

2017 Global Meetings and Events Forecast



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2017 GLOBAL MEETINGS AND EVENTS FORECAST

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Please note that all information stated within the 2017 Global Meetings and Events Forecast is based on a survey distributed by American Express Meetings & Events to industry professionals and suppliers during the months of July and August 2016. In some instances, figures from the 2016 Global Meetings and Events Forecast have been included for reference only and noted accordingly.

Shifting Sentiment

Dear Reader,

Welcome to our sixth annual global meetings forecast and thank you for your continued interest. This year we are seeing a shift in sentiment, reflecting both continued global expansion and growth, balanced by political and economic uncertainty coupled with safety concerns in some countries across the globe. Within our own business, we are seeing growth in meetings activity across regions and client organizations, driven by a trend toward corporate consolidation of meetings spend and global expansion of managed meetings programs. However, from a broader perspective, we are seeing some hesitancy in our industry. While this sentiment has yet to have a meaningful impact, we do expect this shift may result in some slowdown in the growth we have witnessed over the last couple of years. Our survey respondents have indicated overarching program spend will likely be similar to 2016, but overall activity, including number of meetings or number of attendees per meeting, may see a decline.

Across North America, organizations continue their global expansion efforts through organizational growth, as well as mergers and acquisitions. This activity drives the need for additional training and internal meetings, as organizations require internal alignment in order to be successful. A trend toward increased adherence to managed meetings policy continues as compliance-related reporting requirements increase across Pharmaceutical and other industries. Respondents in North America predict meeting spend will be flat with less than 1% change in budget overall. The tempered meetings activity predictions for 2017 may be influenced by the uncertainty associated with the November presidential elections in the US, and the economic slowdown in Canada.

Throughout Europe, the focus on strategically managing meetings has risen in importance within organizations. Some of this attention is the result of globalization, however, even within global programs, it is important for organizations to permit flexibility in local countries to match culture and compliant business practices. Europe



ISSA JOUANEH

Senior Vice President
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Meetings & Events

Our survey respondents have indicated overarching program spend will likely be similar to 2016, but overall activity, including number of meetings or number of attendees per meeting, may see a decline

also has its share of uncertainty, with the influence of Brexit and concerns over acts of terrorism. These events have resulted in a sense of caution across the region. Budgets across Europe are expected to remain flat, with country predictions for 2017 varying, and Germany showing the most optimism, predicting overall meetings budget growth of 3.3%.

Central/South America continues to be an interesting area to watch. Global sporting events have brought increased interest and traffic to the region, but that interest is balanced by the slow-down in the Brazilian economy and caution related to the Zika virus, creating concern that seems to be translating to lower demand for 2017. Interestingly, many organizations are prioritizing the region when globalizing their meetings business, which is a bit of a shift from past years. As a result, we see internal meetings training sessions and sales meetings predicted to increase, indicating healthy activity from businesses within the region, while other types of meetings are predicted to decline. Cost per attendee, excluding air cost, is predicted to rise in the region. With overall budgets expected to increase slightly at 1.1%, meeting owners will need to tightly manage their spend in the region.

Predictions for Asia Pacific activity are the most optimistic, with increases in a variety of meeting types indicated. While budgets overall are predicted to be flat or slightly up, particularly in Australia, the increased focus on managing meetings spend may be fueling increased activity. Compliance appears to be a significant driver of the increased discipline, coupled with ongoing concerns related to meetings in China. And while the region overall is predicting growth, there are some pockets of uncertainty specific to the resources and mining industries.

Three special sections in the forecast take a deeper look at some key issues for our industry: consolidation activity in the hotel space, increasing urgency related to duty of care readiness, and the future of talent in the meetings and events industry.

Hotel consolidation is a topic of interest and potential concern for many in the industry. While the impact of many of these mergers will take a while to be fully understood and realized, given their scope, decision makers need to be prepared and plan ahead to ensure they are in the best possible position to navigate and benefit from the changing supplier environment.

Our duty of care section provides insight into managing emergency situations, including the roles attendees, meeting owners, and the on-site planning team can play in a comprehensive plan. With more incidents, from weather and worker strikes to acts of terrorism, impacting meetings today, this section provides suggestions on how to best prepare for the potential disruptions.

Our industry is an exciting one in which to work and truly unlike any other. It's arguably well suited to match the interests of the new generation entering the workforce, providing flexibility, opportunities to travel and work in changing environments, creativity and more. We spoke with corporations, universities and third-party human resources professionals to understand the role of each in attracting and developing new talent, and how we can work together to ensure a strong talent pipeline for the future.

Finally, we see continuing trends around the use of technology across all aspects of meetings. As adoption of meetings management programs increases across all regions, we see continued growth of technology use as well. Meetings management technology remains a central focus as mature organizations look to improve the data collected from their programs and how they use that data to inform program decisions, while others are implementing the technology to simply get a handle on spend across the organization. In all cases, the focus on technology continues. This includes the increasing use of mobile apps, where we see high adoption across all

regions. Mobile apps are being looked at not only as an engagement tool, but as a measurement tool as well, providing immediate feedback and deep post-event insight. The primary objective with all technology is increasing visibility into meetings, and enabling meeting owners and planners to make better decisions, and demonstrate the impact of this investment within their organizations.

I remain optimistic about the increasing strategic role that meetings and events play in businesses of all sizes across all regions. Through this growing recognition of the value of our industry, we have a responsibility to continue to elevate the tools and resources that enable our efforts. As I work with customers around the globe, I also see an increase in the rigor applied to meetings to achieve meeting compliance requirements and to demonstrate the tremendous value meetings deliver. In an ever-globalizing world, face-to-face interaction continues to be the best way to make connections and get business done.

Thank you, as always, for your interest in the forecast.

Regards,

Issa Jouaneh

Senior Vice President
and General Manager,
American Express Meetings & Events



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2017 Global Meeting Activity



Meetings Activity & Characteristics

Gathering numbers. In this year's forecast survey, we asked respondents to provide their predicted number of meetings per meeting type for 2017. We have gathered similar predictions for the number of attendees for each meeting type as well as cost per attendee, excluding air cost. Respondents suggest meetings activity will vary across regions, with some regions predicting little change over the coming year and others suggesting growth or decline within certain meeting types. For each meeting type, it appears that meeting owners are trying to find the right combination of the number of meetings held and the size of those meetings to drive the most value for their organizations.

Making adjustments. With property and other related meeting costs rising, many organizations appear to be adjusting the number and size of their meetings to stay within their budget constraints. Holding fewer meetings with more attendees or a more targeted attendee list is one option, as is using multiple local meetings to replace a larger meeting that requires significant travel.

Survey respondents in North America and Europe are conservative in their predictions for 2017, with the expected number of most meeting types either remaining flat or decreasing. Respondents in North America predict decreases in the number of their larger meetings: product launches, conferences and tradeshows, and incentives and special events. They also predict smaller attendee sizes for several internal meeting types, including training, senior leadership and advisory board meetings.

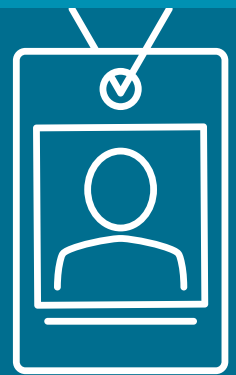
Respondents in Europe see decreases in the numbers of most meeting types, with internal

and product launches remaining the same. These numbers reflect expert suggestions that meeting owners are taking a closer look at which meetings really need to happen and how often, staying the course that was set in 2016. One expert suggests "companies are trying to plan meetings that are smaller and more precise with fewer attendees focusing on one topic or objective for a meeting." While respondents suggest that the number of meetings will decrease, they do predict increases in the size of certain internal meeting types, including senior leadership, advisory and other internal meetings.

Similarly, respondents in Central and South America suggest decreases in the number of most meeting types and the size of most meeting types. Instead, growth will be focused toward holding more sales and marketing meetings, as well as training meetings. One expert in Central America suggests "increasing hotel rates and the rising cost of air travel" are partly the cause of reduction across meeting types and size.

Regional growth in Asia Pacific. Asia Pacific stands out amongst the other regions as an area of meeting growth. Respondents echo those in other regions suggesting that some meeting types such as senior leadership, advisory, and incentive meetings will remain flat or decrease slightly in number. They do, however, suggest growth in the number of sales and marketing meetings, product launches and conferences or tradeshows. Moreover, they predict that the number of attendees for most meeting types will increase.

Being mindful of opportunity. One expert in North America connects the shift in the number and size of meetings "to tightening budgets. As budgets decrease slightly, so too does the



Number of Meetings Planned

▲ Greater than 20% increase over previous year

▼ Greater than 20% decrease over previous year

	NORTH AMERICA	EUROPE	CENTRAL/S. AMERICA	ASIA PACIFIC
Sales/Marketing	11.6	15.6 ▼	17.5 ▲	15.0 ▲
Training	14.1	16.3 ▼	19.6 ▲	12.5
Internal Team Meeting	13.4	19.2	11.7	15.6 ▲
Product Launch (Internal/External)	3.3 ▼	8.1	5.3 ▼	6.0 ▲
Conferences/Tradeshows	7.9 ▼	14.7 ▼	6.2 ▼	11.5 ▲
Senior Leadership Meeting/Board Meeting	7.5	8.8 ▼	8.0 ▼	6.2
Advisory Board	6.6	7.5 ▼	4.5 ▼	5.8 ▼
Incentive/Special events	4.3 ▼	5.8 ▼	4.2 ▼	6.2

(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American and Key Supplier Surveys, August 2016)

Number of Attendees

▲ Greater than 20% increase over previous year

▼ Greater than 20% decrease over previous year

	NORTH AMERICA	EUROPE	CENTRAL/S. AMERICA	ASIA PACIFIC	GLOBAL HOTELIERS
Sales/Marketing	162	117	159	123	205 ▲
Training	100 ▼	109 ▲	114 ▼	102 ▲	215
Internal Team Meeting	79	120 ▲	95	103 ▲	127
Product Launch (Internal/External)	255 ▲	168	289	180 ▲	160
Conferences/Tradeshows	408	208	113 ▼	290 ▲	318
Senior Leadership Meeting/Board Meeting	43 ▼	44	39 ▼	71 ▲	143 ▲
Advisory Board	36 ▼	74 ▲	46 ▼	43 ▼	63 ▲
Incentive/Special events	230	138	118 ▼	153	288 ▲

(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American and Key Supplier Surveys, August 2016)

Days per Meeting

▲ Increase over previous year

▼ Decrease over previous year

	NORTH AMERICA	EUROPE	CENTRAL/S. AMERICA	ASIA PACIFIC
Sales/Marketing	2.4	2.1 ▲	2.5	2.2
Training	2.5	2.0	2.7 ▲	2.3 ▲
Internal Team Meeting	2.0 ▲	2.1 ▲	1.9 ▼	2.1 ▲
Product Launch (Internal/External)	2.4 ▲	2.0 ▲	1.9 ▼	1.6 ▲
Conferences/Tradeshows	3.0 ▼	2.8	2.5 ▼	2.7 ▼
Senior Leadership Meeting/Board Meeting	2.2	1.9 ▼	2.1 ▼	2.3 ▲
Advisory Board	1.9 ▼	1.6 ▼	2.0 ▼	1.6 ▼
Incentive/Special events	3.1 ▼	3.1 ▼	3.6 ▼	3.0 ▼

(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American and Key Supplier Surveys, August 2016)

number of meetings.” She explains that in response to this tightening, meeting planners and suppliers need to consider creative and innovative ways to encourage meeting growth. Similarly, a global hotel supplier who echoes conservative growth predictions explains the need to be mindful of certain industry segments as well as political and economic shifts that will influence the meetings and events market. “The world has become much more global and our customers are everywhere. Across the globe, more people from more places are traveling to more destinations than ever before, setting new travel records and need to conduct business with a global perspective. Further underscoring the need to be aware of emerging situations, including the impact of geo-economics and geopolitical uncertainty, to emerging demographics, to successfully weather these conditions and ultimately maintain a strong strategy to reap benefits of such trends.”

Days per Meeting

Level. Across all regions, respondents predict that the length of meetings will remain flat with changes within all meeting types of less than half of a day. Conferences and tradeshow as well as incentives and special events continue to be the longer meeting types, with the latter meeting type at 3 to 3.5 days across all regions. Respondents in Europe predict the most dramatic decrease of half a day in incentives and special events. While Central and South America have seen longer meetings in previous years, respondents predict small decreases in days per meeting across all meeting types for 2017.

Spend on experience. One expert in North America explains that “while a meeting would have been four days in the past, now it might be three days, with a focus on innovative and creative elements of the meeting.” This

allows meeting owners to stay on budget while enhancing the meeting experience of attendees. Another explains that “because meeting costs are increasing, and budgets are being scrutinized, meeting owners may be more selective in who they invite to the meeting, or it may mean a smaller, shorter meeting.”

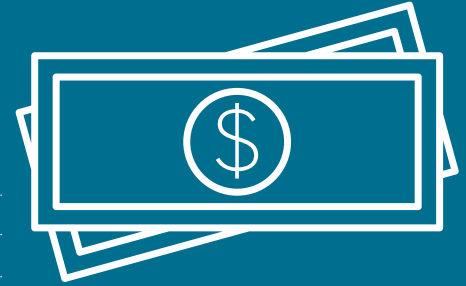
Budgets & Planning

Overall Meeting Spend within Organizations

Holding steady. Last year, survey respondents across all regions predicted small increases of 1.4% to 2.1% in their overall program budgets. As we move into 2017, respondents see slightly smaller increases of approximately 1%, with the exception of Asia Pacific, where budgets are expected to remain flat. These minor budget adjustments fit with an emphasis on increasing value and content, without significantly increasing cost. One meetings expert in the UK explains that companies are “looking for pretty good value with no increase at all over what they spent in the previous year.” Another expert indicates that the number one way to reduce expense is to “shift the agenda from a five-night meeting to four nights.”

The budget at the center of the planning process. Meeting planners point out that while meeting owners are often reluctant to discuss budgets at the proposal stage, budgets must be central in discussions to ensure the success of the meeting planning process and the meeting itself. Budgets influence every aspect of the meeting planning process, beginning with the location choice. While a large metropolitan center may be a top choice for a meeting owner,

Overall Meeting Spend within Organizations



REGION	% CHANGE
North America	0.8%
Europe	0.8%
Central/South America	1.1%
Asia Pacific	-0.1%
Global Hoteliers	3.0%

(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American and Key Supplier Surveys, August 2016)

Lead Time (weeks)

	NORTH AMERICA	EUROPE	CENTRAL/S. AMERICA	ASIA PACIFIC	GLOBAL HOTELIERS
Sales/Marketing	16.0	10.1	10.5	10.8	13.1
Training	15.1	9.1	6.4	8.9	13.6
Internal Team Meeting	10.9	9.2	8.0	4.7	8.3
Product Launch (Internal/External)	21.6	15.3	20.7	13.6	23.0
Conferences/Tradeshows	43.3	23.0	13.4	19.1	43.0
Senior Leadership Meeting/Board Meeting	20.2	10.5	10.2	10.3	21.7
Advisory Board	17.2	10.7	9.9	10.4	14.5
Incentive/Special events	37.6	23.5	23.0	18.6	40.1

(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American and Key Supplier Surveys, August 2016)

Cost Per Attendee (excluding air cost)

	NORTH AMERICA	EUROPE	CENTRAL/S. AMERICA	ASIA PACIFIC	GLOBAL HOTELIERS
Sales/Marketing	\$412	\$377	\$688	\$386	\$338
Training	\$370	\$304	\$524	\$312	\$275
Internal Team Meeting	\$293	\$325	\$481	\$252	\$212
Product Launch (Internal/External)	\$415	\$457	\$716	\$493	\$438
Conferences/Tradeshows	\$523	\$595	\$648	\$550	\$530
Senior Leadership/Board Meeting	\$462	\$427	\$745	\$499	\$338
Advisory Board	\$415	\$333	\$553	\$475	\$338
Incentive/Special events	\$640	\$683	\$891	\$603	\$569

(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American and Key Supplier Surveys, August 2016)

meeting planners may suggest looking at lower-cost destinations where savings can be redirected to enhancing the content of the meeting. This situation is common across all regions as meeting planners work with owners and suppliers to find the best fit between location, budget and meeting objectives.

Planning from end-to-end. Experts suggest a growing percentage of companies are looking at their programs to ensure their planning processes address every element and stage of each meeting or event. One expert in the UK explains customers are increasingly “requesting to have a key contact to plan everything, to do the sourcing, identify the location, and handle the planning, with full visibility of the budget and the service.” He suggests this one person can then “control the budget and speak from an end-to-end perspective regarding the event.”

This shift in the planning process is happening to different degrees across the four regions. One expert in Asia Pacific explains that “many customers don’t have a good way of planning their budgets. They want to have a meeting, but don’t have a good sense of how much it will cost, as they are still looking at costs in individual categories.” For some companies, budget is not necessarily the priority, but “focusing on the creative elements and the experience of the meeting is.” The meeting planner becomes the key person to manage the meeting planning and implementation process from beginning to end.

Cost Per Attendee

Investment in incentives. Across all regions, survey respondents expect to spend the most per attendee (not including air costs) on their incentives and special events, indicating a

willingness to create a truly rewarding experience for top performers. Conferences and tradeshows are predicted to have the second-highest cost per attendee in all regions except Central and South America. Not surprisingly, respondents plan to spend significantly less on attendees of internal team meetings and training meetings, in some cases less than half of their anticipated spending for incentive participants. Overall, average anticipated costs per attendee in North America, Europe and Asia Pacific are all relatively similar, while costs in Central and South America are considerably higher in all categories. This may be a result of respondents in that region using more expensive hotel types, tending toward resort and luxury properties that are more prevalent in key areas of the region.

Security and increased spending. A meetings professional from France suggests safety and security will influence how much meeting owners are willing to spend. He explains given recent events in France, “Safety is the big issue. While rates are an issue, safety is the most important factor for us. Saving money on rooms is good, but companies are willing to pay a little more for safety.”

Lead Times

Differences by region and meeting type.

Meetings professionals continue to predict tight lead times, with lead times differing widely across meeting type and across regions. Respondents in North America predict the longest lead times and highlight how different the planning process can be from one meeting type to another. They suggest their lead times will range from ten to forty-three weeks, with shorter lead times for internal meetings and longer lead times for large meetings such as product

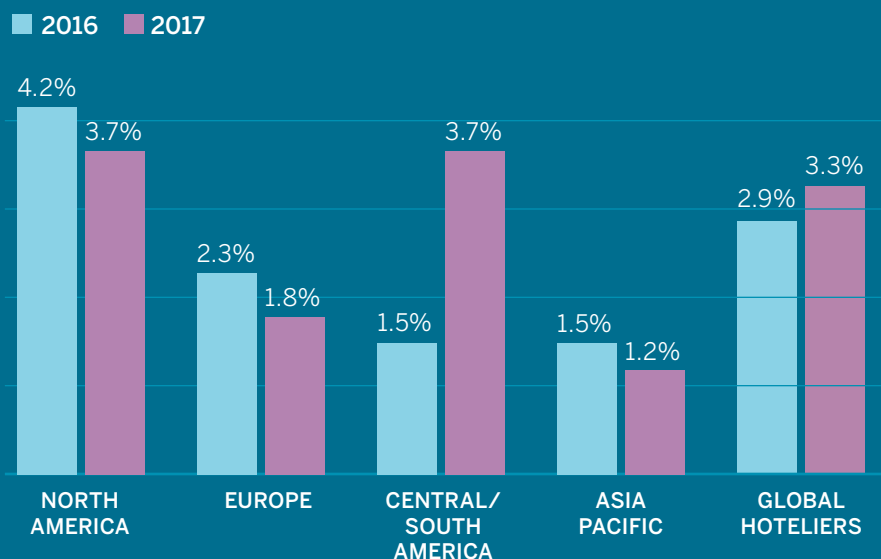
launches and tradeshows. In fact, product launches and tradeshows have the longest lead times across all regions. Interestingly, respondents in Central and South America predict tradeshow lead times as short as thirteen weeks. Respondents from Asia predict lead times as short as four weeks for internal meetings and just under fourteen weeks for product launches.

One thing leads to another. Further confounding short lead times is when smaller meetings grow out of one larger meeting. Once planning begins for the larger meeting, such as a tradeshow, other smaller meetings of subsets of attendees are identified. One meetings expert explains that, "Once you have that one single opportunity to bring people together, other smaller meetings grow out of that ... so the meeting planner starts with a three-month lead time for one meeting, but now has a dozen additional smaller meetings to plan at the same time."

Plan ahead and plan strategically. Meetings experts point out that lead times will always be a challenge and suggest the best approach is to begin the meeting planning process as soon as possible and to establish a meetings planning strategy to guide a company's planning processes throughout the year. One meetings expert from Asia explains how important this strategic approach is: "It's hard to plan in advance. We see a lot of times we cannot go to the supplier until funds have been approved and a lot of companies have been struggling to even tell what they spend on meetings. A lot of money is spent without any real tracking and understanding of their meetings and events process and outcomes. So companies want a line of sight now and this is good and I do think we are moving in the right direction as an industry."

SURVEY RESULTS

Group Hotel Rates



(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American and Key Supplier Surveys, August 2016)

Group Hotel Rates

Rates continue to climb. As in previous years, respondents expect average group hotel rates to continue to rise, with expected increases of between 1.2% and 3.7% compared with last year's predicted range of 1.5% to 4.2%. While respondents in Europe and Asia Pacific predict increases on the smaller end of the scale, those in North and Central and South America predict the higher increases of 3.7%.

The coming impacts of Mergers & Acquisitions activity. Experts and hotel suppliers interviewed agree that average group rates will rise slightly in 2017 and all suggest that meetings will continue to be a sellers' market. Moreover, they suggest as large hotel brands merge and consolidate, the ability for certain hotel brands to control pricing may further strengthen. These experts point out that while mergers lead to bigger holdings for suppliers, they do not increase available inventory. Therefore, while they may benefit suppliers, they do not necessarily provide meeting planners and owners with better rates. As one expert in Germany explains, "Fewer hotel groups controlling the market means there is more opportunity to increase rates." Another expert in Europe suggests that while meeting planners may be concerned, mergers will likely have the biggest impact in areas where one brand has a high concentration of hotels that are centrally owned. In many cities and regions, "properties are mostly locally owned." It is also important, however, to consider the fact that hotel groups will have to fill their rooms and address the needs of their franchisees and ownership groups.

Respondents in North America, Europe and Asia Pacific suggest the top two potential impacts of mergers are more challenging contractual negotiation processes and changes to contractual terms and conditions. Those in Central and South America are concerned primarily with changes to commissions, but see a potential benefit of mergers as they may facilitate the establishment of preferred hotel programs. Respondents also identify changes in key contacts as a concern moving forward as mergers may require planners to build new relationships with supplier contacts.

With high capacity and complex organizational structures, change will likely be quite slow. For more information on the impact of hotel industry consolidation, see our special section in this forecast dedicated to this topic.

Plan ahead. Be flexible. Experts emphasize planning and flexibility in addressing climbing rates. As in past years, beginning the planning process early and remaining flexible in terms of dates and days of the week are crucial to avoiding higher rates when booking. Experts also emphasize the need for flexibility in meeting location, should the preferred destination be unavailable or outside of the allowable budget range.

Greater emphasis on direct access. Last year, meetings experts pointed to a trend toward individualized distribution channels where the hotel supplier provides online access to meetings-related availability and reservation capabilities. This trend raises concerns for meeting owners who may be working to increase compliance to policy and increase use of preferred properties. The direct channel has been slow to develop for groups, but remains an area to watch.

Global Meeting Property Demand & Supply

Property Type Demand

Mid-Tier. Respondents continue to anticipate the highest demand for mid-tier properties for the sixth straight year. Across all regions, at least 45% of demand is for these properties, with the highest demand in Europe at 63%. As interest in mid-tier properties remains high and hoteliers expect it to increase by nearly 3%, meeting owners will likely continue to face increased competition for hotel rooms from other meetings as well as from other business and leisure travelers. The hotel industry seems to be responding to the ongoing demand for this type of property with more mid-tier property openings planned for 2017 than any other hotel type.

Some prefer luxury and resort properties.

Interest in luxury and resort hotels remains similar to 2016 predictions, with greater interest in these properties within Central and South America and Asia Pacific. Respondents in

Central and South America predict more than one third of their meetings and events will be held at luxury or resort properties. Predicted demand is slightly lower in North America, while respondents in Europe predict that less than one fifth of demand will be for such properties.

Demand for unique. While the demand for mid-tier continues to increase, experts suggest properties will need to adjust to meet the growing emphasis on unique property choices. In fact, Global Hoteliers predict a 3.8% increase in demand for non-traditional meeting facilities, with mid-tier demand increasing by 2.8% and all others remaining relatively flat. While meeting owners tend toward mid-tier in terms of price, they want properties to provide meeting attendees with unique meeting experiences, and sometimes this requires looking to non-traditional venues. The 'unique' factor that is often in demand in meeting planning can sometimes be achieved through the choice of destination. More and more,

SURVEY RESULTS

Property Type Demand

	GLOBAL HOTELIERS
Resort Properties	+0.9%
Luxury Properties	+0.8%
Mid Tier Properties	+2.8%
Lower-Tier Properties	+0.2%
Non-Traditional Facilities	+3.8%
Cruises	+0.5%

(Sources: American Express Meetings & Events Key Supplier Surveys, August 2016)

Group Hotel Space Availability

	NORTH AMERICA	EUROPE	CENTRAL/S. AMERICA	ASIA PACIFIC	GLOBAL HOTELIERS
2017	-0.4%	0.5%	1.7%	0.9%	0.3%
2018	0.2%	0.9%	3.1%	1.7%	1.7%

(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American and Key Supplier Surveys, August 2016)

though, hotels are working to meet the demand for unique experiences by setting themselves apart from other hotels with differentiated brand identities or through unique design elements and offerings, such as flexible outdoor spaces, high-tech rooms, an increase in spaces using natural light and partnerships with theaters or other local attractions. One expert in the UK explains that “people are trending toward more creative, innovative locations and looking for interesting and different venues and it’s not just one type of customer, it’s all customers.”

Group Hotel Space Availability

Slightly more space going forward. While hoteliers last year predicted a decline in group hotel space availability in 2016, this year they see availability remaining flat in 2017, with small increases predicted for 2018. Hoteliers predict that 2018 will see growth across all regions and respondents in Central and South America see potential increases up to 3% in 2018.

Responding to midscale demand. According to data provided by TOPHOTELPROJECTS, the ratio of midscale to luxury hotel openings suggests midscale openings will be higher in 2017 than 2016 and will outnumber luxury openings slightly across all regions in 2017. While in 2016, a new luxury property opened in Europe for every 2.15 midscale properties, this number increases in 2017 to 2.81 midscale properties for every luxury property, suggesting a growing emphasis on midscale. This trend is reflected across all regions next year, with North America seeing the highest ratio of 3.45 midscale for every luxury hotel, up from 2.6 this year.

A reversal in openings. While the numbers of new midscale to luxury hotel openings in 2016 compiled by TOPHOTELPROJECTS GmbH indicated declines in all regions except the Americas, the hotel opening numbers for 2017 suggest a reversal of direction for nearly all regions. North and Central America will see the only decline in openings, from 731 to 538. South American openings will stay flat, and all other

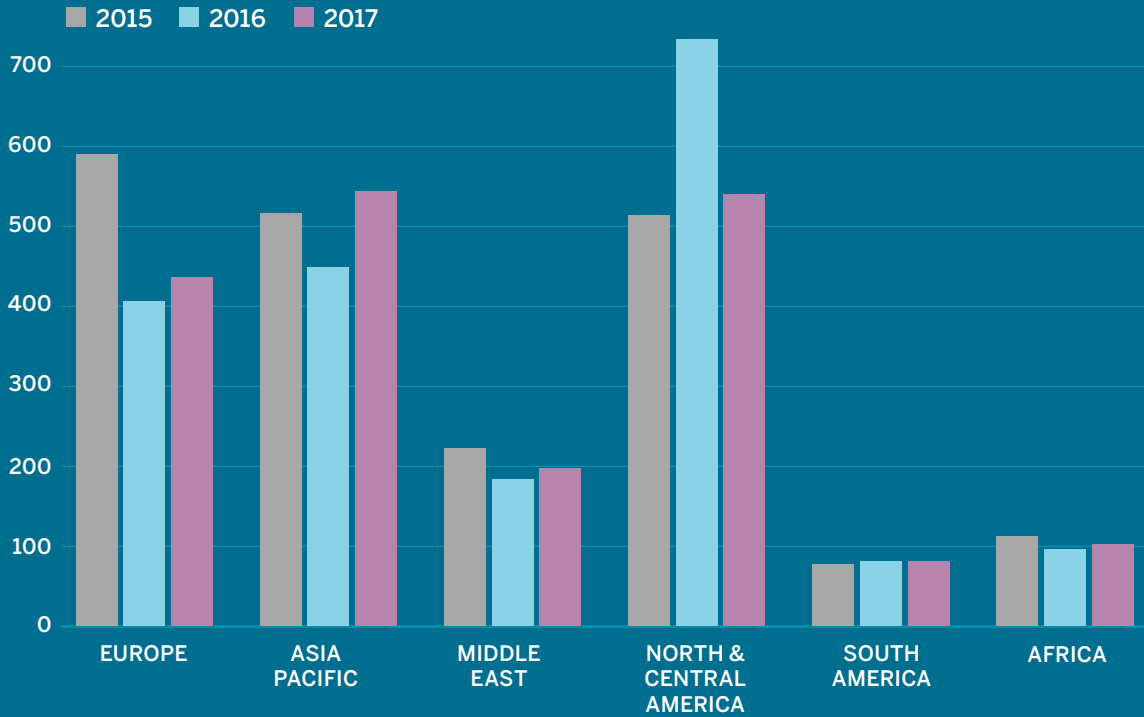
SURVEY RESULTS

Property Type Usage

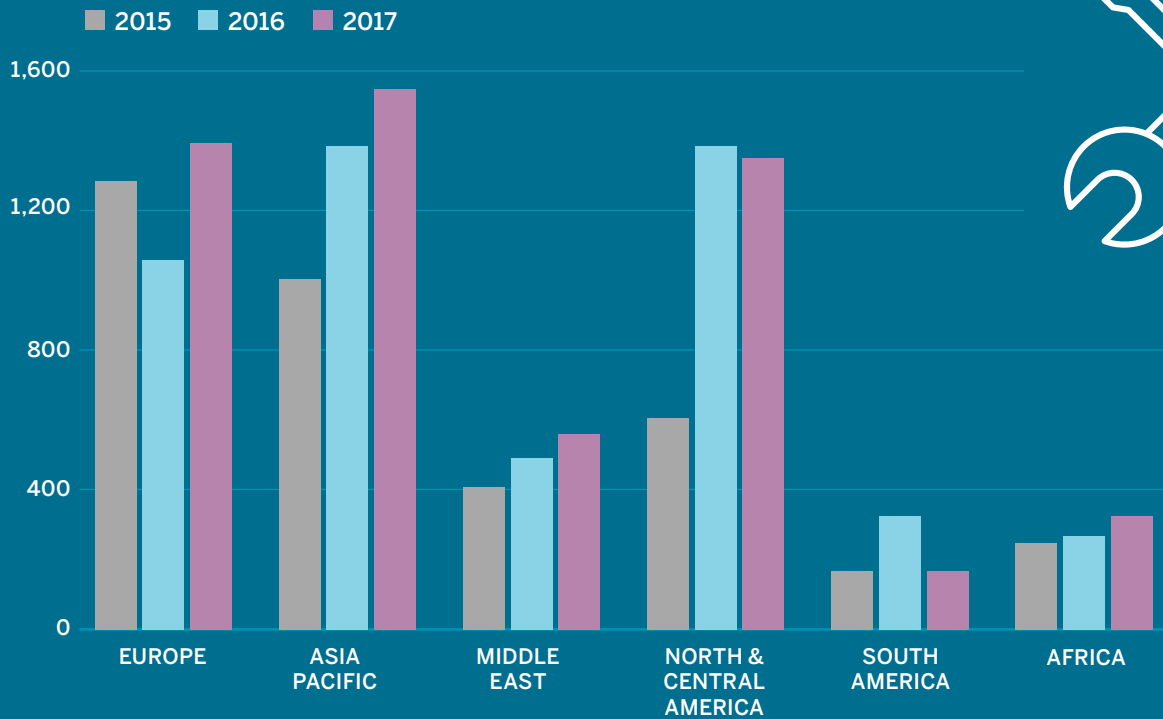
	NORTH AMERICA	EUROPE	CENTRAL/ S. AMERICA	ASIA PACIFIC
Resort Properties	17.8 %	5.0 %	18.2 %	12.4 %
Luxury Properties	17.3 %	11.2 %	20.4 %	25.3 %
Mid Tier Properties	48.5 %	62.6 %	47.4 %	45.6 %
Lower-Tier Properties	7.9 %	7.6 %	5.2 %	5.6 %
Non-Traditional Meetings facilities	7.0 %	12.9 %	7.4 %	10.1 %
Cruises	1.6 %	1.1 %	1.4 %	1.0 %

(Sources: American Express Meetings & Events North American, European, Asia Pacific, and Central/South American Surveys, August 2016)

Hotel Openings (Midscale to Luxury Segments) 2015–2017



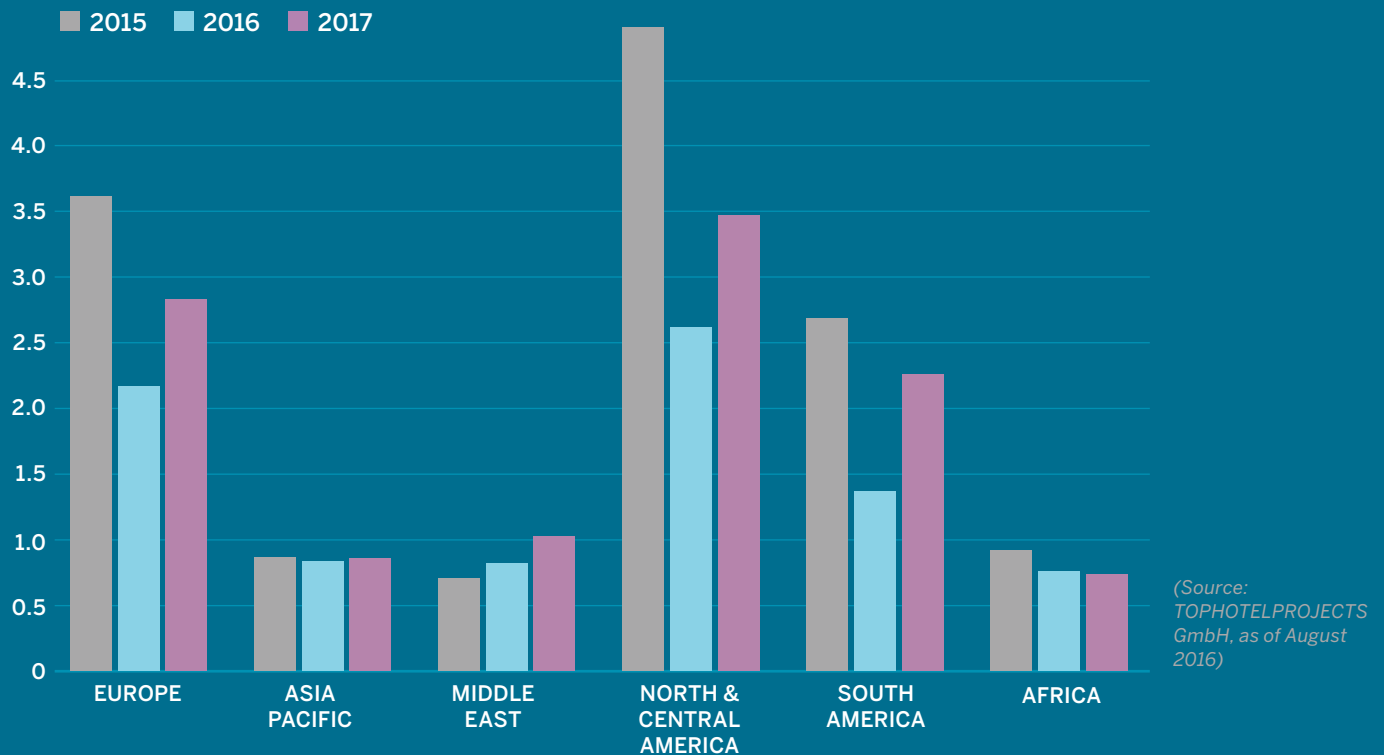
4&5-Star Hotels Under Construction 2015–2017



(Source: TOPHOTELPROJECTS GmbH, as of August 2016)

Ratio of Midscale to Luxury Hotel Openings 2015–2017

Number of midscale hotel openings for every luxury hotel opening



regions will see their hotel openings increase.

Four- and Five-Star construction on the rise.

Four- and five-star hotel construction will increase from 2016 to 2017 across all regions except for Central and South America. Europe will see an increase from 1,070 in 2016 to 1,409 in 2017. This is a dramatic increase from 2016, but suggests development in Europe is recovering from a flat period.

Busy top cities. For the most part, openings in top cities will increase in 2017, with Dubai seeing the biggest leap, from 25 in 2016 to 39 in 2017. As in years past, Dubai, New York, London and

Shanghai emerge as the top four cities, with Hamburg, Sanya, Chicago and Muscat making the top ten this year. While London dropped significantly from 38 in 2015 to 19 in 2016, it will see an increase to 24 in 2017, suggesting that top cities remain popular despite higher rates. Riyadh and Doha will also see increases in 2017.

Negotiating group rates. While attendee accommodations and meeting space are crucial to meeting planning, they are often the most costly, next to air, and experts explain that they are key points for negotiation. Respondents across the four regions point out that the top priority for companies when negotiating with

Top Terms Meeting Planners Would Like Hotels to Negotiate in Contract

Rank	North America	Europe	Central/S. America	Asia Pacific
1	Hotel Room Rates	Hotel Room Rates	Hotel Room Rates	Hotel Room Rates
2	Complimentary Meetings Space	Cancellation Penalties	Complimentary Meetings Space	Complimentary Meetings Space

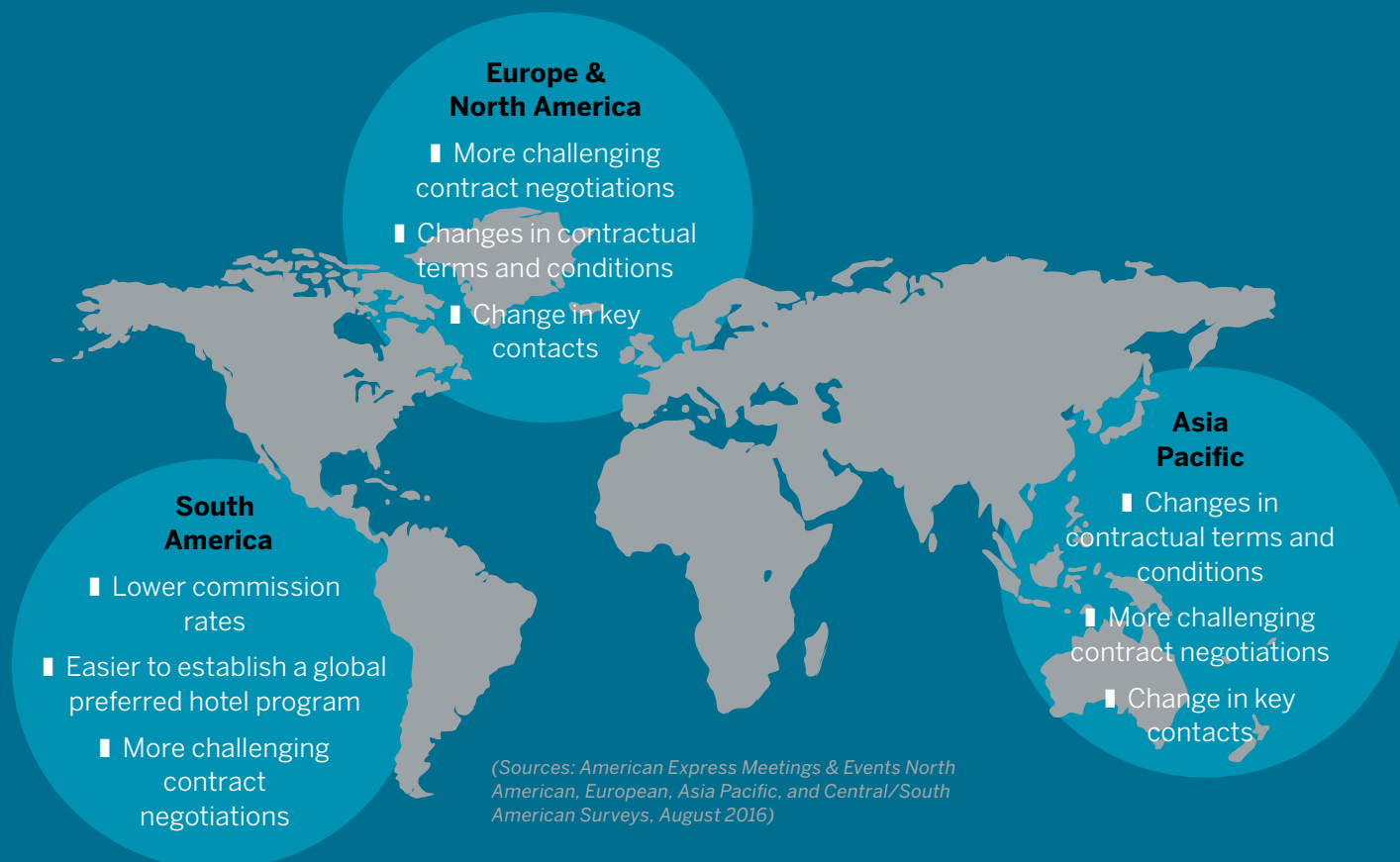
(Sources: American Express Meetings & Events North American, European, Asia Pacific, and Central/South American Surveys, August 2016)

Terms Hotels are Open to Negotiate in Contract

Hotel Room Rates	100%	Food & Beverage Upgrades Or Discounts	76%
Free Or Discounted Wi-Fi	95%	Resort Fees	75%
Free Or Upgraded Amenities	90%	Attrition Clauses	63%
Complimentary Meetings Space	89%	Cancellation Penalties	55%
Discounted Audio/Visual	82%	Service Charges	15%

(Sources: American Express Meetings & Events Key Supplier Survey, August 2016)

Top Impacts of Increased Hotel Merger and Acquisition Activity



2017 Hotel Openings: Top 3 Cities per Region



	CITY	HOTELS
NORTH AMERICA	New York	24
	Chicago	12
	Dallas	10

EUROPE	London	24
	Hamburg	16
	Moscow	11

SOUTH AMERICA	Santa Marta	4
	Sorocaba	3
	Curitiba	3

	CITY	HOTELS
MIDDLE EAST	Dubai	39
	Riyadh	20
	Doha	16

ASIA	Shanghai	23
	Sanya	13
	Suzhou	12

AFRICA	Nairobi	6
	Addis Ababa	5
	Marrakech	5

(Source: TOPHOTELPROJECTS GmbH, as of August 2016)

hotels is the room rate. Complimentary meeting space is also a top focus for negotiations.

Hotelier respondents indicate they are quite willing to negotiate on both room rates and complimentary meeting space, as well as free or discounted Wi-Fi and free or upgraded amenities. They appear significantly less willing to negotiate on service fees and only 55% of respondents indicate they are willing to negotiate cancellation penalties.

Group Air Trends

Group Air Rates

Continuing to rise. The results of our group air survey suggest air rates will continue to rise slightly in 2017 globally, with respondent predictions varying across regions from 1.4% to 4.3%. Respondents from Central and South America predict the greatest increases for group air rates, whereas those in Europe predict the smallest increases.

Rates and destinations. How group air rates influence destination choice varies across regions. At least 50% of respondents in North America and Asia Pacific indicate that group air rates have some influence on destination choice. 35% of respondents in Europe suggest group air rates have no influence, while 60% of those in Central and South America suggest they have a significant influence on destination choice. Ultimately, in a situation where costs are rising and budgets are flat, utilizing air analysis can help identify opportunities to reduce air costs associated with meetings and events.

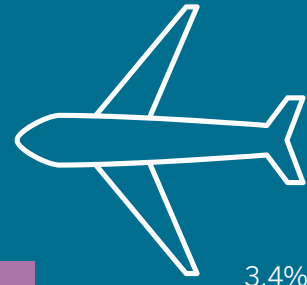
Top Cities for Hotel Openings 2017

Dubai	39
New York	24
London	24
Shanghai	23
Riyadh	20
Doha	16
Hamburg	16
Sanya	13
Chicago	12
Muscat	12

(Source: TOPHOTELPROJECTS GmbH, as of August 2016)

Regional Group Air Rates

Flattening out. While global group air rates are predicted to rise, respondents suggest intra-regional air rates are predicted to remain essentially flat or decrease in 2017. This trend is in marked contrast to 2016, where rates were expected to increase by 2.5% to 8%. Declines predicted for Western Europe and Eastern Europe are the most significant at -4.0% and -3.4%, respectively. The overall declines may be partially attributed to recent regional airline industry capacity growth and the addition of new intra-regional routes across several regions, including Europe, North America and Asia Pacific. Rates in Central and South America will remain relatively flat.



Group Air Rates

North America	<div></div>	3.4%
Europe	<div></div>	1.4%
Central/S. America	<div></div>	4.3%
Asia Pacific	<div></div>	3.7%
Airlines	<div></div>	2.1%

(Source: American Express Meetings & Events Group Air Expert Survey, August 2016)

Regional Group Air Rates

REGION	CHANGE
Within North America	-1.0%
Within Eastern Europe	-4.0%
Within Western Europe	-3.4%
Within Asia Pacific	-2.0%
Within Central America	-0.4%
Within South America	-0.8%
Within Middle East	-1.8%
Within Africa	0.5%
International (across continents)	-2.0%

(Source: American Express Meetings & Events Group Air Expert Survey, August 2016)

Group Air Booking Resources Used Most Frequently

Internal group air specialist	<div></div>	49%
Direct arrangements with airline	<div></div>	30%
Travel management company	<div></div>	25%
Meetings management supplier	<div></div>	9%

(Sources: American Express Meetings & Events North American, European, Asia Pacific, and Central/South American Surveys, August 2016)

Airline Capacity and Group Volume

Increases globally. Air survey respondents continue to point to increases in both airline capacity and group volume across all regions. One air expert in North America suggests, “We are seeing growth in capacity and volume that we haven’t seen in the past four or five years. This increase in capacity volume usually helps to temper rate increases.”

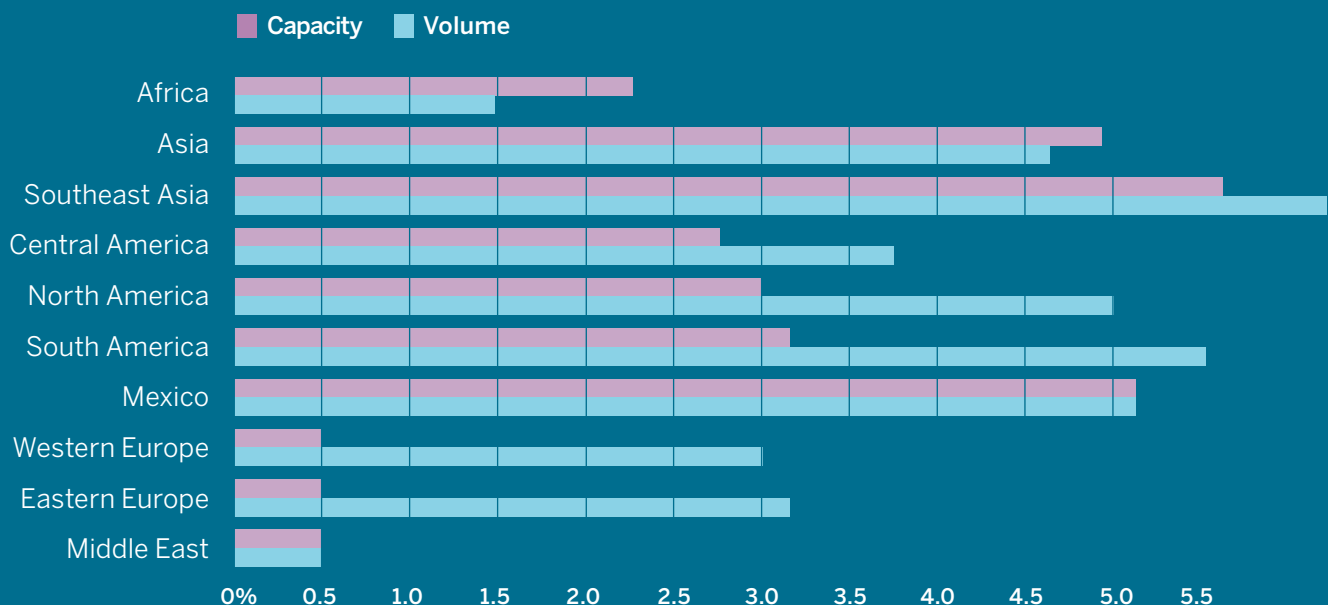
Asia and Southeast Asia stand out this year with the biggest predicted increases in capacity for 2017 of at least 5%. Increases between

2.8% and 3.2% are expected for North, Central and South America, with Mexico expecting an increase of 5%, up from 2.5% in last year’s forecast. This positive trend in capacity includes airlines offering more service to key destinations, as well as adding new routes to meet the demand from meeting owners, leisure and business travelers for access to new destinations.

At the same time, group volume is also expected to increase across all regions. Asia and Southeast Asia predict increases in group volume of at least 4.7% for 2017 and North and South America anticipate at least 5% increases.

SURVEY RESULTS

2017 Airline Capacity and Volume



(Source: American Express Meetings & Events Group Air Expert Survey, August 2016)

Types of Deals Airlines Prefer to Negotiate

Flat rate from one destination	43%
Both flat rate from one destination and mini route deals/conference window rates	37%
Mini route deals/conference window rates	11%
Other	10%

(Source: American Express Meetings & Events Group Air Expert Survey, August 2016)

Inclusion of Group Air Management

Continues to vary. Regions continue to vary significantly in their predicted integration of group air management in their overall meetings planning. Respondents in Central and South America have the highest predictions again this year, with over 50% including air management in more than half of their meetings, up from 40% last year. In all other regions, the majority of respondents incorporate group air management into less than 25% of their meetings, suggesting there continues to be room for further integration in order to drive savings and meet increasing duty of care needs.

Relying on internal experts. While 30% typically book directly through an airline, 49% of

respondents make the majority of their group air bookings through an internal group air specialist. This speaks to the importance of integrated group air management. One air expert points to the benefits of such integration, “including group coordination, group seats, and reporting.” Reporting can be beneficial both related to cost management and oversight, as well as opportunities to improve ground transportation management.

Attendee air travel needs are changing in concert with evolving meeting trends. As we saw last year, meetings tend to gather people from several different destinations, meaning large groups are often not traveling together on the same route. This poses some challenges for group bookings and could lead to new thinking around how travelers can be booked together as a group despite different flights.

Security concerns shaping air travel. One meetings and air expert suggests security concerns are also driving change, not only in how meetings are planned, but in how meeting travel is booked. She says “security concerns may change the destinations that corporate companies choose for events and may increase the number of risk policies introduced, i.e. limiting the number of employees on the same flight.”

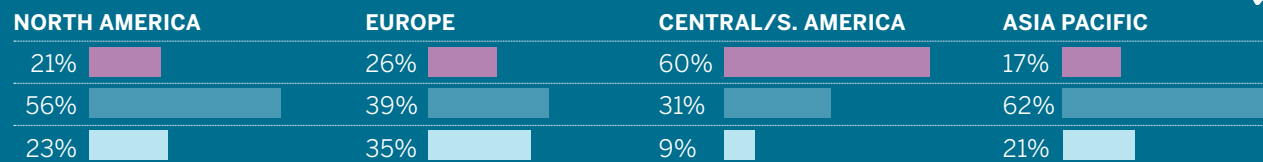
One air expert suggests incorporating group air has the added value of reporting integral to risk management. “We provide critical reporting so that clients know where their attendees are and how many executives are on the same flight.”

Flat rates still preferred. Respondents from airlines continue to indicate that they prefer to negotiate flat-rate deals for group air programs. However, the combination of flat rates and mini-route deals/conference window rates is rising



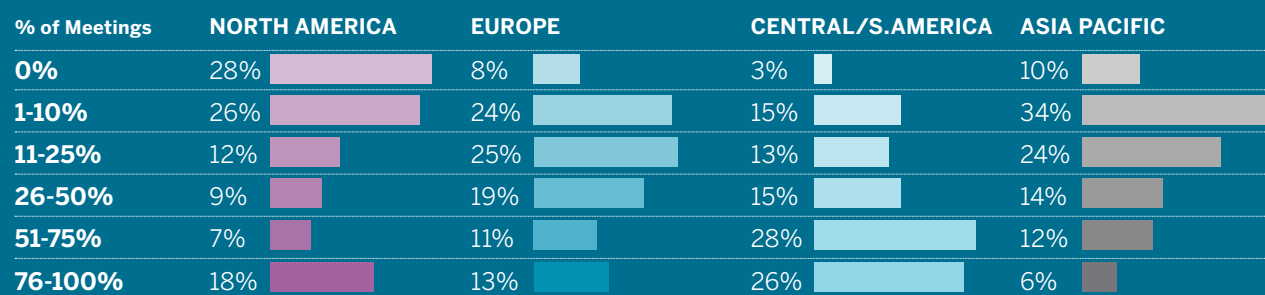
Group Air Rates Influence on Destination Choice

- Significant influence
- Some influence
- No influence



(Sources: American Express Meetings & Events North American, European, Asia Pacific, and Central/South American Surveys, August 2016)

Percentage of Meetings that Include Group Air Management



(Sources: American Express Meetings & Events North American, European, Asia Pacific, and Central/South American Surveys, August 2016)

in preference to 37% from 33% in our 2016 forecast.

Negotiating terms. According to the group air experts surveyed, the most common terms they are able to negotiate with airlines include cancellation fees, change fees, attrition penalties, name changes and ticketing deadlines. One airline interviewed indicated that complimentary lounge access is challenging to offer, particularly for large groups, over concerns of having

capacity to accommodate the group on the days of travel. Air experts also explain that complimentary Wi-Fi is currently not often a term that is included in negotiations, as it is not yet offered to business customers, either. As one air supplier explains, there is always the possibility of new terms for consideration, citing as an example, "seat upgrades are currently under review and while carbon emission offsets are a great idea for the future, they are not yet available for group customers."

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Global Trends



Meetings Program & Policy Trends

Top Meeting Location Concerns

Getting there. While meeting location choices are influenced by such factors as customer experiences and participation in preferred supplier programs, respondents across the four regions identify ease of travel and safety as their top influencers. Ease of air lift and transportation to meeting locations are the predominant factors that drive meeting location choices, according to 33% to 42% of respondents across regions. Safety concerns also rank very high among respondents across the regions, with 48% in Asia Pacific and 27-28% in Europe and Central and South America. At least 15% of respondents across regions, and 26% of respondents in Europe, also identify economic

and political instability concerns as key to their decision-making. Interestingly, online reviews appear to have a very minimal influence on the choice of meeting locations.

Meetings Management Trends

Strategy. The predominant trend across regions is that of strategy. As meeting owners and planners work with short timelines, tight budgets, increasing compliance requirements and an ever-changing meetings landscape, meetings professionals agree that thinking strategically with regards to meetings and events is more crucial than ever. Meetings experts suggest an effective meetings strategy



SURVEY RESULTS

Formal Meetings Policy Status

- No formal policy exists
- Formal policy is in development
- Policies are in place for some parts of the organization (e.g. not all departments, geographies)
- Formal policy is in place for the entire organization

NORTH AMERICA	EUROPE	CENTRAL/S. AMERICA	ASIA PACIFIC
28%	10%	15%	3%
6%	7%	0%	9%
24%	15%	33%	28%
40%	61%	50%	57%

(Sources: American Express Meetings & Events North American, European, Asia Pacific, and Central/South American Surveys, August 2016)

Top Factors Influencing Meeting Location

	NORTH AMERICA	EUROPE	CENTRAL/ S. AMERICA	ASIA PACIFIC	GLOBAL HOTELIERS
Specific location type needed – airport, near training facility, near customer location, etc.	41%	45%	37%	28%	38%
Ease of air lift / transportation to location for attendees	40%	42%	35%	33%	38%
Economic/political instability concerns	17%	26%	15%	24%	33%
Safety concerns	13%	27%	28%	48%	10%
Client directive based on past experience	21%	15%	24%	10%	19%
Participation in company or organization's preferred supplier program	21%	11%	7%	14%	24%
Past experience of colleague	11%	9%	9%	9%	5%
Repeat destination for meeting	14%	14%	13%	10%	14%
Perceptions around “resort” destinations for meetings	14%	8%	7%	10%	0%
Currency/exchange rate	5%	4%	24%	9%	19%
Online reviews	2%	0%	2%	5%	0%

(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American and Key Supplier Surveys, August 2016)

Components Included in Organizational Meetings Policies

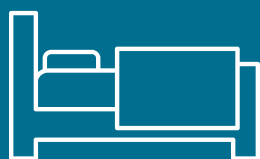
TYPE	NORTH AMERICA	EUROPE	CENTRAL/ SOUTH AMERICA	ASIA PACIFIC
Meetings ROI metrics	20%	18%	26%	21%
Global expansion/standardization of meetings and events program	34%	31%	31%	46%
Use of meeting planning technology	37%	37%	31%	41%
Social media	20%	9%	13%	23%
Payment methods and processes associated with meeting/events goods and services	75%	61%	82%	64%
Procurement of meetings/events goods and services	69%	54%	51%	63%
Safety and security	57%	53%	67%	45%
Use of third party meeting planners	44%	38%	44%	38%
Use of preferred hotel / air / transportation suppliers	64%	74%	72%	63%
Use of Sharing Economy Suppliers (eg. Airbnb, Uber, Lyft)	9%	8%	18%	13%
Approval process	75%	68%	90%	63%

(Sources: American Express Meetings & Events North American, European, Asia Pacific, and Central/South American Surveys, August 2016)

Use of Sharing Economy Suppliers Allowed by Policy



	NORTH AMERICA	EUROPE	CENTRAL/S. AMERICA	ASIA PACIFIC
Transportation (eg. Uber)				
Use Permitted	27%	11%	23%	14%
Use Prohibited	6%	17%	5%	18%
No Official Policy	33%	30%	41%	34%
I don't know	35%	42%	31%	34%



Lodging (eg. Airbnb)				
Use Permitted	13%	5%	18%	13%
Use Prohibited	11%	25%	10%	23%
No Official Policy	37%	27%	36%	30%
I don't know	39%	44%	36%	34%

(Sources: American Express Meetings & Events North American, European, Asia Pacific, and Central/South American Surveys, August 2016)

includes sourcing, event planning and group travel; and each organization should begin with aligning its meetings with its overall organizational strategies and goals as well as its budget.

Policies in place. Respondents suggest at least 40% of organizations now have a formal meetings policy in place for the entire organization, with Europe the highest at 61%. While meetings policies can cover a range of issues, respondents identify payment and approval as the most common elements addressed in their policies. Procurement, safety and security, and preferred supplier use are also included in over 45% of policies across regions.

The trend toward formal meeting policies across organizations is key to addressing the growing complexity of meeting planning.

Meetings strategies now go beyond sourcing, event planning and travel to include creative communications, attendee management, data gathering, reporting and analysis. One expert in North America explains, "Strategic meeting management is moving from the granular to the big picture, from being simply about procurement to the entire meeting experience and this will entail something different for every company." As meeting planning becomes more complex, the need for companies to implement meeting and event strategy and policy is more important than ever.

Need for visibility. A meetings professional in Mexico explains, "Many companies have no visibility into the meetings process, so implementing strategic management is about transparency as well as aligning with global processes." This year's respondents identified the expansion and

standardization of an organization's meetings and events program as part of at least 31% of policies across most regions, and 46% of policies in Asia, indicating its increasing importance within organizations. While meetings policies and programs are becoming more commonplace across organizations, respondents indicate that there is still room to grow, with many clients still without any formal meetings policy. Respondents in North America suggest 28% of organizations are still without a formal meetings policy. On the other hand, in Asia only 3% are without a formal policy.

Technology. The use of meeting technologies such as mobile apps, registration systems, and more emerges as part of at least a third of policies, from 31% in Central and South America to 47% in Asia. Meeting technologies have become particularly important across all meeting types. Whether it is a mobile app that facilitates communication with attendees, using

technology to track and manage meetings-related spend, or audio-visual and connected technology that enables a virtual meeting, meetings experts indicate it is more crucial than ever to understand meetings technologies and to push for innovations that will better meet customers' needs.

Sharing Economy Suppliers. Prescribing if and how sharing economy suppliers such as Airbnb and Uber can be used is only part of a small fraction of respondents' policies. However, it is increasing in importance. Uber, in particular, is becoming more the norm for business travelers, with one expert explaining that "the adoption of Uber was extremely quick due to lower costs and limited cab availability in key markets. Our business travelers are no longer calling cabs; they're calling Uber or Lyft."

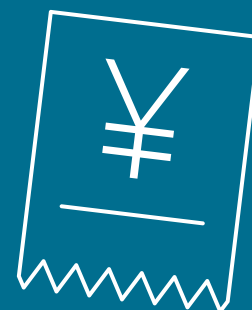
Another explains that while the use of Uber and other sharing economy suppliers is seen more

SURVEY RESULTS

Top Meeting Payment Challenges

	NORTH AMERICA	EUROPE	CENTRAL / S. AMERICA	ASIA PACIFIC
Acceptance of Desired Payment Type	26%	38%	30%	45%
Card Acceptance	14%	25%	59%	21%
Currency Exchange Fees on Card	11%	14%	15%	10%
Fee Charged for Utilizing the Card	37%	30%	41%	31%
Managing Pre-payment	48%	53%	41%	50%
Reconciling Final Bill to Estimate	65%	40%	13%	43%

(Sources: American Express Meetings & Events North American, European, Asia Pacific, and Central/South American Surveys, August 2016)



Difficulty of Meetings Approval Process

	NORTH AMERICA	EUROPE	CENTRAL/ S. AMERICA	ASIA PACIFIC
EASIEST	Training	Internal Team Meeting	Training	Internal Team Meeting
	Conferences/ Tradeshows	Sales/ Marketing	Sales/ Marketing	Training
MOST DIFFICULT	Incentive/ Special Events	Incentive/ Special Events	Incentive/ Special Events	Incentive/ Special Events
	Product Launch (Internal/External)	Product Launch (Internal/External)	Product Launch (Internal/External)	Product Launch (Internal/External)

(Sources: American Express Meetings & Events North American, European, Asia Pacific, and Central/South American Surveys, August 2016)

frequently on the transient traveler side, “It is bleeding over and our meeting managers are looking for best practices. For smaller meetings, demand for sharing economy suppliers is definitely on the rise as many of our customers are looking for creative space.” While Airbnb has not been on the radar of meeting planners, “the desire for some to have a unique meeting space” may encourage new sharing economy suppliers in the meetings and events space.

Payment Policy & Procurement

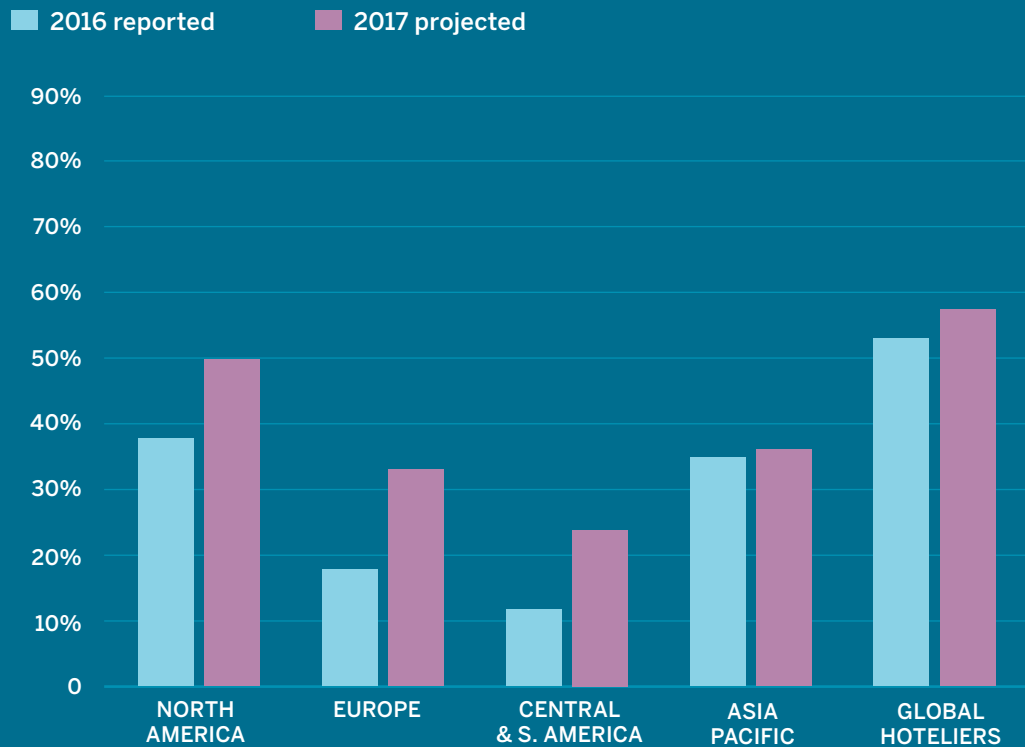
Streamlining still the challenge. Reconciliation and managing pre-payment emerge as the top meeting payment challenges for respondents in North America, Europe and Asia Pacific. Acceptance of desired payment method is also identified as challenging across all regions, with Asia Pacific respondents more likely to find this to be the case.

For Central and South America, card acceptance and card fees are identified by respondents as their greatest challenges in the payment process.

Inclusive management. Meetings professionals suggest that streamlining payment and approval processes requires strategic management of the company’s broader meetings and events program. One expert points out that those who are “strategically managing their meetings effectively are doing so in a more inclusive way incorporating small meetings, incentives, internal conference space management, sponsorship management, and so on.” In this way, all processes — from requests and approvals to card acceptance and payments — are incorporated, giving deeper visibility into meetings activity as well as spend via consistent payment processes.

Ease of approval and meeting type. The ease

Mobile App Usage 2016–2017 (more than 10% of meetings)



(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American and Key Supplier Surveys, August 2016)

of approval is connected to meeting type and reflects the planning process for the meeting type. Respondents across the four regions identify training or internal team meetings as having the easiest meeting approval process. These meeting types are typically smaller in size and length, and more focused in scope. They may occur regularly for the company, and attendees are most often company employees. For respondents in North America, conferences and tradeshow also involve easier meeting approval processes. The approval

process for these types of meetings is typically focused on a small group of individuals attending a show or conference versus getting comprehensive budget approval to execute and manage a full conference or tradeshow. Europe and Central and South America identify sales and marketing meetings as involving a comparatively easy approval process. These two regions predict larger numbers of this meeting type than other regions and the perception of approval ease may be related to that frequency and the resulting familiarity with

Most Compelling Reason to Use Mobile App

	NORTH AMERICA	EUROPE	CENTRAL / S. AMERICA	ASIA PACIFIC	GLOBAL HOTELIERS
Improve communications	41%	43%	46%	47%	48%
Improve engagement of attendees	52%	38%	26%	66%	33%
Facilitate networking among attendees	20%	19%	24%	24%	38%
Measure effectiveness of presentations	5%	9%	9%	9%	10%
Measure event effectiveness overall	13%	21%	33%	14%	24%
Communicate with attendees regarding changes or emergencies	39%	40%	41%	28%	29%
Deliver documents electronically	31%	31%	22%	14%	19%

(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American and Key Supplier Surveys, August 2016)

Mobile App Features: Very Important to the Success of Meetings

	NORTH AMERICA	EUROPE	CENTRAL / S. AMERICA	ASIA PACIFIC
Gamification	10%	9%	13%	11%
Floor maps	53%	39%	29%	41%
1:1 messaging	35%	27%	24%	20%
Channels for subject- specific conversations	24%	24%	24%	30%
iBeacon – see who is nearby	6%	4%	5%	13%
Agenda	86%	79%	82%	74%
Surveys/Polls	53%	56%	68%	59%
Send messages and reminders to attendees	72%	62%	76%	70%
Speaker profiles	36%	35%	55%	44%
Take Session Notes	25%	11%	29%	24%
Analytics to measure event success	50%	59%	66%	46%
Hosted .pdf documents/presentations	50%	43%	45%	37%
QR code scanner	21%	31%	29%	41%
Session attendance scanning	39%	51%	66%	48%
Upcoming session reminders	54%	54%	66%	52%
Session Q&A	32%	46%	58%	57%

(Sources: American Express Meetings & Events North American, European, Asia Pacific, and Central/South American Surveys, August 2016)

this meeting type and its approval processes within companies.

Respondents across the four regions suggest the most difficult approval processes come with incentives and special events planning as well as product launches. These events are typically the larger meeting type and are company-driven. They are also more likely to have high visibility activities or to include the use of upscale properties, both of which can trigger concerns over reputational risk. Moreover, incentive meetings and special events often involve unique destinations and longer travel routes to get to those destinations.

An Emerging Demographic

The new millennials. As millennials make up a growing and significant portion of meeting attendees, approximately one-fifth of all global travelers, meeting owners and suppliers are looking for ways to appeal to this population. One supplier explains that this demographic “continues to influence travel and spend on unique and personal experiences, which they value more than material goods.” Meetings experts suggest meeting planners are, more and more, looking for different types of locations that cater to “cooler activities” such as musical events or quiet spaces for reflection.

Mobile Apps

Gaining momentum. Mobile apps have emerged as increasingly prevalent and more important than meeting planning technology across regions. One global expert explains: “There is now faster and more pervasive adoption of these than meetings management technologies, and increasing innovation of mobile app technology

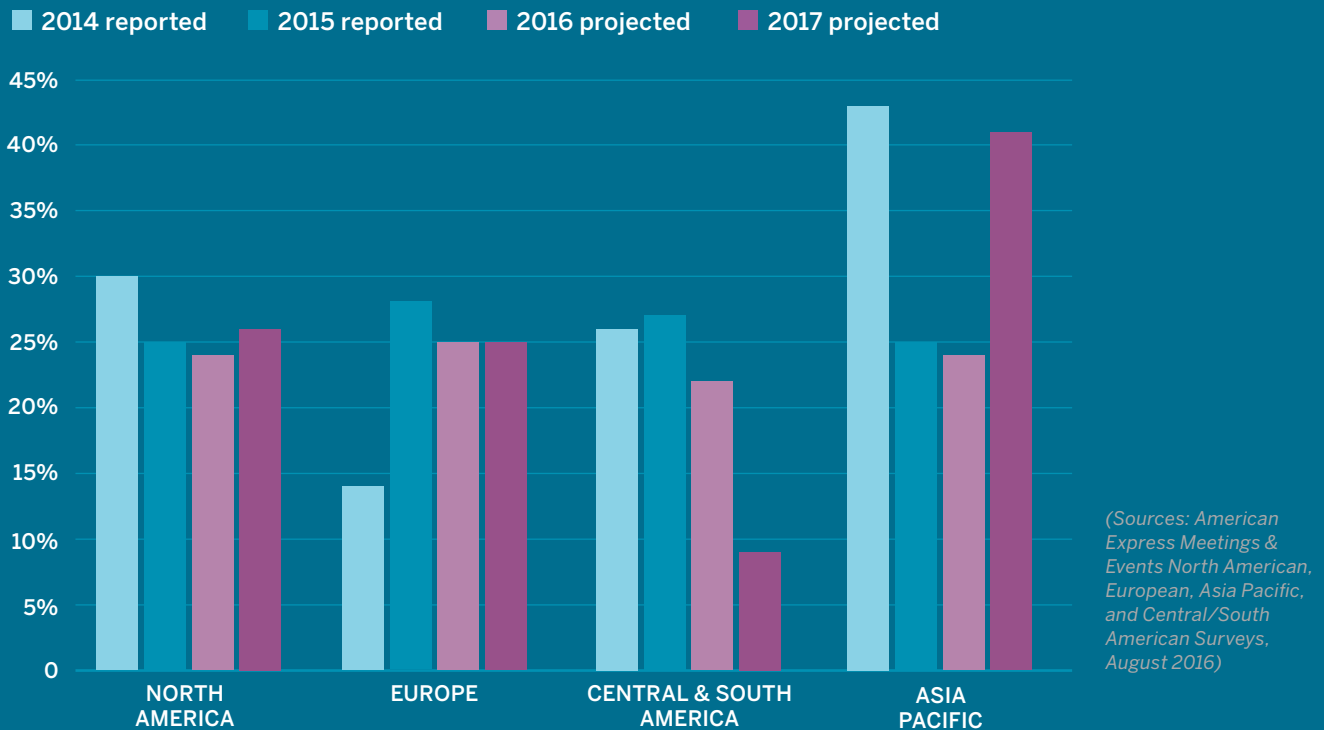
will be crucial to filling current gaps.” Moreover, mobile apps are viewed as highly effective across both regions and meeting types. One expert in Europe points out that “customers are involving more innovative technologies in their proposals. While there was a lot of resistance at first, there is now a huge push.” In comparing reported mobile app usage for 2016 with predicted mobile app usage for 2017, a third of respondents plan to use apps in 10% or more of their meetings, up significantly in all regions. In North America, half of respondents expect to use mobile apps in at least one out of every ten meetings in 2017.

One expert in North America explains, “It is still early in the curve, but once you attend a meeting with an app you expect the same going forward, to have everything at your fingertips.” Another suggests that for her region, Mexico, mobile apps are still rather new, but “we’re seeing good examples of big meetings using mobile apps and they love that they don’t have to print agendas; it’s a good way to engage with the audience, because everyone has a mobile phone.”

Enhancing engagement and communications. Respondents from all regions believe enhancing attendee engagement is one of the most compelling reasons to use a mobile app. Improving communications or having the ability to reach attendees regarding changes or emergencies are the other top survey responses.

As mobile apps become increasingly popular, planners and owners are becoming more knowledgeable and developers are learning what app elements matter the most. At least 50% of respondents across all regions identify app features that communicate agendas, enable message sending and surveys as very important to the success of the meeting. According to a meetings expert in North America, “For many meetings, without a mobile app there would be

Virtual/Hybrid Meetings 2014–2017 (more than 10% of meetings)



a big communication hole and the networking would be gone. There is a higher engagement level with the app that you wouldn't have without it."

Mobile apps and innovation. Experts also suggest that mobile apps contribute to the creative and innovative elements that meeting owners are increasingly looking for in their meetings. One expert in Europe explains clients are increasingly "asking us for innovation, to create an experience for their attendees using mobile apps. This is a top conversation heading into 2017." He suggests that not only do mobile apps have the potential to increase interaction before, during and after an event, these apps also help

planners and owners by providing insight into the reactions of participants during meetings.

Mobile apps hold the potential to transform and shape meetings, from extending networking beyond the short timeframe of the event to providing insight into how meeting attendees are engaging with various elements of the meeting. One expert in Latin America suggests mobile apps are "changing the shape of meetings and will increasingly do so."

Mobile apps and meeting strategy. Across regions, 46% to 66% of respondents see the ability of mobile apps to provide analytics to measure the success of an event as very

Greatest Area of Focus by Region

NORTH AMERICA	AREA OF FOCUS	BRAZIL	RUSSIA	INDIA	CHINA	S. AFRICA
	Gaining transparency into all associated expenses for meetings & events	24%	29%	19%	24%	14%
	Adherence to meetings-related expense and supplier policies	9%	21%	15%	18%	9%
	Identifying appropriate destinations	24%	7%	15%	12%	14%
	Securing preferred supplier agreements	6%	0%	0%	6%	0%
	Establishing provisions for duty of care	3%	7%	4%	0%	5%
	Destination management support	6%	7%	4%	6%	5%
	Overall program management in country	18%	21%	26%	24%	36%
	Complying with local privacy laws	0%	0%	0%	0%	0%
	Not applicable	12%	7%	19%	12%	18%

EUROPE	AREA OF FOCUS	BRAZIL	RUSSIA	INDIA	CHINA	S. AFRICA
	Gaining transparency into all associated expenses for meetings & events	9%	14%	13%	35%	19%
	Adherence to meetings-related expense and supplier policies	18%	7%	13%	0%	5%
	Identifying appropriate destinations	9%	21%	13%	15%	19%
	Securing preferred supplier agreements	5%	0%	0%	10%	5%
	Establishing provisions for duty of care	14%	7%	13%	0%	5%
	Destination management support	5%	7%	0%	0%	5%
	Overall program management in country	14%	7%	25%	10%	10%
	Complying with local privacy laws	5%	7%	0%	0%	0%
	Not applicable	41%	29%	25%	30%	33%

ASIA PACIFIC	AREA OF FOCUS	BRAZIL	RUSSIA	INDIA	CHINA	S. AFRICA
	Gaining transparency into all associated expenses for meetings & events	19%	19%	35%	23%	6%
	Adherence to meetings-related expense and supplier policies	6%	13%	4%	26%	18%
	Identifying appropriate destinations	13%	6%	9%	3%	12%
	Securing preferred supplier agreements	0%	6%	4%	10%	6%
	Establishing provisions for duty of care	13%	6%	4%	3%	12%
	Destination management support	0%	0%	0%	13%	0%
	Overall program management in country	0%	0%	9%	13%	0%
	Complying with local privacy laws	6%	0%	0%	0%	0%
	Not applicable	44%	50%	35%	10%	47%

(Sources: American Express Meetings & Events North American, European, Asia Pacific, and Central/South American Surveys, August 2016)

important to the success of a meeting. One expert in Europe notes that mobile apps are becoming increasingly helpful in “providing quality data that can inform productivity and feedback.” He continues by suggesting that mobile apps could go beyond those used for a single meeting and then deleted, to apps that can work for an entire meetings and events strategy. “It will be interesting to see how apps are incorporated across all meetings ... rather than having an app for a specific meeting. I haven’t seen this happen yet, but it’s ripe for the taking, I think.”

Virtual Meetings

Face-to-face when possible. While meeting technologies enhance virtual meeting attendance and enable more networking opportunities, experts and suppliers continue to suggest

that face-to-face is the preferred meeting type. Respondents indicate that virtual and hybrid meeting use in North America and Europe will remain relatively unchanged in 2017, with one-quarter of meeting owners using these types of meetings. Usage in Central and South America is predicted to decrease, while virtual and hybrid meeting use is predicted to rise to 2014 levels in Asia, with 41% of respondents indicating they will use virtual meetings to some degree in the coming year.

A sense of security. While face-to-face is strongly preferred, there are cost and security benefits to virtual meetings that make them appealing for some customers and for some meeting types. One expert in Europe explains that “virtual meetings are an interesting option because they solve several problems, including safety, as fewer people are traveling. They can also solve the problem of tighter budgets as people attend from their own location, resulting in less cost.” He suggests, however, that virtual meetings require “we think about new ways of planning meetings and this is a big shift. It is a challenge, a good challenge.”

SURVEY RESULTS

Actively Managing Meetings

REGION	NORTH AMERICA	EUROPE	CENTRAL/ S. AMERICA	ASIA PACIFIC
Brazil	13%	9%	13%	2%
Russia	5%	5%	0%	0%
India	10%	3%	0%	14%
China	13%	8%	0%	53%
South Africa	8%	8%	2%	2%
None of the Above	76%	84%	85%	40%

(Sources: American Express Meetings & Events North American, European, Asia Pacific, and Central/South American Surveys, August 2016)

Emerging Regions

Status quo. The degree to which organizations are actively managing their meetings programs in emerging countries such as India or Brazil remains relatively low according to respondents, with predictions for 2017 remaining the same or smaller than 2016 in most cases. Overall, program management and transparency into associated expenses for meetings and events remain top concerns for respondents. In addition, identifying appropriate destinations in these emerging regions is a focus for meeting planners. Meeting planners with experience in these locales can be very helpful in identifying destinations that meet the characteristics required for a specific meeting or event.



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Supplier Mergers & Acquisitions: Navigating an Evolving Landscape

By Kevin Iwamoto and Jeff Johnson

Over the past two years, the hotel industry has experienced the announcement and activation of some significant mergers and acquisitions. In December of 2014, IHG® announced it was acquiring Kimpton®. In November 2015, Marriott® first announced it was merging with Starwood™ and, although Marriott ran into some competition for Starwood initially, they eventually won the bid. In December 2015, AccorHotels™ announced it was acquiring FRHI, the owner of the Fairmont, Raffles and Swissotel brands. Lastly, in April 2016, HNA™ Tourism Group announced it was acquiring Carlson™ Hotels.

There are many key drivers for consolidation activity – acquiring scale, increasing presence in various segments, such as luxury or mid-tier categories, or global expansion. In some cases, it may be all of the above, as with the Marriott-Starwood merger, which will create the largest lodging company in the world, diversifying its reach within hotel types, and deliver on global expansion. All of this activity has implications for hotels, buyers and meeting attendees and raises questions for meetings and events planning. We explore these in this section.

Merger and Acquisition Motivations

There are two predominant factors driving current merger and acquisition activity: economies of scale and the control and management of the

mergers' content. The economies of scale that mergers help create provide hotels with operating efficiencies and streamlined processes. Greater scale may provide these organizations with increased control over their pricing models and how they interact with customers, including their Request for Proposal (RFP) and content sharing processes. Consolidation could also result in a more streamlined approach for hotel suppliers to work with customers as multiple brands roll under one.

With online travel agencies (OTAs) continuing to significantly impact hotel pricing, hotels are looking to re-establish or create direct booking channels with consumer, transient and group business in an effort to regain some pricing control. Recently, we have seen hotels employ gamification and loyalty points to encourage direct bookings while they increasingly move away from providing OTAs with the best pricing and work to match pricing on their direct channels. Some see mergers and acquisitions as potentially supporting the development of these direct channels.

As hotel brands look to create greater operating efficiencies, there is some concern within the travel industry about how mergers and acquisitions will influence commissions. While no significant movement has occurred, some organizations and meeting program owners are already considering new potential approaches that could be beneficial to all parties involved – hotels, third parties and customer organizations.

The second key factor driving mergers and acquisitions is control and management of their content. With Internet usage rapidly expanding across generations, there is unparalleled transparency into the sourcing process. Couple this transparency with direct access to consumers that the internet provides and you have a perfect conundrum for travel and meeting buyers globally, as travelers increasingly have strong preferences and the ability to shop inventory on their own. Corporate programs are currently undergoing change management to re-create travel and meeting programs that are more relevant to the travelers and attendees, with greater emphasis on ease of bookings and the traveler/attendee experience. This, along with growing pressures from the new sharing economy suppliers that have made their way into corporate programs, is driving the need for a change in how content is shared, shopped, and booked. With increased consolidation, we may see expanded opportunities to respond more effectively to the trends and changes in a consistent way across the industry.

Implementation – Where Mergers Become Reality

Consolidation is not new to the travel industry with, most recently, the merger or acquisition of several large air carriers. In reality, it's difficult to bring two large brands together under one umbrella. For example, in the case of Marriott and Starwood, there will be thirty brands under one company. Considering that most of these sub-brands have their own marketing teams and individual strategies, integrating several brands, marketing plans, sales teams and more is a significant task that will not happen overnight.

As consolidation takes place, many competing

properties that are similar in terms of their star rating are in close proximity of one another, and offer similar features, benefits and amenities. The extent to which these past competitors become 'sister' properties will depend, however, on ownership structure. While there may be benefits to the consumer in terms of bringing both properties to the same standard or improving technology at one property to increase its ability to be competitive, such a change may also create substantial concern within the hotel franchisee community given their individual interests. With the diversity of ownership groups in the franchisee model, each with their own strategies and assets, individual interests will continue to exist within the overall brand umbrella, and local relationships and dynamics will continue to be relevant and important as they navigate change.

Mergers also open the door to other hotel companies looking for new franchisees. Competing hotel companies may purposely offer more appealing deals as an alternative to staying with their current brand group. As a result, reflagging properties could begin to happen as franchisees look for a way to remain competitive and achieve their individual business goals.

In the end, one thing we have learned from acquisitions so far is that change does not happen quickly. In many cases, the actual consolidation is a multi-year process addressing elements such as branding, loyalty programs, capital investments and improvements in a very measured way. These brands have a high level of interest in keeping their constituents, including corporate customers, travelers, franchisees and others, strongly engaged with their brands. So, time will tell how current mergers and acquisitions will shape meetings and events in the coming years.

Potential Upsides for All Meeting Owners

As these mergers come to fruition, we will quite likely see more globalization within each supplier's portfolio – an exciting development particularly for companies with global meetings programs or a global presence. For example, IHG recently announced the first ever Kimpton hotel outside of the Americas, which will open in Amsterdam in 2017. The property is currently operating as a Crowne Plaza, a long-standing brand under the IHG umbrella.

Mergers and acquisitions will also allow more opportunity for investment in technology and infrastructure. As companies like Hilton and Marriott continue to launch new technology (i.e. mobile check-in/check-out, mobile key), the smaller chains will need to invest in technology to keep up with the demands of the ever-changing traveler demographics. Everyone benefits from an increased use of technology that makes the lives of the attendees and meeting planners better, easier and more comfortable.

When acquired by a larger chain or a company with deep pockets, smaller chains and properties could experience improved capacity to evolve and compete, with access to much-needed capital to bring properties up to brand standards and enhance the consistency of the experience for meeting owners and attendees.

Being Prepared to Make the Most of a Changing Environment

As these consolidations occur, the corporate customer will likely feel the effects. All companies should be working to actively manage their programs in this changing environment by establishing or building on preferred supplier

EXPERT ADVICE

LEVERAGING THIRD PARTIES

Kevin Iwamoto of Goldspring Consulting

notes that today's environment, where hotel sourcing and negotiations favor the hotel supplier, it "makes perfect sense to leverage the greater buying power and scope of the Travel Management Companies (TMC) and Meeting Management Companies (MMC)."

'No matter how large the corporation's hotel and meeting programs are, the combined client and customer volumes provided by the TMCs and MMCs far overshadow the volumes of a single corporation.'

Moreover, examination and understanding of current hotel data is key for companies as they develop sourcing strategies that reduce cost and time. He explains that "deciding on an acceptable percentage that relegates the smaller market sectors of the program to this consortia strategy will also reduce the number of annual hotel RFPs and sourcing activities, which in turn reduces the cost and time element for annual sourcing exercises. This strategy would then help buyers to focus on the bulk of their volume that's being historically driven by a much smaller pool of suppliers. In other words, using an 80-20 strategy to source and manage is a win-win for all parties."

programs to further maximize their investment in travel and meetings. By driving volume and demonstrating that its program influences where travelers go and meetings occur, a company can establish a clear data set and base for their negotiations with consolidated hotel companies.

For organizations managing travel and meetings separately, this consolidation may be the impetus for reviewing that approach, to better understand total investment. Companies of all sizes will do well to understand their overall environment and to know their data. The time to gain insight is now – to build hotel programs, and to engage travelers and meeting owners in strengthening the company’s negotiating position with a smaller subset of suppliers. End users can then experience more of the direct benefits of preferred agreements, including upgrades and more flexible cancellations.

In many cases, small- to mid-size companies may find it more difficult to get the required time and attention of these new, larger organizations. So, what is a small or mid-sized company to do? Companies of this size should look to leverage both their transient and group volume with each chain to ensure they are maximizing their negotiating power. Many of the small- to mid-sized companies are not currently capturing their entire spend across the hotel space. These companies will need to identify a way to track all their volume in order to have a stronger presence at the negotiating table with these larger chains. Additionally, these companies can utilize a third party for hotel program negotiations to take advantage of the increased hotel volume and buying power across that third party’s entire portfolio.

In closing, what should companies and their program managers expect in this new consolidated environment? As with airline consolidations, when the dust settles, there will be a much leaner pool of hotel suppliers in all service categories. These suppliers will be more financially solid and this will result in pricing advantages for the surviving hotels. This could facilitate a push on the part of hotels to change RFP processes, pricing, ancillary fees, and account coverage, as well as corporate customer negotiations. As an example, airlines were able to increase pricing and introduce ancillary fees that generated more than \$59.2 billion (7.8% of global revenue)¹ to their bottom lines post consolidation.

As a buyer, whether on the transient or the meetings and events part of our ecosystem, the time has never been better to work more closely with intermediary partners, and to develop contingency plans with the flexibility to respond quickly to the changes that consolidation could trigger.

The realities of our industry are that it will continue to change, evolve and consolidate. Program owners would do well to factor ongoing change into their business strategic planning or risk being caught with policies, programs and processes that are no longer relevant or could result in higher travel, meeting, and operational costs. Those who plan ahead, develop strong preferred programs, and remain close to trends will find ways to increase the effectiveness of their programs and even benefit from the shifting environment.

Source: (1) <https://skift.com/2015/11/10/airline-fee-revenue-expected-to-reach-nearly-60-billion-in-2015/>

Duty of Care: An Added Layer of Complexity

By Mischelle Peterson and John Koleas

Natural disasters, strikes, unrest and more can create the need for emergency intervention to help address the needs of meetings and events attendees that may be impacted. Duty of care policies have long been in place for employee business travel where companies can require that employees book air or rail and hotel on a single record, making it easy to track travelers and intervene in case of emergency. However, meetings and events present some unique challenges when it comes to the tracking, management and ability to respond in a timely and comprehensive manner during an unexpected event or interruption. With meetings and events, there is often greater complexity as a result of the use of multiple vendors, varying processes for attendees booking their transportation, and more.

As the use of technology in meetings and events

has grown, so has the opportunity to use technology in combination with well-crafted policies to improve the ability to quickly assess impact and respond should crises arise. We met with security and meeting professionals to explore the ways meeting owners can be more prepared when it comes to duty of care, and the key meetings-related elements that should be incorporated into any corporate duty of care program.

Duty of Care

It can be disheartening to think you have to be concerned for your safety when attending an event, having dinner at a local restaurant, or taking a stroll along a place as beautiful as the French Riviera, but everyone has a responsibility when it comes to their personal safety. In a meeting situation, attendees, meeting owners



EXPERT ADVICE

THE EVENT LIFECYCLE: CONSIDERING DUTY OF CARE AT EVERY STAGE

Managing duty of care starts well before the meeting begins. Below are some recommended steps meeting owners should take into consideration at various stages of the meeting lifecycle. This list is not comprehensive, as meetings have different requirements, but serves as a guide to some of the basics to consider when planning.

Pre-Event

- Perform risk assessments on potential destinations, considering crime trends and risk ratings. Reach out to local law enforcement with questions, or the local embassy if considering international destinations. These will be your partners in case of emergency, so forming connections ahead of time is beneficial.
- Meet with the security teams at host hotels and venues. Discuss how they will staff the event, and check to ensure they have their own procedures established for various crisis situations.
- Scout the locations for local hospitals, pharmacies, and clinics. If an attendee is injured, have a plan for who will accompany them to the hospital and procedures for contacting relatives as needed.
- Establish a clear chain of command for emergency management and response activities.
- Ensure your registration and travel booking processes house the information required,

in an easy-to-access way, should you need to find individuals in transit, rebook mid-meeting, or reach their emergency contacts.

- Consider a group air booking process that will provide a single manifest for air and train transportation arrangements.

On-site Preparation

- Review the emergency contact chain of command with the meeting manager, client contact and the leads for on-site staff. Share 24-hour contact information for all members of the on-site team.
- Appoint an individual to be the primary point of contact to keep the meeting owner and other key stakeholders informed, as necessary.
- Establish procedures for any required external communications.
- Keep a hard copy of Participant Air Hotel Inventory reports (provides all hotel and air information for each participant) available in the event that participants need to be contacted en route.

- Verify hotel security officials who will be available and review contact information.
- In the event of an emergency, identify what resources will be required should you need to transform your workroom into a crisis operations center.

During Program Operation

- Ensure the on-site team is familiar with emergency protocol.
- Be prepared to provide assistance with reissuing airline tickets, charters, etc., as necessary to remove or reroute attendees if required.
- All travel staff should immediately contact the lead travel director and assemble in the workroom for appropriate assignment of duties in case of emergency.
- Establish a hospitality desk to address participants' questions, post changes and serve as a central communication point.
- Provide attendees with timely status reports and ensure they know how they will receive information.
- Work with meeting owner based on type of event to determine if the meeting will continue.

and their supplier partners can each play a role related to managing in an unexpected event, but the ultimate duty of care is the responsibility of the hosting company and the individual attendee. Below we outline some of the roles each party plays should an emergency strike.

Meeting Owners / Corporations

Corporations that hold meetings should work to establish a comprehensive duty of care policy that encompasses a variety of situations. The standards in these policies will serve as a guide for meetings and events, from choosing locations, to travel arrangements and more.

Organizations with in-house security teams would be well served to consult with those teams first for insight and guidance regarding establishing duty of care policies, or questions about how to best manage security related to specific meetings. For example, specific security preparations may be in order when the entire senior staff will be attending a retreat at a single location. Likewise, there are key needs and requirements when large groups of employees are attending an annual meeting or conference. Security departments can be your guide to accurately identifying and addressing those needs.

It is also important to forge connections between meetings and event owners, contracted travel and meetings management partners, and the security department to ensure a comprehensive approach to duty of care. Security departments can often consult with meeting owners and planners to ensure all possible angles and situations have been considered, as well as offer recommendations regarding on-site security coverage, advance scouting of sites and other security-related activities.

Third Parties

Many meetings planners will tell you they have seen it all. And certainly, many have experienced and managed through everything from travel interruptions, to weather events, to attendee injuries and illness during their careers. While third-party meeting planning companies do not own the duty of care, they can (while on site) assist with travel arrangements, extended stays and managing other travel and meeting management logistics as they may arise in an emergency. Meeting planning organizations can help bring their collective best practices and expertise to the table, based on the cumulative experience of all of their planners.

Many third-party organizations have a formal emergency plan in place covering a wide variety of situations. These plans provide policies and procedures to be followed in each emergency instance and present clear instructions for coordinating with vendors, on-site staff and company staff, attendees and management. This plan is shared and reviewed with all event staff prior to every meeting. Meeting-specific contingency plans should also be developed to address potential disruptions or force majeure events.

Emergency plans represent the experiences of their teams over the years along with their own core policies and procedures related to elements such as site selection, managing registration to maximize information, on-site emergency procedures and experienced personnel, as well as additional resources that may be required to make for a comprehensive and prepared on-site staff.

Attendees

It is incumbent upon all of us to have a “heightened level of safety and security awareness.”

Attendees should pay attention to their surroundings and familiarize themselves with the environment. When attending a meeting, attendees need to know how to get help if needed, especially in a foreign country. Taking the time to review the pre-trip information provided by meeting organizers can go a long way. Often these documents will include information about the customs in foreign destinations, and provide attendees with information regarding safe transfers and key contact numbers should they need help either en route or during an event. Some attendees may gloss over this information, as frequently happens with in-flight safety cards, feeling that everything is handled by the planning organization, but the reality is that everyone has a personal responsibility for their safety and security.

The duty of care is a standard in the law of negligence. It is a duty to use reasonable care. It is a duty to act the way a responsible person should act in a given set of circumstances, and any deviation from this could result in negligence. This duty of care can be owed by an individual, or by a business to another entity.

There is always the risk of something happening during an event. It is incredibly difficult to predict and, for that matter, prevent weather, strikes, or other crisis events, but having a detailed event operations plan and a well-prepared team will help manage the risk, and help enable faster response. Individuals and meeting owners can all work to increase their readiness to handle crisis events by being well informed about the destinations they are traveling to for meetings, understanding their role in emergency management, and following established procedures and protocols. In this way, everyone works together to enable a calm and organized response, maximizing the ability to respond in the face of the unexpected.

A Changing Workforce: The Future of Talent in Meetings and Events



Meetings and events are about bringing people together. This is an industry that combines art and science to create unforgettable experiences, and relies heavily on talent within to manage the seamless execution of those experiences. To succeed, it takes a special kind of person with the right training, a steady hand, strong negotiation skills and more. In this section, we explore the future of talent in the meetings and events industry, and what it will take to bridge the gap

between post-secondary training and the needs of the industry. In cooperation with the hospitality faculty at University of Las Vegas Nevada (UNLV), the meeting planning department of Intel, and the Human Resources department of American Express Global Business Travel, we assessed the current state of talent in the industry, and looked at what is needed to secure a strong, well-prepared talent pipeline for the future.

A Changing Industry Meets a Changing Workforce

The meetings and events industry continues to grow and gain recognition within organizations as a key area of investment, a driver of growth and a critical component of a balanced sales and marketing strategy. ‘Hospitality’ once meant folding napkins and working the front desk – those days are long gone. Today, there are many opportunities for individuals interested in working in the meetings and events world, but the skill set needed to succeed is diverse. In addition to all of the necessary soft skills, such as time management, creativity, problem solving and relationship management, organizations expect meetings and events professionals to have the capacity to read financial statements, measure return on investment, facilitate comprehensive reporting, and more. And the increasing use of technology in meetings and events adds to this complex set of requirements.

As the meetings industry grows and looks to attract new talent, there is a lot of discussion about Millennials (the generation born between 1980 and 2000) in the workplace. Millennials make up the largest population in the U.S. workforce¹ and as the economy continues to improve, so does job opportunity. Millennials require a different approach for engagement and for retention. According to PwC², to be attractive to Millennials, companies must provide real-time feedback, offer flexibility and fast promotions, encourage learning, and create a genuine culture of inclusivity. The good news for the meetings industry is that the nature of its positions promises the variety, flexibility, fast pace, and strong team environment that appeal to this generation. Increasing awareness and visibility of the industry relative to those attributes can help attract new talent.

The Role of the University

There are an increasing number of university hospitality programs that provide training specifically in the area of meetings and events. Attracting students to these growing programs is a priority, both for the industry and for the universities.

Dr. Rhonda Montgomery, Department Chair, University of Las Vegas Nevada, points out that “students are becoming more selective about which college they choose, so higher education is getting better at defining their message to attract these students.” To attract students, program faculty work with recruitment offices, act as guest speakers at high school career days, and participate in campus-wide recruitment activities. At UNLV, “faculty and administrators also spend time speaking to local schools and community colleges when they are at conferences, both nationally and internationally.” Dr. Montgomery of UNLV also notes they “work very closely with (our) Alumni chapter to keep them involved in our recruitment efforts. They have proven to be invaluable partners in the recruitment process.” This approach also bodes well for the industry, as those with experience and first-hand knowledge of the industry are working to attract new talent.

Recruitment efforts are paying off. Last summer, the William F. Harrah College of Hotel Administration at UNLV saw an increase of students with a focus on the meetings and events program. The majority of students began the program with some industry experience.

Many of them had international backgrounds, were transfers into the program, and possessed a very deep buy-in to the hospitality industry.

Keeping Curriculum Current

In a rapidly evolving and increasingly complex industry, in terms of technological innovations and reporting requirements in particular, it is imperative that educational curriculum keeps pace with industry needs. Hospitality education programs will need to continue to hone in on the needs of prospective employers and deliver content to students that will equip them with the skills they require to be successful. To this end, UNLV is currently undergoing a full analysis of its program offering to ensure they are meeting the needs of their students and the industry. The school has conducted primary research, interviewing students and corporate hospitality organizations to identify the exact skills students require to successfully enter the workforce. According to Dr. Montgomery, “The industry tells us they really need hospitality students who understand business. For example, one global hotel brand told us they want candidates who understand how to read a profit and loss statement, and make decisions based on its implications. Our meeting and event classes also emphasize the importance of being able to identify the return on investment for all stakeholders of the event.”

In an interview with Raul Vazquez, Global Commodity Manager, and Roxana Walters, Global Commodities Manager, from the Intel Corporation, we heard about their experience hiring a new generation into the workplace, and what they would like to see from universities, relative to meetings and events education. They noted a desire to see incoming talent already trained on industry standard technology, such as attendee management systems and mobile apps, in addition to basic meetings-related knowledge. They believe this knowledge will allow incoming talent to make intelligent decisions during the meeting planning and management process, and

will reduce the time in training and on-boarding. Mr. Vazquez added, “Familiarizing students with technologies like mobile apps can also help new planners, as apps are now commonly used in meetings. Coming in trained on these technologies would be ideal.”

In addition to hard business and technology skills, Mr. Vazquez and Ms. Walters also reinforced the need for soft skills, such as the ability to read situations, communicate appropriately, troubleshoot, and make personal connections. “Students who possess the ability to build strong relationships are more effective and able to achieve greater success,” noted Ms. Walters.

The Role of the Industry and Internships

Perceptions of what it means to be in the meetings industry still vary. Faculty at UNLV has also discovered students want skills specifically in festival and charity event planning. This points to another challenge in the process of hiring new students. The new hire perceives that they have landed a “glamorous” job planning events, only to realize that all that glitters is not gold. Meetings and events planning is commonly seen as a fun job, with opportunity to travel, try great food, see excellent entertainment, and stay at luxury hotels. While all of these things may be true at one point or another, it is not the primary focus of the work or a consistent experience. Setting the right expectations can help bring in the right type of talent and ensure a match between employer and employee. That’s where internships come into play.

Internship and stewardship programs are very important in the meetings and events industry. Real-life experience allows students to gain the insights and perspective they need to make



“The industry tells us they really need hospitality students who understand business. ... they want candidates who understand how to read a profit and loss statement, and make decisions based on its implications.”

well-informed decisions about their career path. An expert from American Express Global Business Travel Human Resources calls internships, “the longest interview of your life.” She explains, “For students, it’s an opportunity to solidify knowledge of a company, industry and career. Students understand that performing well in an internship program can translate into employment after graduation. Organizations also benefit from internship programs. It’s a way to ‘try on new talent’ before hiring.”

Internship and in-office student programs also reveal to employers the exciting energy and creativity the Millennial generation brings to the table. These programs are a great way for students to see first-hand the needs of the industry, so the student is better equipped to determine if the reality and potential of the industry interests them. The student can observe diverse angles of the industry, and see what skills would best prepare them for the future.

Both third-party organizations and companies with meeting planning organizations interested in building a strong talent pipeline for the future can use internships to connect with university meetings and events programs. These connections can benefit everyone in the industry by creating highly skilled individuals with a combination of classroom training and real-world experience.

Bridging the Gap

Companies with a vested interest in meetings and events talent have a responsibility to help attract new talent to the industry, and work with universities to ensure their programs are delivering well-prepared graduates based on shifting needs. Likewise, universities have an opportunity to reach out to better understand the needs of a changing industry. There are multiple ways those with a vested interest in a strong future talent pipeline for meetings and events can help bridge the gap.

1: Influence Curriculum

To influence curriculum, companies can actively build relationships with universities offering hospitality programs. One way for companies to do this is to look to the future to see what skills will be important to them. This may be a combination of planning skills, business acumen, practical on-site experience, technology and development skills, or something entirely different. Looking ahead and defining what the company’s needs will be help determine the specific skills they require in a new hire, and can help inform university programs.

2: Head Back to Class

Interested organizations can become engaged in on-site classes by serving as visiting professors or guest speakers. Visibility within the education system is a great way for a company to get exposure to all individuals in their targeted field. It's also an opportunity to engage various functions and regions to help provide a well-rounded view of the industry and the opportunities within. This, combined with a competitive internship program, is a sure way to get the best of the graduating class, making the time investment worthwhile.

3: Invest in Internships

Educational institutions can be proactive in researching the companies their students have the most interest in, and pursue formal relationships with the Human Resources and Meetings departments creating formal internship programs that the university can use to attract talent, and organizations can use to identify and attract the best future graduates. These relationships can also help ensure university programs are delivering the required training and education as companies provide feedback on interns and gaps.

4: Rely on Research

As UNLV has done, schools can conduct primary research to make sure curriculum is keeping pace with the needs of the industry and make the necessary adjustments to their programs. It is the responsibility of the school to make sure program content is up to date and relevant in the workforce. Having a formal relationship where both parties benefit is the ultimate answer.

5: Innovate and Create

Partnerships between universities and corporations can serve as an incubator for innovation and the development of new solutions for the industry. Engaging students and bringing a fresh eye to processes, the use of technology and more can spark new thinking that can help move the industry forward, leading to new products and providing a more strategic view of this profession.

Corporations and universities have a responsibility to work to elevate the meetings profession by emphasizing the strategic nature of the role and the growing focus on meetings in organizations around the world. Bringing focus and awareness to the fact that this is a career path with many facets, well suited to growth with long-term opportunity, can also help in recruiting within universities and in meetings-focused roles.

The future of talent for the meetings industry looks bright, given increasing education programs and the alignment of Millennial interests with the nature of jobs in the meetings industry. With the right engagement, we can align the needs of students and the workplace and be transparent in what is needed for success. The Millennial generation brings skills to the table that no other generation has done before. With some cooperative work between universities and the meetings industry, we can continue to attract and train top-tier talent.

Endnotes

Source: (1) <http://www.pewresearch.org/fact-tank/2015/05/11/millennials-surpass-gen-xers-as-the-largest-generation-in-u-s-labor-force/>

Source: (2) <http://www.pwc.com/gx/en/managing-tomorrows-people/future-of-work/assets/reshaping-the-workplace.pdf>



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Trends by Region and Commentary



NORTH AMERICA

Meetings Activity

Number of Meetings by Meeting Type

Holding steady. In many ways, 2017 will reflect 2016 meetings and events activity across North America with little change in the number of meetings. This consistency suggests a leveling off after the positive growth of the past two years. One expert in North America explains, “the real rebound happened over the past two years, contributing to steady growth and the consistent numbers that we will see through 2017.”

Content over numbers. Respondents predict decreases in larger meeting types, including tradeshow, product launches and incentive and special events as meeting owners look to tighten budgets and focus on meeting and event quality over quantity. The growth of the past two years for meetings has put meeting owners in a position where they can now focus on content-level innovations. One expert in North America suggests that meetings planners and owners “need to think more strategically about content, what they are offering attendees in terms of the meeting experience, and how they stimulate and engage attendees, especially in the case of large meetings.” In many instances, she explains, there are limits to what you can do with a

meeting room, but planners can be creative and innovative with food, entertainment, and their use of mobile apps to engage attendees.

Leaner and focused. Respondents predict the number of attendees across meeting types will decrease slightly as meeting owners take a closer look at how many, and who, are attending. Conferences and tradeshow remain the largest meeting type, with a predicted size over 400; product launches and incentive and special events are also sizeable, with more than 200 attendees. While product launches and incentive and special events are predicted to decrease in the number of meetings in 2017, they are expected to increase slightly in size.

Extending the engagement. Though days per meeting remain the same, experts explain the use of mobile apps and social media continue to encourage networking before and after meetings, extending meetings beyond their face-to-face days. Meetings experts suggest there remains much to be learned and developed in terms of the use of mobile applications to engage people in the meeting and in networking beyond the meeting. One suggests that “meetings apps are affecting the industry in a very positive way, but we need to address training, we need to arm our resources and our employees with information so that they can work more effectively with meeting owners to understand their options and possibilities.”

Days per Meeting

Meeting length. As meeting numbers remain consistent, so will the length of meetings in North America. Respondents suggest that the length of meetings across all meeting types will remain largely unchanged over the coming year, with changes of less than half of a day.

Meetings Budgets & Planning

Overall Meeting Spend & Cost Per Attendee

Stable spend. With regards to spending, respondents in North America indicate that meeting budgets will remain relatively consistent with last year's spending, suggesting that cost per attendee (not including air spend) across meeting types will remain the same or decrease only slightly. 2016 marked the largest forecasted spend increase in four years, reflecting an emphasis on the importance of meetings and events. With political shifts potentially impacting the economic environment, including Brexit and an upcoming U.S. election, it's not surprising that many meeting owners are cautiously planning to keep their meetings spend steady through 2017.

Where to focus. Working with budgets that are not expected to increase poses a challenge for some meeting owners and planners, particularly as higher hotel occupancies have helped suppliers in their price negotiations. One expert suggests that to address this challenge, "meeting owners are willing to consolidate some meeting types and are more open to entertaining unique properties. These unique properties often include higher-end hotels. In addition, meeting owners are spending more on the hotels

Number of Meetings Planned

▲ Greater than 20% increase over previous year
▼ Greater than 20% decrease over previous year

MEETING TYPE

Sales/Marketing	11.6
Training	14.1
Internal Team Meeting	13.4
Product Launch (Internal/External)	3.3 ▼
Conferences/Trade shows	7.9 ▼
Senior Leadership/Board Meeting	7.5
Advisory Board	6.6
Incentive/Special events	4.3 ▼

Number of Attendees

▲ Greater than 20% increase over previous year
▼ Greater than 20% decrease over previous year

MEETING TYPE

Sales/Marketing	162
Training	100 ▼
Internal Team Meeting	79
Product Launch (Internal/External)	255 ▲
Conferences/Trade shows	408
Senior Leadership/Board Meeting	43 ▼
Advisory Board	36 ▼
Incentive/Special events	230

Days per Meeting

▲ Increase over previous year
▼ Decrease over previous year

MEETING TYPE

Sales/Marketing	2.4
Training	2.5
Internal Team Meeting	2.0 ▲
Product Launch (Internal/External)	2.4 ▲
Conferences/Trade shows	3.0 ▼
Senior Leadership Meeting/Board Meeting	2.2
Advisory Board	1.9 ▼
Incentive/Special events	3.1 ▼

(Source: American Express Meetings & Events North American Survey, August 2016)

Cost Per Attendee (excluding air cost)

MEETING TYPE

Sales/Marketing	\$412
Training	\$370
Internal Team Meeting	\$293
Product Launch (Internal/External)	\$415
Conferences/Trade shows	\$523
Senior Leadership/Board Meeting	\$462
Advisory Board	\$415
Incentive/Special events	\$640

Cost Area Cut First in Meeting Budget (and still maintain customer experience)

Number of Nights	17%
Registration Site	1%
Ground Transportation	4%
Communication	0%
Off-site Evening Events	20%
Off-site Optional Activities	14%
Audio Visual	3%
Food & Beverage	14%
On-site Travel Staff	7%
Room Drops	7%
Use of Destination Management Company (DMC)	14%

(Source: American Express Meetings & Events
North American Survey, August 2016)

and hosting fewer meetings.” When a meeting budget reaches its limit, respondents suggest that off-site evening events and the length of meetings are the first areas where cuts will be made. A meetings professional explains that “choosing properties where the meeting can be self-contained or allowing attendees to walk to off-site events are simple ways to cut costs that don’t take away from the quality of the meeting.” Another suggests that greater attention is being paid to “ensuring that resources are dedicated appropriately and that companies are not spending on non-value adding activities.”

Innovation and experience. Respondents indicate that communication, registration and audio-visual technology are areas where budget cuts are rarely made. These areas are viewed as crucial to the quality of a meeting and the attendees’ experience of the meeting. With the trend toward mobile technology and technological innovation, these will continue to grow as key spending areas.

Meeting Location

Primary Locations for Meetings

Second-tier on the rise. Similar to previous predictions, respondents still expect large city locations to dominate, but less so than previous years. While last year saw predictions that 80% of meetings activity would take place in large city locations, respondents predict that 73% of meetings activity will take place in such locations in 2017. Second-tier cities increase from 20% for 2016 to 27% for 2017.

The top ten. The top ten North American destinations for all meetings remain largely

unchanged from the past two years. Orlando and Chicago remain the top two cities for meetings activities and New Orleans replaces Phoenix as tenth to take its place back on the top ten. As in past years, the relative stability in the top ten list indicates continued interest in larger metropolitan destinations, but experts suggest a growing interest in second-tier cities for many meeting types as a more affordable alternative.

Accessibility increases interest. Meetings professionals suggest large-tier cities draw clients partly because of the ease of getting there and property choice. One expert suggests that “low-cost air often dictates location choice.” But as availability in larger cities tightens and airlines create new routes to mid-tier cities, interest in cities such as Nashville or Salt Lake City is growing.

Pricing Trends

Group Hotel Rates

Looking beyond the traditional. In 2017, group hotel rates within North America are expected to remain relatively flat compared with expected increases globally. At the same time, new mid-scale and luxury hotel openings in North America are expected to decline from 731 in 2016 to 538 in 2017 and meeting planners will continue to be challenged by limited hotel supply. To address the supply-versus-demand conundrum and budget limits, meeting planners and owners are increasingly looking beyond the traditional property choices in large cities to more unique, smaller properties, often outside the metropolitan area. Creativity in location and property choice is key to achieving meeting goals within budget constraints.

Overall Meeting Spend

MEETING BUDGETS	CHANGE
Overall Spend	+0.8%

Primary Locations for Meetings



Group Hotel Rates

PRICING TRENDS	CHANGE
Group Hotel Rates 2017	3.7%
Group Hotel Rates 2016	4.2%

(Source: American Express Meetings & Events North American Survey, August 2016)

Top 10 U.S. Cities based on Meetings & Events Activity

1. Orlando, FL
2. Chicago, IL
3. Las Vegas, NV
4. Atlanta, GA
5. San Diego, CA
6. New York, NY
7. Washington, DC
8. Dallas, TX
9. Nashville, TN
10. New Orleans, LA

(Source: Cvent, 2016)



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EUROPE

Meetings Activity

Number of Meetings by Meeting Type

Fewer meetings. Survey respondents in Europe predict overall decreases in the number of meetings across most meeting types for 2017. This marks a shift from the upward trend of 2015 and 2016. While this is an overall European trend, some differences emerge for specific countries. Respondents from the UK suggest, for example, decreases across several meeting types, such as incentives and special events and senior leadership meetings, while respondents from Germany and France point to increases in internal meeting activity. Internal meetings and training meetings top the list of meetings type activity in nearly all countries, led by Germany and the UK.

European meetings experts explain that European meetings and events activity will experience shifts in number, size and length over the coming year due to political and economic factors. One expert in Belgium explains that “the world is changing and we see now, more than ever, that political and economic insecurity as well as perceptions of danger give rise to concerns in Belgium and may lead to meetings being cancelled or postponed.”

Growing smaller meetings. While respondents anticipate fewer meetings for several meeting types, many suggest the typically smaller internal, advisory and training meetings will increase in size and/or frequency. Moreover, experts in Europe see a growing focus on smaller meetings and more meetings being held closer to home. As one expert from Germany explains, “there is a growing trend toward fewer large events and more of a focus on quality, small events that are closer to home and optimize together time rather than travel time.”

Number of Attendees per Meeting

The size of meetings predicted varies considerably across meeting types and countries. However, product launch and conferences and tradeshow tend to be the larger meetings in most countries. Interestingly, for the most part, these meeting types are not expected to change significantly in size, though fewer may be held overall, while respondents suggest increases in the size of many other smaller types, led by training and internal team meetings.

Days per Meeting

Little change from 2016. Meeting length is predicted to remain relatively unchanged across Europe, with changes of less than half of a day.

The exception again this year is France, where days per meeting are predicted to increase, bringing the expected numbers in this country up from last year's decreases in meeting length.

Meetings Budget & Planning

Overall Meeting Spend & Cost per Attendee

Spend stays the same. Meeting budgets are expected to remain relatively flat across Europe, with Germany seeing the biggest increase of 3.3% and an anticipated decrease in France of 1.2%. A meetings expert from the UK explains that meeting owners are “looking for value with no increase in spending. They don't want to go above what they have budgeted and this has implications for location. Rather than hold their meeting in London they may choose Lisbon, for instance, as hotel rates are typically lower there and then they can spend more on other elements of the meeting.”

Larger meetings are more expensive. Cost per attendee, excluding air cost, for larger meeting types such as conferences and tradeshow, as well as product launches, are predicted by respondents to be some of the more expensive meetings in 2017. Spending on attendees for incentives and special events is, not surprisingly, expected to be the highest in most countries, with France as the exception. High property rates and a focus on delivering an optimal attendee experience are two likely drivers of these higher costs.

The appeal of smaller meetings. Respondents in most countries expect a lower cost

per attendee for training and internal team meetings. Experts in Europe point to a growing interest in smaller, shorter meetings with a more narrowly-defined focus. “Smaller meetings become more appealing,” an expert from Germany suggests, “as these meetings are less complex in terms of planning, but offer the opportunity to put more into developing the right content and maximizing the output.” Additionally, many organizations will use their own on-site facilities for these types of meetings where possible to reduce costs.

Spending on the experience. When faced with tighter budgets, meeting owners in Europe are willing to limit off-site optional events and activities as well as shorten the number of nights. A meetings professional from Spain predicts that “the overall spend for events will remain stable, while changes in services will change. We might be asked to reduce on logistics, on the venue, but increase spending on communication, branding and meeting activities.” As with other regions, survey respondents in Europe as well as those experts interviewed agree that communication, registration and audio-visual meeting elements are high priority spend components that are least likely to see cuts.

Meeting Locations

Primary Locations for Meetings

Growing interest in second-tier cities. Respondents across European countries expect at least 79% of meetings to take place in large cities, with London, Barcelona, Amsterdam and Paris viewed as the top four European destinations. While large cities continue to dominate across Europe, several countries anticipate decreases in large city meetings. 2016 UK predictions

▲ Greater than 20% increase over previous year

▼ Greater than 20% decrease over previous year

Number of Meetings

MEETING TYPE	EUROPE	U.K.	GERMANY	FRANCE	BELGIUM/ NETHERLANDS	SPAIN*	DENMARK/ SWEDEN*
Sales/Marketing	15.6 ▼	18.9 ▼	29.1	8.9 ▲	15.9	13.3	14.4
Training	16.3 ▼	23.8	33.8 ▲	10.4 ▲	25.6	4.9	12.5
Internal Team Meeting	19.2	25.6	34.5 ▲	9.7 ▲	22.1	16.9	16.4
Product Launch (Internal/External)	8.1	12.3 ▼	7.7	5.3 ▲	11.9 ▲	5.7	7.6
Conferences/Trade shows	14.7 ▼	19.7 ▼	17.8	7.9 ▼	20.1	10.1	16.5
Senior Leadership/Board Meeting	8.8 ▼	14.0	14.3 ▲	3.4	9.3	8.6	7.5
Advisory Board	7.5 ▼	18.2 ▼	10.9 ▲	1.6 ▼	12.1	3.0	6.5
Incentive/Special events	5.8 ▼	5.4	10.1 ▲	5.4 ▲	4.4 ▼	5.9	5.2

*YOY increase and decrease information not available for Spain and Denmark/Sweden

(Source: American Express Meetings & Events European Survey, August 2016)

Number of Attendees per Meeting

MEETING TYPE	EUROPE	U.K.	GERMANY	FRANCE	BELGIUM/ NETHERLANDS	SPAIN*	DENMARK/ SWEDEN*
Sales/Marketing	117	225	109	136 ▲	108 ▲	99	52
Training	109 ▲	187	155 ▲	73 ▲	116 ▲	79	27
Internal Team Meeting	120 ▲	180 ▲	139 ▲	120 ▲	140 ▲	119	51
Product Launch (Internal/External)	168	158 ▼	230	180	134 ▲	210	95
Conferences/Trade shows	208	316 ▲	206	179 ▼	174 ▼	245	61
Senior Leadership/Board Meeting	44	73 ▼	49 ▲	35 ▼	63 ▲	41	18
Advisory Board	74 ▲	74 ▼	56 ▲	38 ▲	59	155	20
Incentive/Special events	138	178	93 ▼	84 ▲	182 ▲	200	97

*YOY increase and decrease information not available for Spain and Denmark/Sweden

(Source: American Express Meetings & Events European Survey, August 2016)

Days per Meeting

▲ Increase over previous year

▼ Decrease over previous year

MEETING TYPE	EUROPE	U.K.	GERMANY	FRANCE	BELGIUM/ NETHERLANDS	SPAIN*	DENMARK/ SWEDEN*
Sales/Marketing	2.1 ▲	1.9 ▼	2.3 ▲	2.4 ▲	1.9	2.2	1.8
Training	2.0	2.2	2.3 ▲	1.9 ▲	2.0 ▼	2.0	1.7
Internal Team Meeting	2.1 ▲	1.9	1.8 ▲	2.9 ▲	2.0 ▲	2.3	1.8
Product Launch (Internal/External)	2.0 ▲	1.6 ▼	2.6 ▲	2.1 ▲	2.2 ▲	2.2	1.5
Conferences/Trade shows	2.8	2.7 ▼	3.0 ▲	2.9 ▲	2.9	2.9	2.4
Senior Leadership/Board Meeting	1.9 ▼	2.0 ▼	2.1 ▲	2.0 ▲	2.0 ▲	2.0	1.7
Advisory Board	1.6 ▼	1.5 ▼	1.8 ▲	1.8 ▲	1.5 ▲	2.0	1.4
Incentive/Special events	3.1 ▼	3.2 ▲	2.4 ▼	2.4 ▼	2.9 ▲	4.0	2.4

*YOY increase and decrease information not available for Spain and Denmark/Sweden

(Source: American Express Meetings & Events European Survey, August 2016)

Cost Per Attendee (excluding air cost)

MEETING TYPE	EUROPE	U.K.	GERMANY	FRANCE	BELGIUM/ NETHERLANDS	SPAIN	DENMARK/ SWEDEN
Sales/Marketing	\$377	\$317	\$241	\$419	\$348	\$486	\$315
Training	\$304	\$304	\$168	\$328	\$337	\$357	\$259
Internal Team Meeting	\$325	\$292	\$150	\$361	\$330	\$403	\$300
Product Launch (Internal/External)	\$457	\$309	\$356	\$495	\$416	\$618	\$386
Conferences/Trade shows	\$595	\$465	\$440	\$827	\$757	\$680	\$455
Senior Leadership/Board Meeting	\$427	\$287	\$316	\$343	\$416	\$558	\$415
Advisory Board	\$333	\$226	\$210	\$533	\$191	\$620	\$302
Incentive/Special events	\$683	\$592	\$534	\$436	\$600	\$923	\$547

(Source: American Express Meetings & Events European Survey, August 2016)

Cost Area Cut First in Meeting Budget (and still maintain customer experience)

	EUROPE	U.K.	GERMANY	FRANCE	BELGIUM/ NETHERLANDS	SPAIN	DENMARK/ SWEDEN
Number Of Nights	15%	10%	15%	5%	3%	25%	27%
Registration Site	3%	0%	0%	0%	3%	3%	5%
Ground Transportation	3%	0%	0%	11%	3%	3%	0%
Communication	3%	0%	0%	7%	0%	4%	0%
Off-site Evening Events	13%	14%	15%	23%	10%	6%	14%
Off-site Optional Activities	25%	29%	52%	11%	24%	25%	16%
Audio Visual	2%	7%	0%	2%	0%	3%	0%
Food & Beverage	10%	19%	4%	9%	3%	10%	14%
On-site Travel Staff	11%	7%	4%	11%	21%	13%	8%
Room Drops	10%	7%	11%	16%	17%	3%	16%
Use Of Destination Management Company (DMC)	5%	7%	0%	5%	14%	4%	0%

(Source: American Express Meetings & Events European Survey, August 2016)

Group Hotel Rates

	EUROPE	U.K.	GERMANY	FRANCE	BELGIUM/ NETHERLANDS	SPAIN	DENMARK/ SWEDEN
2017	1.8%	2.7%	2.0%	0.1%	1.7%	2.0%	1.8%
2016	2.3%	2.6%	2.2%	2.5%	3.1%	N/A	N/A

(Source: American Express Meetings & Events European Survey, August 2016)

suggested that 100% of meetings would be held in large cities. Respondents from the UK for this year's survey predict this number will decrease to 81% in 2017. Germany is also expected to see a decrease from 91% to 81% in large cities, while 19% will be held in second-tier cities. Belgium and the Netherlands will likely continue to have the highest number of second-tier city meetings at 21%.

One meeting expert in Spain suggests that



"large cities such as Barcelona and Madrid are often fully booked, so that meeting owners and planners have to look to second-tier cities." He adds that the addition of new routes and the growing popularity of certain smaller cities are opening up opportunities for new destinations. A meetings expert in Belgium suggests that "second-tier cities such as Dublin and Prague will continue to grow as customers look to stay within budgets and want to do more with their budgets."

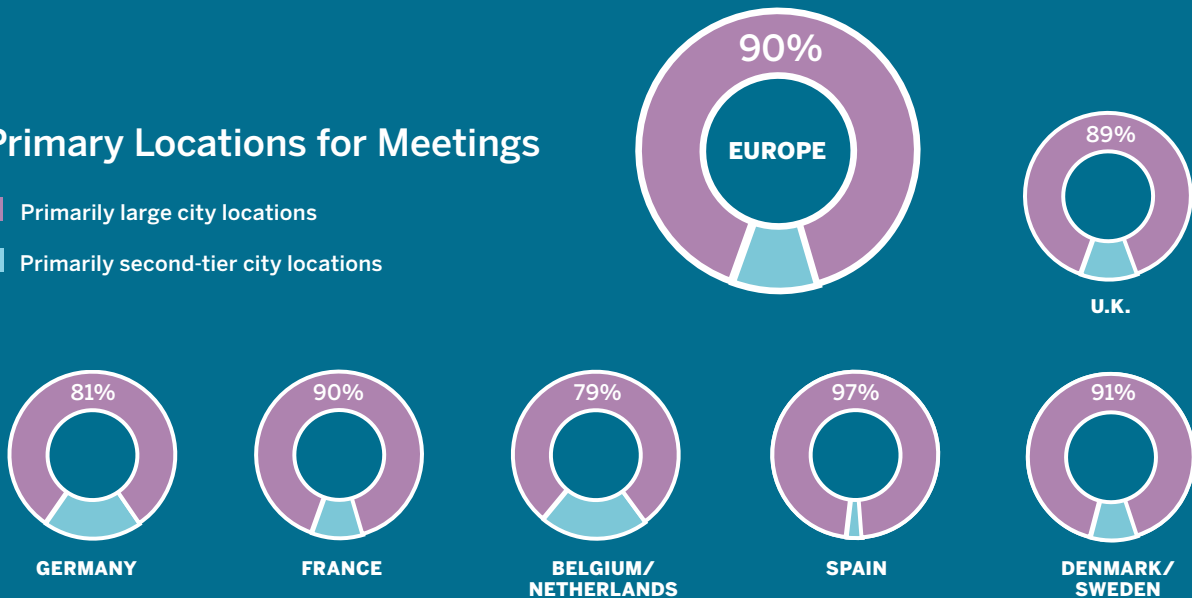
SURVEY RESULTS

Individual Meeting Budgets

	EUROPE	U.K.	GERMANY	FRANCE	BELGIUM/ NETHERLANDS	SPAIN	DENMARK/ SWEDEN
Overall Spend	0.8%	1.2%	3.3%	-1.2%	-0.4%	0%	2.6%

Primary Locations for Meetings

-  Primarily large city locations
-  Primarily second-tier city locations



(Source: American Express Meetings & Events European Survey, August 2016)

Pricing Trends

Group Hotel Rates

Rising rates. Survey respondents predict slight increases in hotel rates through 2017 at an average of 1.8%. Respondents from the UK predict the highest increase at 2.7%, similar to their expected 2.6% increase for 2016. While Belgium and the Netherlands anticipated an increase of 3.1% in 2016, they suggest a much smaller increase of 1.7% in 2017. Respondents from France stand out in their predictions that hotel rates will remain relatively flat.

In the face of rising rates, experts across Europe point to efforts to rethink how, when and where meetings are held. One suggests that “as rates rise, companies are changing how they do larger meetings, breaking meetings up or creating virtual meetings so that people can attend from their own location.”

Tailor-made events. Experts in Europe point to a growing desire for unique venues, those that are not well known and offer something different for a meeting or event. One expert points out “that lofts, warehouses, and those little known and often empty venues in town are appealing because we can set up tailor-made events according to our customer’s corporate strategy.” Another agrees, and suggests that “while high volume meetings are still looking at four-star property offerings, we are now tailoring to specific hotels as people are trending toward more creative, innovative locations.”

Safety first. Several experts in Europe suggest that safety and security are top-of-mind for meeting owners and planners as they make location and venue decisions. “While saving money on rooms is important,” he explains, “we cannot make cuts when it comes to safety and we have to work to deliver events with the best safety possible.” Working closely with hotel and off-site venue security is an important step for meeting owners to take when selecting a location, as well as during the planning and execution phases of a meeting.

SURVEY RESULTS

Top 10 European Cities based on Meetings & Events Activity

1. London, England
2. Barcelona, Spain
3. Amsterdam, Netherlands
4. Paris, France
5. Berlin, Germany
6. Rome, Italy
7. Frankfurt, Germany
8. Madrid, Spain
9. Brussels, Belgium
10. Prague, Czech Republic

(Source: Cvent, 2016)

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ASIA PACIFIC

Meetings Activity

Number of Meetings by Meeting Type

Optimistic in Asia Pacific. While respondents in other global regions point to a leveling off of growth, those in Asia Pacific express some optimism, predicting increases in the number of meetings across most meeting types. As the global hub of manufacturing with very diverse travel destinations, the economic growth and development of meetings and tourism infrastructure throughout the region have contributed to a positive outlook for 2017. Larger meetings including sales and marketing, conferences and tradeshow, training and internal team meetings continue to be the more popular meeting types in the region.

Australia stands apart. Respondents in Australia predict a decrease in the number of training, senior leadership and advisory board meetings, while they expect the number of internal team meetings and product launches to increase. The relatively high number of expected internal meetings could be explained partly by the prevalence of regional head offices in Australia as well as the capacity that exists in Australia to sustain this meeting activity.

Number of Attendees per Meeting

Growing capacity and more attendees. The development of travel and meeting infrastructure continues to sustain a growing meetings and events industry in the region. Meeting size is expected to increase across most meeting types throughout the region over the coming year. The growth in number of attendees per meeting predicted in last year's forecast is expected to continue with conferences and tradeshow, incentive and special events and sales and marketing meetings standing out as the larger meeting types.

Days per Meeting

Little change from 2016. Meeting length is predicted to change by less than half a day across meeting types in the region with the exception of Australia, where larger decreases are predicted for several meeting types. While Australia stood out in 2016 with longer sales and marketing as well as conferences and tradeshow, respondents predict these meeting lengths to more closely align with overall regional numbers in 2017. In fact, Australian conferences and tradeshow, as well as incentives and special events, are expected to be shorter than the rest of the region next year.

The complexity of meeting planning. While meetings might get shorter, many become more complex, as large meetings often give rise to many smaller sub-meetings that then occur simultaneously. One Asia Pacific meetings expert explains how one meeting can transform quickly. “For example, we have a large meeting coming up in China with over 900 attendees. It began as one meeting. It now comprises 80 smaller meetings as individuals are trying to maximize the opportunity to meet.”

Large meeting activity such as this contributes to more complexity throughout the meeting planning process. A global meetings professional says in order to manage the growth in meetings activity and this type of complexity, meeting planners and suppliers are looking more closely at their meetings strategy. He suggests “Asia Pacific planners and suppliers are working to consolidate using a strategic base to ensure they can meet the demand.” Many suggest that attention to overall meetings strategy can better facilitate procurement and planning for meetings and events.

Meetings Budget & Planning

Overall Meeting Spend & Cost per Attendee

Remaining flat. While meeting activity may be on the upswing, overall meeting spend per company is expected to remain flat through 2017 in Asia Pacific. Australia stands out with a predicted increase of 2.8% in 2017, although this is down from its 5.1% forecast for 2016.

Number of Meetings

▲ Greater than 20% increase over previous year

▼ Greater than 20% decrease over previous year

MEETING TYPE	ASIA PACIFIC	AUSTRALIA
Sales/Marketing	15.0 ▲	10.9
Training	12.5	9.7 ▼
Internal Team Meeting	15.6 ▲	18.4 ▲
Product Launch (Internal/External)	6.0 ▲	4.3 ▲
Conferences/Trade shows	11.5 ▲	16.0
Senior Leadership/Board Meeting	6.2	5.0 ▼
Advisory Board	5.8 ▼	5.1 ▼
Incentive/Special events	6.2	5.1

Number of Attendees per Meeting

▲ Greater than 20% increase over previous year

▼ Greater than 20% decrease over previous year

MEETING TYPE	ASIA PACIFIC	AUSTRALIA
Sales/Marketing	124	124 ▼
Training	102 ▲	76
Internal Team Meeting	103 ▲	123 ▲
Product Launch (Internal/External)	180 ▲	104
Conferences/Trade shows	290 ▲	161
Senior Leadership/Board Meeting	71 ▲	41
Advisory Board	43 ▼	29
Incentive/Special events	153	209 ▲

Days per Meeting

▲ Increase over previous year

▼ Decrease over previous year

MEETING TYPE	ASIA PACIFIC	AUSTRALIA
Sales/Marketing	2.2	2.1 ▼
Training	2.3 ▲	1.6 ▼
Internal Team Meeting	2.1 ▲	2.2 ▼
Product Launch (Internal/External)	1.6 ▲	1.7 ▲
Conferences/Trade shows	2.7 ▼	2.2 ▼
Senior Leadership/Board Meeting	2.3 ▲	2.4 ▲
Advisory Board	1.6 ▼	1.4 ▼
Incentive/Special events	3.0 ▼	2.5 ▼

(Source: American Express Meetings & Events Asia Pacific Survey, August 2016)

Cost Per Attendee (excluding air cost)

MEETING TYPE	ASIA PACIFIC	AUSTRALIA
Sales/Marketing	\$386	\$342
Training	\$312	\$179
Internal Team Meeting	\$252	\$70
Product Launch (Internal/External)	\$493	\$275
Conferences/Trade shows	\$550	\$354
Senior Leadership/ Board Meeting	\$499	\$315
Advisory Board	\$475	\$164
Incentive/Special events	\$603	\$345

(Source: American Express Meetings & Events
Asia Pacific Survey, August 2016)

Cost Area Cut First in Meeting Budget (and still maintain customer experience)

	ASIA PACIFIC	AUSTRALIA
Number Of Nights	14%	25%
Registration Site	0%	0%
Ground Transportation	2%	0%
Communication	2%	0%
Off-Site Evening Events	12%	6%
Off-Site Optional Activities	29%	25%
Audio Visual	5%	13%
Food & Beverage	14%	13%
On-site Travel Staff	9%	13%
Room Drops	5%	0%
Use Of Destination Management Company (DMC)	9%	6%

(Source: American Express Meetings & Events
Asia Pacific Survey, August 2016)

Less per attendee in Australia. Compared to the region overall, respondent predictions for the average cost per attendee, excluding air cost, in Australia are much lower.

Emphasis on the entire meeting experience.

As with other regions, when faced with tighter budgets, respondents in Asia Pacific indicate that meeting owners are willing to limit off-site optional events and activities as well as shorten the number of nights per meeting. Meeting owners are not willing to make cuts when it comes to registration, communication and transportation. The attendees' experience of the meeting is top priority. While budgets are crucial, one meetings expert in Asia Pacific points out that for some large companies planning meetings does not begin with the budget, necessarily, but with understanding the desired experience from beginning to end. She explains that "negotiation is not in terms of budget, but in terms of the customer experience from their first flight to the meeting to the return trip home."

Meeting Locations

Primary Locations for Meetings

Large cities less appealing. The appeal of large cities continues to decline from previous years, with respondents in both Australia and the region overall suggesting that 81% of meetings will be held in large cities. This represents a shift for Australia from its 88% in 2016 as it follows the global trend toward greater use of second-tier locations.

The top ten. The top ten cities in the region are similar to last year, with Singapore in the number one spot again and Sydney, Australia, replacing Shanghai, China, as number two. Shanghai moves to sixth on the list and Kuala Lumpur, Malaysia, moves into third. Seoul, South Korea, makes it onto the list for 2017 as the tenth top city in the region.

Pricing Trends

Group Hotel Rates

Rising rates. Respondents suggest group hotel rates will continue their gradual climb, at a rate of 1.2% in 2017. Respondents in Australia predict a greater climb of 2.8%. One meetings expert in the region explains “that suppliers are getting a lot more aggressive, recognizing that the pipeline is challenged for 2017 with greater demand than supply. But supply versus demand depends on the destination and we do have great diversity here.”

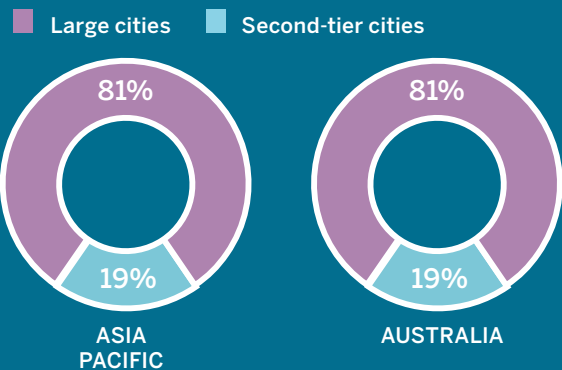
Working together. Experts suggest that the best way to ensure better rates, whether hotel or air, is to plan in advance and for planners and companies to work collaboratively to identify the best timing and destinations for meetings.

Building opportunities. A global supplier indicates that “new hotel openings are growing the breadth of destination possibilities in the region including Myanmar, Vietnam, Indonesia and other areas. This region is building on its diversity and its meetings and events will benefit.”

Overall Meeting Spend

MEETING BUDGETS	ASIA PACIFIC	AUSTRALIA
Overall Spend	-0.1%	+2.8%

Primary Locations for Meetings



Group Hotel Rates

	ASIA PACIFIC	AUSTRALIA
2017	1.2%	2.8%
2016	1.4%	2.1%

(Source: American Express Meetings & Events Asia Pacific Survey, August 2016)

Top 10 Asia Pacific Cities based on Meetings & Events Activity

1. Singapore
2. Sydney, Australia
3. Kuala Lumpur, Malaysia
4. Bangkok, Thailand
5. Hong Kong
6. Shanghai, China
7. Melbourne, Australia
8. Tokyo, Japan
9. Beijing, China
10. Seoul, South Korea

(Source: Cvent, 2016)

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CENTRAL AND SOUTH AMERICA

Meetings Activity

Number of Meetings by Meeting Type

Fewer meetings. As with other regions, respondents from Central and South America predict fewer meetings across most meeting types. Economic growth in some parts of the region, global events that were expected to attract significant attention to the region and the development of travel and meeting infrastructure contributed to growth throughout the region in 2015 and 2016. This activity is predicted to level off for a period as economies slow in some countries. One meetings professional suggests, for example, that “Brazil’s economic slowdown, combined with indicators that the Rio Olympics did not generate the expected level of interest, will likely translate into lower demand on meetings and events and lower in-bound business traffic for 2017.”

In contrast, respondents anticipate an increase in both sales and marketing meetings, and training meetings, perhaps as part of an emphasis on driving revenue and increasing productivity during this slower growth period.

Number of Attendees per Meeting

Smaller meetings. Most meeting types are expected to decrease in size over the coming year within the region. Conferences and trade-shows, advisory board meetings and incentive and special events that were identified as large in 2016 will see decreases in numbers in 2017. The trend toward optimizing attendee lists may be a key driver of this anticipated reduction in meeting sizes.

A light on the horizon. While meetings activity levels off in the region, global experts point out that “many clients worldwide are beginning to prioritize Latin America, including countries such as Mexico and Argentina, when globalizing their strategic meetings management programs, reflecting growing interest in the region and the quality of meetings and events practices in those areas.” Increasing the diligence around meetings may also point to a short-term slowdown as organizations work to get a clear handle on the meetings activity in the region.

Number of Meetings Planned

▲ Greater than 20% increase over previous year
▼ Greater than 20% decrease over previous year

MEETING TYPE

Sales/Marketing	17.5	▲
Training	19.6	▲
Internal Team Meeting	11.7	
Product Launch (Internal/External)	5.3	▼
Conferences/Trade shows	6.2	▼
Senior Leadership/Board Meeting	8.0	▼
Advisory Board	4.5	▼
Incentive/Special events	4.2	▼

Number of Attendees

▲ Greater than 20% increase over previous year
▼ Greater than 20% decrease over previous year

MEETING TYPE

Sales/Marketing	159	▼
Training	114	
Internal Team Meeting	95	
Product Launch (Internal/External)	290	▼
Conferences/Trade shows	113	▼
Senior Leadership/Board Meeting	39	▼
Advisory Board	46	▼
Incentive/Special events	118	

Days per Meeting

▲ Increase over previous year
▼ Decrease over previous year

MEETING TYPE

Sales/Marketing	2.5	
Training	2.7	▲
Internal Team Meeting	1.9	▼
Product Launch (Internal/External)	1.9	▼
Conferences/Trade shows	2.5	▼
Senior Leadership/Board Meeting	2.1	▼
Advisory Board	2.0	▼
Incentive/Special events	3.6	▼

(Source: American Express Meetings & Events Central/South American Survey, August 2016)

Days per Meeting

Little change in length from 2016. Meeting length is predicted to change by less than half a day, if at all, across meeting types for Central and South America. A meetings expert from Mexico echoes other global experts in explaining that “with tighter budgets, meeting owners are staying consistent in terms of the length of meetings and the number of attendees.”

Trimming larger meetings. While meeting lengths remain steady overall, conferences and tradeshows as well as product launches are predicted to see a very small adjustment. Respondents predict these meeting types may be reduced by half a day. In the context of a larger, longer meeting, this reduction will not have a major impact overall, but may result in some savings around food and beverage, audio-visual and space rentals, helping to mitigate predicted increases in cost per attendee, excluding air cost.

Meetings Budget & Planning

Overall Meeting Spend & Cost per Attendee

Increasing spend... slowly. Overall meeting spend per company is expected to increase by 1.1% in 2017, continuing the steady increase that we saw in 2016. While meeting numbers, size and length are expected to decrease slightly or remain flat through 2017, companies continue to invest in their meetings and events programs. These programs are becoming ever more critical and companies are continuing with a trend toward slightly larger budgets.

Higher attendee costs. Similar to last year, respondents anticipate their average cost per attendee, excluding air cost, to be higher in Central and South America than in other regions. Internal team meetings are expected to remain the least expensive at \$481 per attendee, while per attendee costs for incentives and special events are over 80% higher than team meetings at \$891.

Focusing on program development. Experts point to a push in the region to further develop meetings and events programs. The region has a long-standing tradition of outsourcing meeting planning, putting out requests to potential planning vendors that typically provide end-to-end meetings support. This tradition is strong, but the growing concern with transparency and with the need to align meetings and events strategies with requests for proposals has led to a focus on strategic management. One expert in the region explains that “most companies in the region have no visibility and no meeting policy, but they recognize the need for transparency as well as strategic management and want to move in this direction.” She points out that while most companies have a travel policy, very few have a meetings policy and this is where change is beginning to happen. Companies within Central/South America that are part of a larger global organization are much more likely to have a policy as part of a globalized strategic meetings management initiative. The growing presence of these global meetings policies and processes are another factor in local companies adopting this practice.

Putting more into training. While training meetings are expected to see a drop in number of attendees, cost per attendee, excluding air cost, is expected to increase slightly. As reported last year, training meetings often do not require

Cost Per Attendee (excluding air cost)

MEETING TYPE

Sales/Marketing	\$688
Training	\$524
Internal Team Meeting	\$481
Product Launch (Internal/External)	\$716
Conferences/Trade shows	\$648
Senior Leadership/Board Meeting	\$745
Advisory Board	\$553
Incentive/Special events	\$891

(Source: American Express Meetings & Events Central/South American Survey, August 2016)

Cost area cut first in Meeting Budget (and still maintain customer experience)

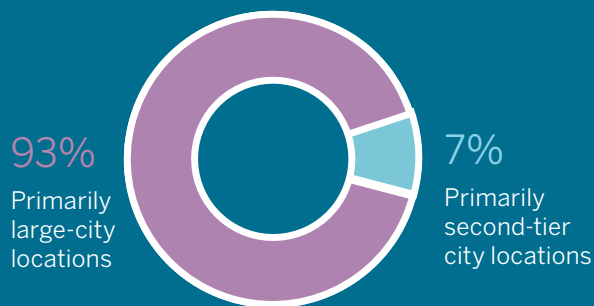
Number Of Nights	21.7%
Registration Site	2.2%
Ground Transportation	0%
Communication	0%
Off Site Evening Events	13.0%
Off Site Optional Activities	28.3%
Audio Visual	8.7%
Food & Beverage	8.7%
On-site Travel Staff	2.2%
Room Drops	10.9%
Use Of Destination Management Company (Dmc)	4.3%

Overall Meeting Spend

MEETING BUDGETS

Overall Spend +1.1%

Primary Locations for Meetings



Group Hotel Rates

Group Hotel Rates 2017 3.7%

Group Hotel Rates 2016 1.5%

(Source: American Express Meetings & Events Central/South American Survey, August 2016)

Top 10 Central/South American Cities based on Meetings & Events Activity

1. Rio de Janeiro, Brazil
2. Cancun/Riviera Maya, Mexico
3. Panama City, Panama
4. São Paulo, Brazil
5. Mexico City, Mexico
6. Cartagena, Colombia
7. Punta Cana, Dominican Republic
8. Buenos Aires, Argentina
9. Lima, Peru
10. Santiago, Chile

(Source: American Express Meetings & Events Destination Analysis, August 2016)

as much travel because they are internal and often held at local facilities. Thus, the expected increase in cost per attendee speaks to a growing emphasis on employee development across the region.

Spending on the experience. As with other regions when faced with flat budgets but increasing meetings-related costs, respondents in Central and South America indicate that meeting owners are willing to limit off-site optional events and activities as well as shorten the number of nights of a meeting. Communication is crucial, though, and a regional expert points to a “growing interest in mobile apps and other technologies that can enhance networking and ultimately shape a meeting and its attendees’ experiences.”

Meeting Locations

Primary Locations for Meetings

Large cities continue to dominate. As they did last year, respondents anticipate that the overwhelming majority of meetings, 93%, will take place in large cities. The top ten destinations for meetings and events in Central and South America remain relatively unchanged from 2016, with Rio de Janeiro, Cancun and Panama City taking the top three spots for 2017. Mexico City makes the top ten this year while another Mexican City, Las Cabos, loses its spot on the list.

Planning for the unpredictable. Experts highlight the ever-present need to attend to the safety and security of meeting attendees. One regional expert points out “how unpredictable the weather in this large region can be at certain times of the year.” And Brazil’s Zika outbreak has opened the safety and security discussion even

wider. Another expert explains that “meetings are still occurring in areas where Zika has been identified, but there is a small percentage of travelers and meeting planners that are choosing to stay away.” Experts point out that traveler/employee safety and security are as critical as ever and putting duty of care upfront in the planning process is key.

Incentive meetings and special events, typically very large meetings, will see the largest drops in number and size. An expert points out “that Central and South American destinations, with their warm climate, tend to draw incentives and special events meetings in the first quarter.” This timing has resulted in recent cuts. He explains, “some groups that had set plans for Brazil or another Caribbean destination, for example, have cancelled suddenly and begun to look for alternate destinations due to Zika.”

Pricing Trends

Group Hotel Rates

Rising rates. Survey respondents predict an increase in hotel rates through 2017 of 3.7%, up significantly from 1.5% in 2016. Rio de Janeiro, with its spot on the global sporting events stage from 2014 through 2016, saw an increase in rates. The rest of Latin America was expected to remain much more stable through 2016, but a greater upward trend is anticipated for the coming year. One regional expert explains that as rates rise, “meeting owners are becoming very strict on hotel and food and beverage, and increasingly changing to a less expensive mid-tier location when possible, from a typical luxury location.” Experts also suggest that rising air rates influence property and location spend decisions.

Methodology

To develop this 2017 Meetings Forecast, a number of sources were used, including proprietary American Express Meetings & Events data sources, licensed third-party data and industry information, as well as interviews with industry leaders.

Information and data was gathered from actual and planned meetings activity of American Express Meetings & Events globally. Proprietary surveys of meeting professionals were conducted to gather trends across North America, Europe, Asia Pacific and Central/South America. A survey of leading hotel and airline suppliers as well as follow-up interviews were also used to inform the finding in this forecast.

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TOP 10 CITIES PER REGION



EUROPE

1. London, England
2. Barcelona, Spain
3. Amsterdam, Netherlands
4. Paris, France
5. Berlin, Germany
6. Rome, Italy
7. Frankfurt, Germany
8. Madrid, Spain
9. Brussels, Belgium
10. Prague, Czech Republic



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