

CONFIDENTIAL REPORT - April 2012



# 2012 Economic Impact Study

## Key Findings Summary Report

# Executive Summary

## 2012 Economic Impact Study

**Sample Profile.** The 2012 Economic Impact Study collected economic information about meeting planning activities in the insurance and financial sector mostly from professionals who work for companies that offer insurance services only or a combination of services. Nearly one-fourth of respondents were professionals who work for companies that provide financial services only. Most respondents had at least 11 years of experience in the meeting planning profession.

A majority of participants were from companies with less than 5,000 employees, while a mere 17% were from organizations with 20,000 employees or more. On average, companies that offer insurance services had a total workforce of 3,667, significantly lower than the workforce of companies offering financial services (7,880) or a combination of services (10,439).

Most participants work in meeting planning departments with one to five employees. 8% of respondents work in departments with more than 10 employees. According to the data, meeting planning teams in companies that offer insurance services have, on average, 3.5 full-time employees, compared with 4.2 and 4.3 in companies offering financial services only or a combination of services.

While most participants reported that the sizes of their meeting planning departments are likely to stay the same in 2013, respondents from companies that provide financial services or a combination of services were more likely to indicate that their departments' headcounts might grow next year.

**Meeting Budget.** Findings highlighted an upward trend in the budget size for meeting planning relative to both 2006 and 2010. On average, the reported meeting planning budget for 2012 was roughly \$3,000,000. Differences in budget by company type were not remarkable, though companies that offer financial services or a combination of services were more likely to set budgets higher than \$3,000,000 for meeting planning activities.

Small meeting planning departments are likely to work with budgets in the order of \$1,400,000 in 2012, while the average budget for companies with medium-sized meeting planning departments is about \$3,665,000. Among companies with large meeting planning departments, the typical meeting planning budget was estimated to be about \$7,000,000 for 2012.

24% of respondents reported that this year's budget increased relative to last year. Net increases were more likely to be reported by respondents from companies that offer financial services only and companies with medium-sized meeting planning departments.

Budget expectations for next year were also in line with the prospect of moderate growth. While 69% of participants reported that their budgets are not likely to change in 2013, a net 20% reported budget increases. In particular, companies that offer financial services only or insurance services only should assign larger budgets to meeting planning activities. Increases are also likely to benefit medium-sized and large meeting planning departments.

**Meetings/Events.** On average, companies in the financial and insurance industry planned about 95 events in 2011. Most meetings were conferences (47); next were strategic events (20) and sales/training/product launch events (23). Companies that offer financial services only planned the largest number of meetings (219), followed by companies that sell a combination of services (79). The former were mostly busy planning conferences and strategic events, while the latter were, by and large, planning conferences and sales/training/product launch events.

Hotels and resorts tended to be chosen more often by companies that offer insurance services or a combination of services, while companies that offer financial services were slightly more likely to use conference centers than the other two groups. Destinations within the U.S. were more popular

relative to 2006, while destinations outside the U.S. were as popular as they were found to be 6 years ago.

**Largest Meeting/Event.** On average, the largest meeting was attended by 479 participants. Events organized by companies that offer a combination of services were the biggest (554), while meetings planned by companies that offer insurance services were the smallest (403). Large meeting planning departments organized events with, on average, 958 participants, while medium-sized departments planned meetings with an average of 515 attendees.

The typical largest meeting planned in 2011 lasted about 3.5 nights. Companies that offer insurance services or a combination of services held longer events relative to companies that provide financial services (3.6 and 3.8, respectively, vs. 2.9). Event duration was roughly the same across meeting planning department size groups, though companies with large departments tended to hold longer meetings (3.8) than did companies with small and medium-sized departments (3.1 and 3.5, respectively).

The average negotiated room rate for the largest meeting/event in 2011 was \$248. Companies that offer financial services obtained a more competitive rate (\$215) compared with companies that offer insurance services or a combination of services (\$253 and \$253, respectively), likely as a result of the former group planning more meetings and choosing conference centers for their events. Large meeting planning departments negotiated by far the most expensive rate (\$274).

The peak night room pickup rate at the largest event conducted in 2011 was 252 rooms. The rate declined to 178 rooms for meetings planned by companies that offer financial services, but it was as high as 312 rooms for events organized by companies that offer a combination of services. The average pickup rate for companies that provide insurance services was 221 rooms. It is unclear why events planned by companies that sell financial services had the lowest rate.

On average, companies spent roughly \$900,000 for their largest event. The lowest meeting investment was reported by respondents from companies offering financial services (\$750,000). The highest investment characterized companies that sell a combination of services (\$992,000), followed by companies selling insurance services (\$823,000). Meeting expenditure by large meeting planning departments was significantly higher than expenditure by small meeting planning teams (\$1,250,000 vs. \$587,000). Expenditure by mid-sized departments was close to the overall average (\$970,000).

Attendance at large events was unchanged or higher in 2011 relative to the year before. Increases were more likely to be experienced by companies that offer financial services (net score = 41%) and companies with large meeting planning departments (net score = 83%). Predictions about 2013 suggest that attendance will either stay the same or slightly increase next year. In particular, higher attendance is more likely to characterize meetings and events organized by companies that offer financial services only and companies with large meeting planning departments.

**Average Small Meeting/Event.** The average number of small meetings/events conducted in 2011 was 36. Companies that offer financial services or a combination of services held more small meetings than did companies that provide insurance services (42 and 44, respectively, vs. 27). The difference in the number of small events planned by companies with large and small meeting planning departments was even starker (76 vs. 12). Mid-sized meeting planning teams organized, on average, 43 small events last year.

The typical duration of a small event in 2011 was roughly two nights. Meeting length was rather similar across company types and department sizes.

The negotiated room rate for a standard small event was \$160. Companies that offer financial services negotiated a much higher rate (\$194), while companies providing a combination of services negotiated a rate close to the overall average (\$156). Companies selling insurance services set for a cheaper rate (\$136). The average rate negotiated by large meeting planning departments was \$196,

higher than the rate negotiated by companies with small and medium-sized meeting planning teams (\$158 and \$156, respectively).

The peak night room pickup rate at the average small meeting conducted in 2011 was 29 rooms. While companies that offer a combination of services fared better (33 rooms), companies that sell financial services ranked below the overall average (23 rooms). Companies with large meeting planning departments were characterized by a higher room pickup rate (34) relative to companies with medium-sized meeting planning teams (28).

On average, the meeting budget for this type of event was \$43,000, though small meetings organized by companies that offer financial services and companies with large meeting planning departments cost less (\$38,000 and \$37,000, respectively).

In 2011, attendance at small meetings was about the same as in 2010. The net increase rate was minimal (5%), even if companies that sell insurance services and companies with large meeting planning departments were more likely to experience higher attendance. A net increase in attendance rate was expected for 2012 relative to the previous year.

**International Meetings.** Respondents reported fewer international meetings/events than in the past. Companies that offer financial services and companies with large meeting planning departments were by far more likely to have held events outside of North America in the last 3 years than were the other players.

Respondents reported only a moderate increase in the number of international meetings planned for 2012 (net change score = 8%). According to the sample data, the increase should affect companies selling a combination of services and companies with large meeting planning departments. Predictions about 2013 suggest not much of a change, though organizations with large meeting planning departments may continue to increase the number of meetings held internationally.

**Meeting Production.** Third-party meeting planners are used today about as much as they were in 2006; current data suggest a minor downward trend in this domain (net change score = -4%), especially among companies that offer financial services (-25%) and companies with large meeting planning departments (-20%). Relative to six years ago, AV/production and registration are currently more likely to be outsourced.

Results highlighted a slight decrease in the use of destination management companies compared with 2006; nonetheless, the use of DMCs remains highly popular (i.e., 90% of respondents). Companies that offer financial services and companies with small meeting planning departments are less likely to use this type of service.

Fewer outside speakers were engaged in 2012 relative to 2006; yet, most respondents reported that their companies hire outside speakers; especially participants from companies that offer financial services and companies with large meeting planning departments. Speaker fees paid by companies in the financial and insurance sector ranged between \$5,000 and \$39,999.

Finally, use of speakers bureau was not as widespread as it was in 2006, though this service remains extremely popular among companies with large meeting planning departments and companies that sell financial services.

**Industry Trends.** Three clear trends emerged from the current sample data: inclusion of recreational activities in meeting programs; inclusion of entertainment activities; and measuring the ROI/ROO of the events conducted. Virtual meeting participation was the activity least likely to trend. For example, only 15% of respondents reported that their companies hold hybrid meetings/events. Among companies that conduct this type of meetings, hybrid events accounted for 12% of the total meetings/events planned in 2012.

Surprisingly, a mere 15% of respondents reported that their companies use social media. According to respondents, internet forums and blogs are the tools meeting sponsors should take advantage of to engage meeting participants.

With regard to the use of new meeting technology, findings suggest that mobile applications and iPads/tablets are becoming rather widespread (46% and 38%, respectively). Surprisingly, as many as 48% of respondents indicated that the use of the latest meeting technology has not boosted the effectiveness of their events, suggesting that the ROI of this particular investment, which on average represents about 6% of the total meeting budget, may be limited at the moment.

Although a majority of respondents reported that environmentally conscious meeting practices play a somewhat important role in their meetings or events planning, only 30% indicated that “Going Green” has had an impact on their meetings and events.

Finally, according to a majority of respondents (53%), only a few of the meetings planned in 2011 included Corporate Social Responsibility (CSR) activities.