<td>32%</td>
</tr>
<tr>
<td>Asia</td>
<td>41%</td>
<td>39%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Global Hoteliers</td>
<td>40%</td>
<td>3%</td>
<td>29%</td>
<td>14%</td>
</tr>
</tbody>
</table>

(Sources: American Express North American, European, Asia Pacific and Central/South America Meeting Surveys, September 2013)
As the use of social media continues to grow and evolve globally, best practices for social media policies are being developed, shared, and implemented. According to the cloud-based GRC solutions provider Convercent, the following are eight best practices when looking to develop or revamp a social media policy:

1. Review the current social media policy
2. Clarify which employees should use corporate social media
3. Analyze industry benchmarks (reviewing social media policies that industry peers have adopted to determine level of social media risk in that particular industry)
4. Align social media policies with core values
5. Model potential scenarios to avoid social media mishaps
6. Develop a triage plan to address disasters
7. Hold employees accountable, and
8. Distinguish between internal and external use on social media.

Implementing the above best practices is a good start to developing and educating employees, attendees, and meeting owners with company rules and regulations surrounding social media.

For some, reading best practices like those listed above may be enough inspiration to begin writing a new social media policy geared toward their organization. For others who may prefer additional insight or examples of other organization’s social media policies, there is a plethora available. Websites like www.socialmediagovernance.com contain a database of social media policies from some of the world’s leading organizations. From technology and healthcare, to government and non-profits, this resource would be beneficial to many organizations researching what to include in their organization’s social media policy.

Meeting Owners and Social Media
Depending on the type of program or event, it’s important to have a meeting strategy relative to social media. Key considerations for determining the use of social media within a meeting include: attendee makeup, whether information shared is public or private, desire to promote the event publicly, and whether you have someone on hand to respond to or manage commentary.

The way social media is used will depend greatly on each person’s involvement in the meeting or event. For example, a meeting stakeholder may use social media to promote or highlight specific sponsors, activities, and build anticipation while delivering a positive message to attendees. It’s important to consider having a staff member monitor the various social media outlets during an event to ensure confidential information is not being distributed to external sources.

Meeting owners may also use social media to monitor attendee activity during an event, as well as collect and evaluate candid feedback. This is a great way to interact with your attendees - identifying and rectifying issues (preventing a snowball effect), answering questions, and communicating updates. To better monitor this correspondence, it’s recommended that meeting planners develop an event “hash tag” – a unique keyword attendees include in their digital dialogue. If implemented properly, attendees can search for a specific hash tag, and receive all information posted by meeting stakeholders and other attendees that that includes the hash tag.

Attendees who engage with social media are able to share the insider perspective of a meeting or event. They often broadcast whether a specific session was interesting and insightful, whether the meeting room was too cold, or whether the keynote speaker was a “must see”. Without proper monitoring and resources to action input, this real-time sharing of information can shift traffic patterns, drive self-directed changes to attendee schedules or lead to other
unanticipated outcomes. One North American expert has noted that her clients are hungry for information and assistance with their social media strategies as they see both the potential risk and upside of attendee social media activity. Some have actually seen meeting sessions both empty and overfilled as a result of real-time attendee feedback over social networks. Another expert mentioned that, considering younger attendees tend to be more active on social networks, the impact of social media on events can only rise. Trying to avoid its use is not a viable strategy in most cases.

Attendees can be an educational resource both internally and externally, providing content about what they learned in the sessions they attended. Non-attendees look to social media to obtain information about the event. If leveraged appropriately, the communication sent via social media can cause non-attendees to wish they had chosen to attend the event, potentially increasing future attendance rates. The outcome of utilizing social media should be positive, and indirectly encourage current attendees to return and non-attendees to register for future programs.

While some may remain apprehensive about fully engaging in the use of social media at meetings and events, the reality is that for many meeting attendees participation in social media is viewed as a day-to-day necessity. This technology has evolved in a fast and furious manner over the past few years, and will likely continue to develop well into the future. If you or your organization isn’t already on board, it may be time to reevaluate your stance on social media. Taking steps to establish a policy, agree to clear criteria for when to use social media and apps, as well as prepare for proper management of comments, social media can be a great way to increase engagement with attendees, collect feedback and extend your meeting experience to non-attendees.
Trends by Region and Commentary

North America

Meetings Activity

Number of Meetings per Company

A few more meetings. Based on the survey results of North American meeting buyers and planners, the number of meetings to be held per company in 2014 is expected to increase slightly by 1.5% (figure 24). In last year’s forecast, no increase was predicted, so this represents a positive, albeit small, improvement in sentiment amongst survey respondents regarding the number of meetings expected.

However, with less than a third (28%) predicting their meetings activity will not change next year, activity decisions are likely driven by individual company and possibly industry situations, versus the overall economy. Movements in either direction are predicted to be minor overall, with only 29% expecting changes of 10% or more in meeting activity.

Number of Attendees per Meeting

A handful of new attendees. After last year’s prediction of no change in attendee numbers, we see a very small uptick in the predicted number of attendees per meeting (figure 25). The predicted increase in local meetings (2.7%) is likely preventing this expected increase from being any larger as these meetings tend to be smaller in size. Survey respondents were more aligned in their attendee predictions than for meetings activity, with 83% expecting their 2014 average attendee numbers to be within plus or minus 5% of this year’s figure.

One expert noted that some companies are reducing their overall number of meetings, but when a meeting is approved the attendee number is typically higher than the previous year. These companies are trying to maximize the overall value of each event and reduce the average cost per attendee.
Days per Meeting

No more, no less. Over 70% of survey respondents see no change in their meeting lengths for 2014 (figure 26). Meeting length trended slightly downward in the 2012 and 2013 forecasts, so this prediction may represent stabilization in the length of meetings after a perceived decline in average meeting length over the past few years.

Since the last recession, a large portion of meetings have shed much of their ‘down time’ and are packed with content from start to finish. Planners may be finding they have reached a point where reducing meeting length further is no longer an option.

Figure 26: Number of Days per Meeting

(Source: American Express North American Meeting Buyer & Planner Survey, September 2013)
Meetings Budgets & Planning

Overall Meeting Spend within Organizations

No extra change. On average, survey respondents point to no change in overall meeting spend within their organizations (figure 27). Only 12% of respondents predict an increase or decrease of more than 5%.

While companies are not expected to ‘open their wallets’ to any great extent next year, it seems that they have realized that the majority of meetings that have survived the budget cuts of the past years are worth the investment. Meeting experts surveyed still feel the pressure to do more (or the same) with less in 2014 as meeting activity is still expected to increase slightly and average group hotel rates are expected to rise as well.

What does seem to be increasing within many companies, however, is the visibility of meeting spend as they adopt technology that allows them to register each of their meetings and utilize payment solutions that can provide greater insight into individual meeting expenses.

Individual Meeting Budgets

Holding steady. Individual meeting budgets also are not predicted to change in 2014, after a predicted decline of 1.7% in 2013 (figure 28). Similar to meeting length, the budgets for meetings may have been squeezed enough since 2008-2009 that further reductions could risk negatively impacting the quality or desired outcome of the event. As mentioned above, many companies appear to have already pared any non-essential events and therefore would be leery of cutting deeply into the important ones that remain.

With the increased involvement of procurement in meeting sourcing, experts have noticed that some companies are pushing for YOY quantifiable savings from their suppliers (e.g. 5% average savings per event). With the information received during interviews with major hotel supplier however, companies will likely have to make certain commitments in order to receive any discounts, or even avoid rate increases in 2014.
Lead Times

Still a bit shorter. Lead times are predicted to decline slightly next year, another trend continuing from 2013 (figure 29). Several interviewees questioned if the trend can continue much longer, as planners are often challenged to find appropriate inventory for customers when lead times are tight.

One hotel supplier executive was surprised to witness a meeting consisting predominantly of international attendees organized in only three weeks. The executive’s sense is that, in many cases, lead times are only extended when issues that cannot be controlled, such as visa issuance timelines, are essential to an event. On the other hand, the supplier has also seen some bookings for 2015 already, indicating that some meeting types, such as incentives, and association events are being booked out farther in advance to ensure the optimal property and location choices are secured for these events.

Figure 29: Lead Time for Meetings

(Source: American Express North American Meeting Buyer & Planner Survey, September 2013)

<table>
<thead>
<tr>
<th>Prediction: Lead Time for Meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.6% ▼</td>
</tr>
</tbody>
</table>
Meeting Locations

Regional Meeting Demand
**Closer to home.** Of all regions, meeting demand is expected to increase the most within North America, with a prediction of a 2.3% increase (figure 30). This prediction continues the trend from last year and aligns with the 2.7% predicted increase in local meetings for North America, as noted in the Global Trends section above.

Only 5% of North American survey respondents forecast any decrease in meeting demand within their own region. As a result, securing venue space may become more difficult next year, particularly given reduced new hotel builds over the last several years.

Demand for meetings in Europe and Asia Pacific from North American planners is also predicted to increase slightly. Similar to the North American results, 90% or more respondents see demand either flat or increasing for meetings in those regions, which is a positive statement for the industry. North American experts interviewed witnessed a 'suppression' of international meetings in the recent past and suggest this may represent a slight easing of that phenomenon.

According to survey results, Central/South American demand is relatively flat but interviewees noted an uptick in demand for events in Costa Rica.

The Middle East is expected to experience a small decline in demand from North America as well.

One expert interviewed noted that new popular meeting destinations tend to align with the rising popularity of leisure destinations. Often the leisure demand drives increased flight volumes to these destinations, making it easier for meeting planners to move attendees in and out as well.

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**Figure 30: Demand from North America to the Following Regions**

(Source: American Express North American Meeting Buyer & Planner Survey, September 2013)
City Type Demand

Large cities still dominate. While some meetings have moved away from large cities, likely for cost reasons, large cities still dominate as the typical location for meetings, according to respondents (figure 31). Interestingly, the choice of ‘other’ locations has grown from 4% last year to 7% this year, indicating that a growing portion of meetings are being held at neither larger nor second-tier city locations. A sample of responses included terms such as ‘seaside’, ‘luxury hotels’ (presumably outside of major city centers), and ‘near the offices’.

Top Ten Cities

According to Cvent, a leader in cloud-based event management solutions, the top 10 US cities based on meeting and event booking activity between June 2012 and 2013 within its Cvent Supplier Network are shown in Table 10.

New York joined this year’s list in sixth place. According to NYC & Company’s 2013 Tourism Report this could be due to hotel expansion and addition of CVB satellite offices in other regions. New Orleans fell off the list from its tenth place spot in last year’s forecast. Other interesting moves include Chicago’s jump from fifth to second place, Washington, D.C.’s decline from second to seventh place, Atlanta upward move from eighth to fourth place, and Miami’s fall from fourth to ninth place.

Table 10

<table>
<thead>
<tr>
<th>Top 10 US Cities based on Meetings &amp; Events Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Orlando, FL</td>
</tr>
<tr>
<td>2. Chicago, IL</td>
</tr>
<tr>
<td>3. Las Vegas, NV</td>
</tr>
<tr>
<td>4. Atlanta, GA</td>
</tr>
<tr>
<td>5. San Diego, CA</td>
</tr>
<tr>
<td>6. New York, NY</td>
</tr>
<tr>
<td>7. Washington, DC</td>
</tr>
<tr>
<td>8. Dallas, TX</td>
</tr>
<tr>
<td>9. Miami, FL</td>
</tr>
<tr>
<td>10. Phoenix, AZ</td>
</tr>
</tbody>
</table>

(Source: Cvent, 2013)
**Property Type Demand**

Still moving to the middle. Movement toward mid-tier properties for events is expected to continue in 2014 (figure 32). For cost and compliance reasons, respondents indicate mid-tier, business focused hotels are a preferred choice for a large percentage of meetings. 97% of respondents see, at a minimum, no decline in mid-tier demand next year, and nearly half expect their usage to increase.

Resort demand and luxury property demand are expected to be flat or down slightly but respondents were quite varied in their individual predictions.

North American meetings experts have seen companies choosing ‘resort’ destinations such as Orlando, but holding their events at non-resort properties as a means to increase the attractiveness of the event without utilizing a resort property.

Non-traditional facilities are predicted to increase in popularity again next year by a small amount, possibly driven by the desire for locations that are ‘hip and trendy’ for events that have a promotional focus.

Demand for lower tier properties is expected to remain unchanged.

Of note is the perceived increase in pressure to source meetings with a corporation’s preferred supplier set. More companies are looking to align their meetings sourcing with their business travel preferred suppliers as a means of controlling costs and improving their negotiating position. Utilization of a preferred program can often result in improved terms and conditions, as well as better rates for events.

**Figure 32: Demand for Property Types**

<table>
<thead>
<tr>
<th>Prediction: Demand for Property Types</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resort Properties</td>
</tr>
<tr>
<td>0.0% ➤</td>
</tr>
</tbody>
</table>

(Source: American Express North American Meeting Buyer & Planner Survey, September 2013)
Pricing Trends

Group Hotel Rates
Continue to rise. The prediction of a 4.1% increase in meetings and events group hotel rates for 2014 is almost an exact match for the 2013 prediction (4.2%, see figure 33). With four out of five respondents expecting increases, this prediction has some strength behind it.

Experts interviewed do not see hotel supply keeping up with increased demand, particularly in some major city locations such as New York and Chicago. This could result in even higher rate increases in some high-demand cities.

According to a meetings executive from a major hotel supplier, occupancy levels have risen as a result of increased transient business travel and leisure travel demand in North America, and as a result rate increases are already being negotiated in transient travel contract negotiations. The executive indicated that they are already trying to educate their meeting clients of the potential need to be flexible with meeting dates in order to secure their preferred location, particularly if they do not start the planning process earlier.

Some of the hotel supplier’s clients who are looking to mitigate the rising rates are being asked to commit to multiple meetings, and potentially one or more during off-peak times in order to avoid rate increases next year.
EMEA

Meetings Activity

Number of Meetings per Company

No consensus. Predictions for EMEA are widely varied in nearly all categories, and meetings activity is no exception.

While overall, EMEA survey respondents predict a slight 0.5% decline in meetings activity, they are almost equally divided in their individual predictions for increases and decreases (figure 34). The state of individual countries, industries and companies themselves all appear to play a role in these varied results.

Compared to predictions for 2013, these 2014 survey results are all more optimistic in each country, with the exception of France.

Respondents from Germany and the UK were the most positive. The relatively stronger economies of these two countries, when compared to their European peers, are the most likely drivers of these predictions. An expert from Germany noted that one or more of his customers plan to grow their meeting activity in Germany, while at the same time scale back activity in other parts of Europe. The size of the German increase is largely a result of 1/3 of respondents expecting an increase of 10% or more in meetings activity per company.

The UK has seen a significant change from a predicted decline of nearly 5% last year to a predicted increase of 4.5% for 2014. An expert from the UK mentioned there is a sense of the UK economy, ‘turning the corner, or perhaps having already turned the corner’.
The predictions for France of a 1.6% decline in the number of meetings per company, is due in part to increased implementation of formal approval processes within corporations, according to one local expert. The increased scrutiny, typically by procurement, is causing some meetings to no longer be held and limited funding is available for new meetings.

After predicting a decline of 6.4% in 2013, respondents in Spain are less pessimistic this year and foresee a decline of just 2.4% in 2014. According to meetings experts in Spain, however, the picture for meetings may be even rosier. Recent signs of recovery for the Spanish economy have resulted in several corporations saying that they plan to increase their meetings activity after four years of reductions. They are considering adding new events such as internal sales meetings to help with the re-positioning of their products, internal training meetings, incentive trips and product launches.

Sweden is predicting the biggest decrease in meetings per company at 2.8% but this prediction is also much brighter than the 7% decline expected for 2013. One Sweden-based expert noted that he expects large meetings to decline at a higher rate than smaller ones, which is consistent with the attendee declines predicted for the country.
Number of Attendees per Meeting

Shifting seats. Similar to the meeting activity prediction, the average number of attendees per meeting prediction for EMEA, at -1.8%, is comprised of a mix of responses from different countries (figure 36). What seems certain is that most respondents are making some tweaks to their attendee numbers next year. On a positive note, these predictions are all improvements compared to the predicted declines for 2013, which ranged from -2.3% in the UK to -10.3% for Spain.

The UK and Germany respondents again are the most optimistic for 2014, with both expecting to increase average meeting attendance by approximately 2%. One UK expert perceives that most of the meetings will actually remain the same size, but some large meetings are seen to be increasing in attendee size for 2014.

Attendance in France is seen to be declining with many more meetings in the 50 to 80 person range being organized as compared to 200 to 300 person events. In order to stay within their budgets, which have often been reduced from the previous year, companies appear to be trimming back on both attendees and meeting length.

Sweden’s predicted average meeting attendee decline of 2.6% indicates that companies expect to slow the trimming of their attendee numbers next year, after predicting a decline of 7.7% last year.
Days per Meeting

Not much shorter. After a predicted decline of nearly 4% in 2013, the decline in average meeting length is predicted to slow in 2014 to just 1.7% overall, and respondent results from Sweden, the UK and Germany point to slight increases (figure 39).

Our UK meetings expert notes that most meeting agendas have already become almost exclusively business-focused, and as short as possible. Perhaps they have reached a point where further reductions would be detrimental to achieving meeting objectives.

In Sweden, our expert notes that there are many 1-2 day meetings, which leave little room for further reductions, and may account for the predicted increase.

Budget pressures in France are forcing companies to trim meeting lengths, according to one meetings expert in Paris. Fewer days, fewer attendees and some cuts to the food and beverage costs are reductions typically seen when cost is an issue.

Spain, with its economic struggles, predicts the highest decline at 4.4%, but that is still an improvement from a predicted decline of over 7% last year.
Meetings Budgets & Planning

Overall Meeting Spend within Organizations

Less, but not by much. In our 2013 forecast, meeting spend per company in EMEA was predicted to decline by 6%. This year, survey respondents still see a slight decline of 1.8% which aligns with small declines in attendee numbers and meeting length (figure 40).

Similar to the other predictions above, there is a significant variance amongst the individual country predictions, with the UK and Germany again being much more optimistic than their neighbors.

The meetings business in Germany is seen as ‘more healthy’ than in other EU countries and one expert there is noticing a slight trend towards increased program spending.

Spend in Sweden is being more highly contained, partly as a result of new approval processes that companies are implementing, according to our Sweden-based expert. Within those companies, he is seeing fewer meetings being funded.

Predicted declines in overall meeting spend in France may be partially due to the number of companies who are undergoing reengineering efforts. Cost reductions are in high demand across these corporations, and meeting spend is no exception.

Respondents in Spain predict the largest decline at 7.1%. The meetings experts we interviewed, however, remain optimistic about recovery as they are seeing signs from some corporations that point to increases in 2014. This difference in view could be driven in part by industry or company-specific meetings needs.
Individual Meeting Budgets

Budget pressure continues. It doesn’t appear that planning meetings in 2014 will get any easier for companies in Europe. Survey respondents predict budgets to be squeezed slightly again, albeit by a smaller amount than their predictions in last year’s forecast (figure 42).

In the UK, where overall spend is expected to climb, the additional spend is likely to be used to fund the 4.5% predicted increase in meetings, not to bolster individual meeting budgets.

German meeting planners expect to have a very small additional amount to spend on each event; however, it’s not enough to match the expected increases in both attendees (+1.9%) and meeting length (+1.2%), so they will likely have to use those funds wisely to maintain the quality of their events.

In Sweden, our expert has noticed that many employee-only meetings are now taking place at company facilities, rather than at external properties, which may account for some of the predicted 2.3% decline in meeting budgets.

France’s smaller forecasted budget decline of 2.6% is in line with its predicted attendance and meeting length declines, which should help planners limit the extent of other spending cuts required.

Spain’s prediction of a significant decline in meeting budgets is actually larger than the 4.6% decline predicted last year. Meeting experts interviewed do not feel the decline will be as high as is predicted but they do see budget controls being very strict and do not anticipate any increases in average meeting budgets next year. Companies that are increasing spend are more likely to use it to increase their number of meetings, not the individual meeting budgets.
Lead Times

Shrinking again. A common theme for the past few years, survey respondents in EMEA believe that lead times will shrink again in 2014. “They can’t possibly get much shorter” however, is a phrase heard several times from experts across Europe.

Perhaps that actually is the case in the UK and Germany, where lead times are predicted to stabilize and increase slightly, respectively (figure 45).

For Sweden, the predicted drop is particularly large. Our Sweden-based expert indicated that these shorter lead times are simply a reflection of the way companies seem to be making most of their purchasing decisions...on shorter timeframes, once they are absolutely certain that the funds are available.

In France, our expert has noticed that corporations have become much better organized in regard to their event activity. While the prediction is for lead times to decline slightly, she has witnessed them increasing in such cases, particularly in cities such as Paris, where availability is always a challenge. For meetings in cities where demand is high, companies should consider starting their planning process sooner in order to improve their chances of securing their ideal venue.
Meeting Locations & Destinations

Regional Meeting Demand

Traveling less. Similar to North America predictions, European demand for meetings in their own region is expected to increase, aligning with the trend towards more local meetings for both cost and time considerations (figure 46).

Our UK expert sees increased demand amongst corporations for cost-effective locations in Eastern Europe such as Prague, and top cities in Poland. In France, there is a sense that companies undergoing reengineering efforts, noted previously, are avoiding taking attendees to international locations to avoid being publicly perceived as overspending on events while simultaneously reducing headcount.

Unlike North America predictions however, demand for meetings everywhere outside of Europe is predicted to remain either flat or decline slightly.

Not surprisingly, the declining demand predicted for international meetings is greatest in Spain, and the least in the UK and Germany. Meetings from the UK and Sweden headed to North America are actually predicted to increase slightly by 1.7% and 1.6% respectively.

Jose Miguel Moreno of Melia Hotels International pointed out that Madrid as a meetings destination appears to be suffering as a result of recent and significant decreases in flight volumes into Madrid-Barajas Airport. Barcelona, Alicante and Parma de Mallorca are performing well, while secondary cities in Spain are finding it more difficult to attract meetings activity.

City Type Demand

Still at the top. The large European cities are still expected to dominate as the preferred locations for meetings in 2014, as they always have (figure 47). However, second tier locations are predicted to gain popularity, with 16% of meeting professionals expecting to primarily choose them for their meetings, as compared to just 11% of respondents in 2013.
Top Ten Cities
The list of top city destinations for meetings within Europe was developed based on the activity of American Express Meetings & Events clients (table 11). The list is very similar to the 2013 forecast, with Barcelona and Amsterdam trading places, as well as Rome and Frankfurt. All cities have historically been popular destinations for meetings and events.

Property Type Demand
To the Middle. Across all of Europe, mid-tier properties are expected to continue to gain in popularity, while demand for resort and luxury properties is expected to soften further in most countries (figure 48). The UK is one exception, where the movement away from luxury properties appears to have stopped and demand is expected to remain the same next year.

Non-traditional properties continue to see their expected demand increase as well. Our German expert noted that for kick-off type events, many companies are looking for unique, independent locations that enhance the innovative feel of the event.

Many German companies also look for cost-competitive, non-chain properties that are very individualized and would fall into the lower tier designation.

In the UK, many new mid-tier hotel brands are appearing which are designed to be attractive as meeting locations.

Mid-tier properties appear to be the default property choice in France now, with the exception of incentive-focused trips. Most companies appear to choose luxury properties for their typical meetings only when they can secure a highly economical rate.

Table 11
Top 10 European Cities based on Meetings & Events Activity

<table>
<thead>
<tr>
<th>Rank</th>
<th>City</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>London</td>
</tr>
<tr>
<td>2</td>
<td>Paris</td>
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<tr>
<td>3</td>
<td>Barcelona</td>
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<tr>
<td>4</td>
<td>Amsterdam</td>
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<tr>
<td>5</td>
<td>Brussels</td>
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<tr>
<td>6</td>
<td>Nice</td>
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<tr>
<td>7</td>
<td>Berlin</td>
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<tr>
<td>8</td>
<td>Rome</td>
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<tr>
<td>9</td>
<td>Frankfurt</td>
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<tr>
<td>10</td>
<td>Munich</td>
</tr>
</tbody>
</table>

(Source: American Express Meetings & Events Destination Analysis, October 2013)

Table 11
Prediction: Demand for Property Types

<table>
<thead>
<tr>
<th>Property Type</th>
<th>Resort Properties</th>
<th>Luxury Properties</th>
<th>Mid-Tier Properties</th>
<th>Lower Tier Properties</th>
<th>Non-Traditional Meetings Facilities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.5% ▼</td>
<td>3.0% ▼</td>
<td>1.6% ▲</td>
<td>0.0% ▼</td>
<td>2.5% ▲</td>
</tr>
</tbody>
</table>

(Source: American Express European Meeting Buyer & Planner Survey, September 2013)
Pricing Trends

Group Hotel Rates

On hold. Survey respondents predict that group hotel rates for meetings and events will remain flat overall within Europe next year, with minor increases and decreases predicted for some individual countries (figure 50).

German respondents anticipate the highest group rate increases at 2.7% as the meetings business remains healthy, according to our local expert.

Spain is predicted by survey respondents to see the largest decline; however, the meeting experts interviewed have recently heard from major hotel chains that they are somewhat optimistic about 2014 and expect to increase their rates slightly.

Although respondents forecast a minor rate decline for France, one France expert actually expects a slight increase in rates, as a result of demand, inflation, and increased costs to suppliers.

In the UK, our survey points to rates staying flat but our UK expert sees rates nudging upward, particularly in major cities where the demand is strong.
ASIA PACIFIC

Meetings Activity

Number of Meetings per Company

Slowing down. After two years of predicted increases, the Asia Pacific region appears to be slowing down. Overall, survey respondents from the region predict a slight decline in meetings activity for 2014 of 1.2%, a swing of more than seven percentage points from the 2013 forecast (figure 51). Industries where companies have been seen to be reducing their meetings activity, according to regional experts, include financial and pharmaceutical. Hong Kong, in particular, with its dependence on the finance industry, is seen to have greater availability than usual.

Respondents are not unanimous, however, with nearly one third feeling that activity will increase (figure 51). After such strong meetings growth recently, many companies may just be pausing for a moment to take stock of their meetings in the region, before looking to increase their investments further.

Number of Attendees per Meeting

A step back. Survey respondents in Asia Pacific are also forecasting a decline in meeting attendance next year, after an anticipated 5% rise in 2013 (figure 52). Nevertheless, 40% of respondents are expecting no change. These results point to an industry-by-industry, or company-by-company pattern versus an overall trend towards smaller meetings.

Prediction: Number of Meetings per Company

1.2% ▼

Prediction: Number of Attendees per Meeting

2.4% ▼
Days per Meeting

Not as long. In another reversal from the 2013 forecast, the length of meetings is predicted to slightly decline in 2014 (figure 53). That being said, meetings in Asia Pacific can often be longer than the same meeting type in other regions, according to one regional expert. There may be more room for meeting length to decrease in the region before the quality of the average meeting is impacted. Respondents were more aligned in this prediction than most others, with only 8% seeing an increase in meeting length next year.
Meetings Budgets & Planning

Overall Meeting Spend within Organizations

A new phase. After years of increased spending by corporations in Asia, the industry appears to be entering a new phase of greater scrutiny.

Whereas last year Asia Pacific respondents were the only ones to predict an average increase in spending, this year they are predicting a 3.6% decline, which is the largest decline of all the regions (figure 54).

Our expert sees formalized meetings management becoming a more popular topic in the region, particularly in Australia, and a shifting mindset towards greater spend control. Formalized processes for sourcing meetings are seen to have been implemented in a larger number of companies over the past year.

Individual Meeting Budgets

Less to spend. Aligned with the overall program spend decline, individual meetings budgets are also expected to shrink by 4.4% next year within the region (figure 55). Corporations are pushing meetings management companies to deliver the same quality of event for less money than the previous year. In some cases, property level choices appear to be changing and spending on production is reduced, in addition to multiple rounds of negotiations with hoteliers to decrease those costs as well. Meeting owners, particularly with large events, seem to be flexing their muscle to contain and reduce their meetings-related expenses.

Lead Times

Even shorter. Lead times are predicted to decline again in Asia Pacific after a 3.1% decline was predicted for 2013 (figure 56). Our regional expert considers lead times to be quite tight already. As an example, two 150 to 200 person events were recently organized within 30 days.

Where funds are in shorter supply, approvals appear to be coming later than they have in past.
Meeting Locations & Destinations

Regional Meeting Demand

Shorter distances. While respondents predict fewer meetings overall, the mix of where people are looking to hold meetings is shifting. Meeting demand from other regions into Asia and Europe is expected to rise, with other regions likely to experience their demand from Asia Pacific declining next year (figure 57).

Staying close to home is seen as one of the easiest ways to contain spending and is likely driving the predicted 4.0% increase in demand.

Interestingly, no survey respondents saw their demand for North America increasing at all next year, while 60% expect demand to remain the same.

One Chinese meetings expert mentioned that the continued appreciation of the Chinese Yuan over the past few years has appeared to stimulate some additional demand for meetings outside of China.

City Type Demand

Big city appeal. More than any other region, large city locations dominate as the primary choice for meeting locations, according to our respondents in Asia Pacific (figure 58). It’s quite possible this situation is a result of appropriate meeting space being much easier to source in the larger city locations, where most of the major brand hotels are located.

If hotel construction and air service to second tier locations grows in the coming years as is expected, we may see a shift in demand to those secondary locations in the region.
Top Ten Cities
The top ten cities for meetings and events within Asia Pacific according to an American Express Meetings & Events destination analysis are listed in table 12. When compared to the list from the 2013 forecast, Shanghai, Singapore and Sydney remain the top three destinations. Hong Kong & Macau moved up to trade places with Beijing, which has fallen three spots to seventh place. The Vietnamese combination of Ho Chi Minh and Hanoi, as well as Oakland & Queenstown, New Zealand, are newcomers to the list.

Property Type Demand
A bit less luxurious. As in the rest of the world, demand for mid-tier properties is expected to increase in 2014 in Asia (figure 59). Our regional experts see compliance policies prohibiting the use of higher tier properties driving the majority of the increase, particularly in the pharmaceutical industry.

Overall, meeting planners also anticipate that luxury property demand will decrease slightly but the range of opinion is quite varied and 34% of respondents actually predict an increase in their usage.

For the largest events, our expert has seen companies choose to move away from a 4 or 5-star property to a 3-star in order to stay within their meeting budget.

Table 12

<table>
<thead>
<tr>
<th>Top 10 Asia Pacific Cities based on Meetings &amp; Events Activity</th>
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</thead>
<tbody>
<tr>
<td>1. Shanghai</td>
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<tr>
<td>2. Singapore</td>
</tr>
<tr>
<td>3. Sydney</td>
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<tr>
<td>4. Hong Kong &amp; Macau</td>
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<tr>
<td>5. Bangkok &amp; Chiang Mai</td>
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<tr>
<td>6. Tokyo</td>
</tr>
<tr>
<td>7. Beijing</td>
</tr>
<tr>
<td>8. Ho Chi Minh &amp; Hanoi</td>
</tr>
<tr>
<td>9. Mumbai</td>
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<tr>
<td>10. Oakland &amp; Queenstown</td>
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</tbody>
</table>

(Source: American Express Meetings & Events Destination Analysis, October 2013)

<table>
<thead>
<tr>
<th>Prediction: Demand for Property Types</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resort Properties</td>
</tr>
<tr>
<td>0.0% ▼</td>
</tr>
</tbody>
</table>

(Source: American Express Asia Pacific Meeting Buyer & Planner Survey, September 2013)
Pricing Trends

Group Hotel Rates

Still rising. Meeting planners in the region expect group hotel rates for meetings and events to rise by 3.3% next year, not quite as much as the 4.7% they predicted for 2013 (figure 60).

Compared to supply, demand for meeting space is still strong and although construction levels are high throughout the region, our expert also sees the opportunity for suppliers to push rates higher next year as additional inventory is not yet available for use.
Central/South America

For the purpose of this forecast, Central/South America is defined as all countries in South and Central America, as well as Mexico.

Meetings Activity

Number of Meetings per Company

Holding steady. In the region overall, the number of meetings per company is expected to remain flat in 2014, according to our regional survey (figure 61). It’s worth noting that only 14% of respondents actually predict no change in event activity per company but the rest are essentially evenly split in their predictions.

In Mexico, activity is expected to decline in the first part of 2014 and then, subject to some stability returning to the economy, possibly begin to stabilize or even rise slightly. Argentina is likely to see increased domestic meeting activity as a result of the increased tax on any purchases, including travel and meetings-related purchases, which are made outside of the country. Implemented in 2012, the tax was raised from 15% to 20% in 2013 and expanded to include travel purchases to foreign destinations.

Brazil will also likely see increased meetings activity overall as a result of the major soccer competition planned for 2014. Both the event and the increased global awareness of Brazil are expected to boost its popularity as a meetings destination going forward.

Number of Attendees per Meeting

Not many more. Predictions for average attendance per meeting across Central/South America are also quite varied, with a very small increase predicted overall (figure 62). This is an optimistic change from last year’s predicted attendance decline of 2.1%. In Mexico our experts have seen slight attendance declines in many cases in 2013, as meeting owners are choosing to trim attendance numbers to reduce expenses, rather than risk impacting the quality of the event by cutting other costs.
Days per Meeting

Less time to meet. Meeting length is expected to decline overall by a small margin in the region, but less than last year’s prediction of a 1.3% decline (figure 63). Reducing meeting length is seen as one of the simpler ways to reduce costs as budgets continue to be under pressure.

Meetings Budgets & Planning

Overall Meeting Spend within Organizations

Getting lean. Survey respondents see overall spend per organization declining by 1.4% next year, following a 3.5% decline predicted for 2013 (figure 64). With meeting activity expected to remain the same, the savings will likely have to come from the individual events.

With funds being in short supply, companies appear to be becoming strategic when deciding where to cut back. Our experts in the region see companies reducing the costs of their internal events, much more so than their product launches and client-facing events.

The good news is that only 12% of respondents see spending cuts of more than 5%, so budgets are more likely to be trimmed than slashed. And 49% of respondents see budgets either staying the same or increasing, another good sign that budgets are beginning to stabilize.

Individual Meeting Budgets

Money is tight. Meeting planners in the region will be challenged in their roles next year if the prediction for a small decline in individual budgets becomes a reality (figure 65). With average attendance pointing upwards, hotel rates expected to rise, and presumably no change in activity, the funds available will have to stretch further next year, even with slight declines in meeting length. Negotiations may be tough, and other cost efficiencies will have to be uncovered. However, 53% of respondents do see budgets at least staying the same, again pointing to some stabilization in the region.
Lead times

No time to waste. No different than the rest of the world, lead times in Central/South America are expected to decline slightly again next year (figure 66). Regional experts see planners continually being asked to rework budgets as they wait for approval to move forward with events that are often delayed until the last minute.

Meeting Locations & Destinations

Regional Meeting Demand

Less travel required. With tighter budgets expected, it’s not surprising to see local demand expected to rise slightly in Central/South America, while demand for other regions see similar declines (figure 67).

With their savings on transportation, companies will be better able to allocate spend to maintain the overall quality of the event. Our Mexico-based experts definitely see an increase in local meeting demand amongst their clientele.

As mentioned previously, Argentina’s tax on purchases made abroad will likely keep more meetings in country next year as well.

Brazil, with its global soccer tournament starting next June, should expect to see greater local demand before, during and after the event from both event sponsors, and non-sponsors. Demand for Rio de Janeiro and São Paulo has been increasing, according to our regional experts.

Our experts also noted Colombia as a relative newcomer for meetings that is rising in popularity, particularly in Bogota and Cartagena.
City Type Demand

More diversity. At 65%, the choice of large cities as a primary destination is much lower than in other regions, which are all above 80% (figure 68).

The ‘other’ results may be capturing choices of resort towns such as Los Cabos and Cozumel that would typically fall outside the definition of large cities.

Top Ten Cities

The top ten cities for meetings and events within Central/South America according to an American Express Meetings & Events destination analysis are listed in table 13. Rio de Janeiro has claimed the top spot from the Riviera Maya/Cancun area. Peruvian destinations have jumped to third place from eighth place in the 2013 forecast. Cartagena de Indias, Colombia also made a big leap from ninth to fourth place this year.

<table>
<thead>
<tr>
<th>Top 10 Central/South America Cities based on Meetings &amp; Events Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Rio de Janeiro, Brazil</td>
</tr>
<tr>
<td>2. Riviera Maya / Cancun, Mexico</td>
</tr>
<tr>
<td>3. Cusco / Macchu Pichu / Lima, Peru</td>
</tr>
<tr>
<td>4. Cartagena de Indias, Colombia</td>
</tr>
<tr>
<td>5. San Jose / Punta Arenas, Costa Rica</td>
</tr>
<tr>
<td>6. Los Cabos, Mexico</td>
</tr>
<tr>
<td>7. Buenos Aires, Argentina</td>
</tr>
<tr>
<td>8. Puerto Vallarta, Mexico</td>
</tr>
<tr>
<td>9. Ciudad de Panama, Panama</td>
</tr>
<tr>
<td>10. Punta Cana, Republica Dominicana</td>
</tr>
</tbody>
</table>

(Source: American Express Meetings & Events Destination Analysis, October 2013)
Property Type Demand

Resorts are allowed. With destinations like Cancun, Los Cabos and other resort-filled locales dominating the hotel supply in the region, it’s not surprising that demand for resort properties is actually expected to increase in the region, an anomaly compared to the rest of the world (figure 69).

Demand for luxury properties is likely to continue to decline but by less than half of the 4.6% decline expected in 2013. Our experts see clients moving away from luxury resorts more for compliance reasons than cost at this point.

Similarly for compliance reasons, in addition to cost, mid-tier properties are expected to see the highest gains, as they are in the other regions.

The popularity of non-traditional meeting facilities does not appear to be growing in the region, although 25% of respondents do see some increase in their use next year.

Pricing Trends

Group Hotel Rates

Up again. Group hotel rates for meetings and events are predicted to rise significantly next year in Central/South America (figure 70). The prediction of 4.6% is essentially the same as the 2013 regional prediction (+4.7%). Respondents are very aligned in this prediction, with nearly 85% of respondents expecting rates to rise next year.

In places like Argentina, inflation will likely be a main driver of higher rates.

In Mexico, our experts are seeing slight rate increases as the norm for the country.
Methodology

To develop this 2014 Meetings Forecast, a number of sources were used including proprietary American Express data sources, licensed third-party data and industry information, as well as data from the American Express Global Business Travel Forecast 2014 and interviews with industry leaders.

Information and data was gathered from actual and planned meetings activity of American Express Meetings & Events globally. Surveys of meeting professionals were conducted via Cvent’s proprietary web survey software to gather trends across North America, Europe (France, BeNeLux, Germany, Nordic, Spain and United Kingdom), Asia Pacific and Central/South America. A survey of leading hotel suppliers and follow-up interviews were also used to inform the finding in this forecast.

Contributor List

In addition to those quoted in the report, the following provided their expertise and perspective for this forecast:

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American Express Meetings & Events

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