



2012 Trends

MORE

Is The Word.

The word for 2012 is MORE! More meetings, more attendees, more business and more expenses—simply put, these are the trends noted from *ConventionSouth's* 2012 Meeting Trends in the South report.

Gleaned from a survey of more than 100 meeting planners from across the country—all of whom book meetings in the South, the report revealed two key signs that the meetings industry is rebounding:

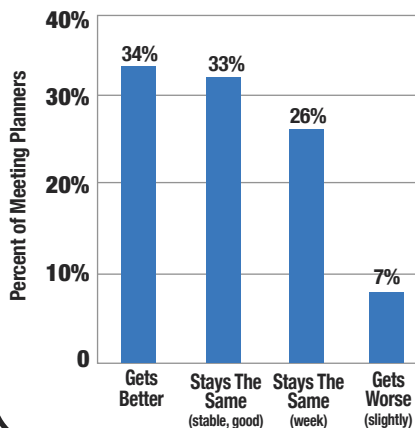
- Nearly 25% of meeting pros planned more meetings this year while 55% planned the

same amount of meetings this year compared to last year.

- For 2012, 26% expect the number of meetings they plan to increase, while 62% expect they will plan the same amount of meetings.
 - 33% expect the health of the meetings industry to stay about the same—in good, stable health—throughout the next 18 months, while 31% expect it to get slightly better.
- Since many meeting planners typically plan the same amount of meetings year after year, no

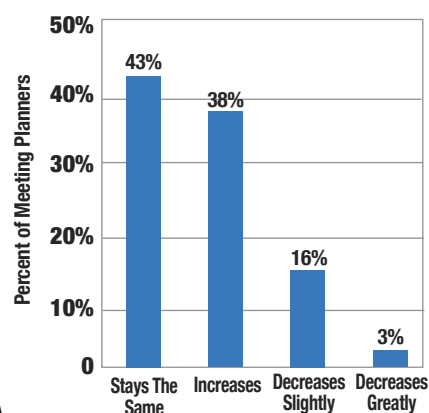
2012 Meetings Outlook

Meeting planners rate how they feel about the health of the meetings industry in the next 18 months:



2012 Attendance Rates

Meeting planners rate their expectations for attendance rates in 2012:



matter the state of the economy, these figures are significant. And, they parallel with other stats that show rising attendance. According to the report, nearly 40% expect their attendance rates to increase in 2012 while 43% expect attendance to stay the same.

The Trends Report was compiled in partnership with Atlanta's PKF-Hospitality Research. Robert Mandelbaum, director of research information services for PKF-HR, analyzed the data along with other hospitality industry reports. "Since March 2010, group occupancy has steadily increased, but has yet to reach the pre-recession levels observed in 2007 and 2008," Mandelbaum said.

"While greater numbers of conventioners may be seen roaming the lobbies, prefunction space and banquet halls of U.S. hotels, operators and owners are telling us that they are still negotiating with meeting planners and concessions are being made to attract events to their hotels," he said. "And, it is interesting to note in *ConventionSouth's* Trends Report that 58% of the time, planners are still encountering hotel operators willing to concede room rates." However, he noted that while this is a significant number, it is less than the 71% occurrence rate reported in last year's Trends Report.

Mandelbaum also notes that another indicator of the increase in meetings activity is the reduction in number of times hotels have had to enforce the attrition and cancellation clauses in their meetings contracts.

However, while meeting suppliers are still willing to negotiate contracts, their rates are rising—swinging the market pendulum back in favor of the seller. *ConventionSouth's* trends report found that 44% of meeting planners expect their expenditure per meeting to increase over the next year, while 44% expect it to stay about the same. According to Mandelbaum, the improving balance between supply and demand will enable hotel operators to be more aggressive in their pricing policies. Because of this, PKF has upped its 2011 annual ADR growth forecast to 3.2% and placed the 2012 ADR growth forecast at 4.8%. ■

AIG-Effect Dissipates 57%

of meeting pros have not made any recent changes in the types of destinations or properties they have selected for meetings due to negative ROI perceptions or the AIG-effect. However, 21% are booking more economical cities & 31% are booking more affordable hotels/venues.

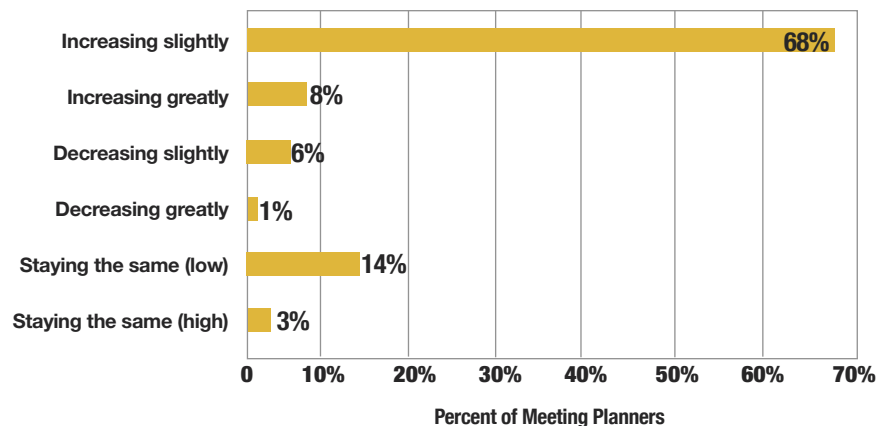
Tradeshows Stabilize

Most meeting pros expect the amount of tradeshows they plan in 2012 will either increase or stay the same.

17% Increase
80% Stay The Same

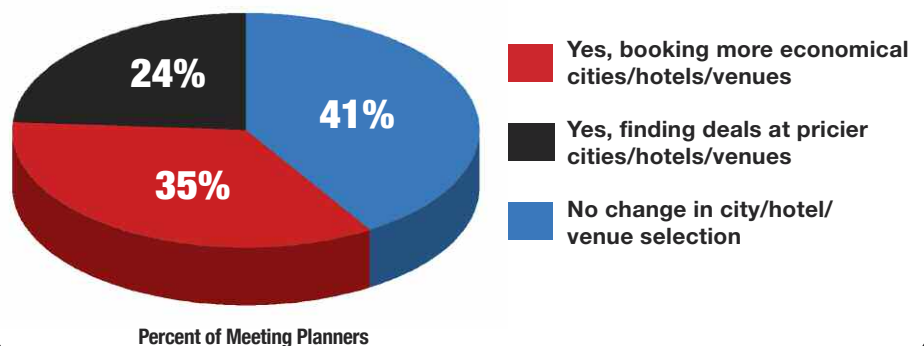
Hotel Rates Slowly Start To Climb

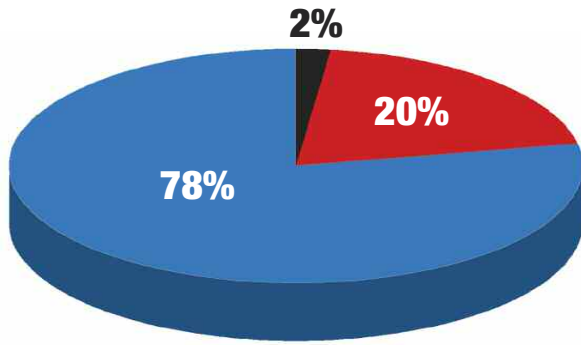
Meeting pros were asked:
How do you feel about the current state (2012) of hotel room rates?



Economy's Impact On Site Selection Decisions

Meeting pros were asked:
Has the economy affected your selection of destinations or venues?





Percent of Meeting Planners

Attendees Book The Room Block

Meeting pros were asked:
How are your attendees housed during your meeting?

- Most attendees typically book the room block.
- Most attendees book the room block, but an increasing amount are booking outside the block.
- Most attendees typically book outside the room block.

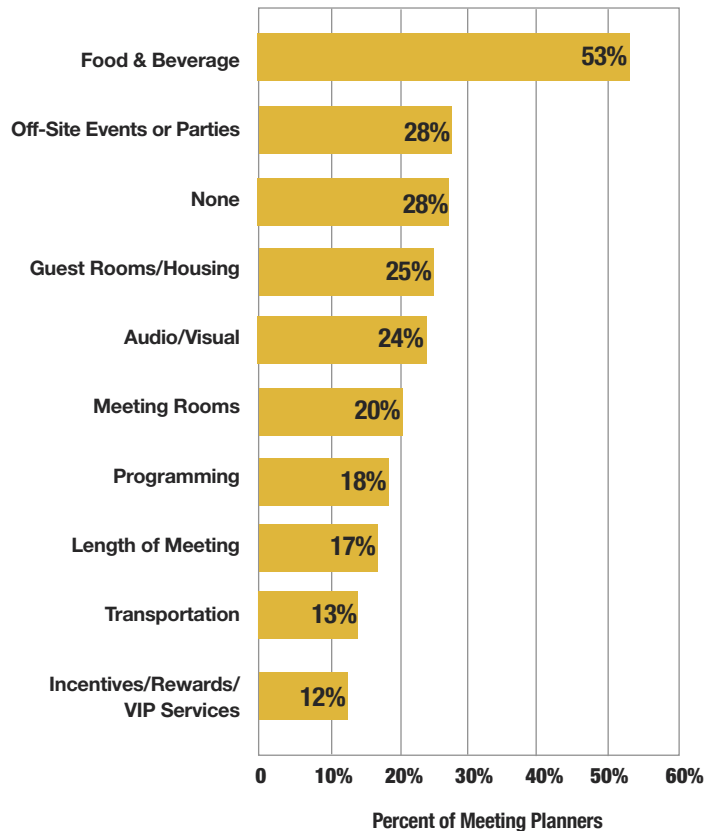
Most Important Factors When Selecting A Meeting Site

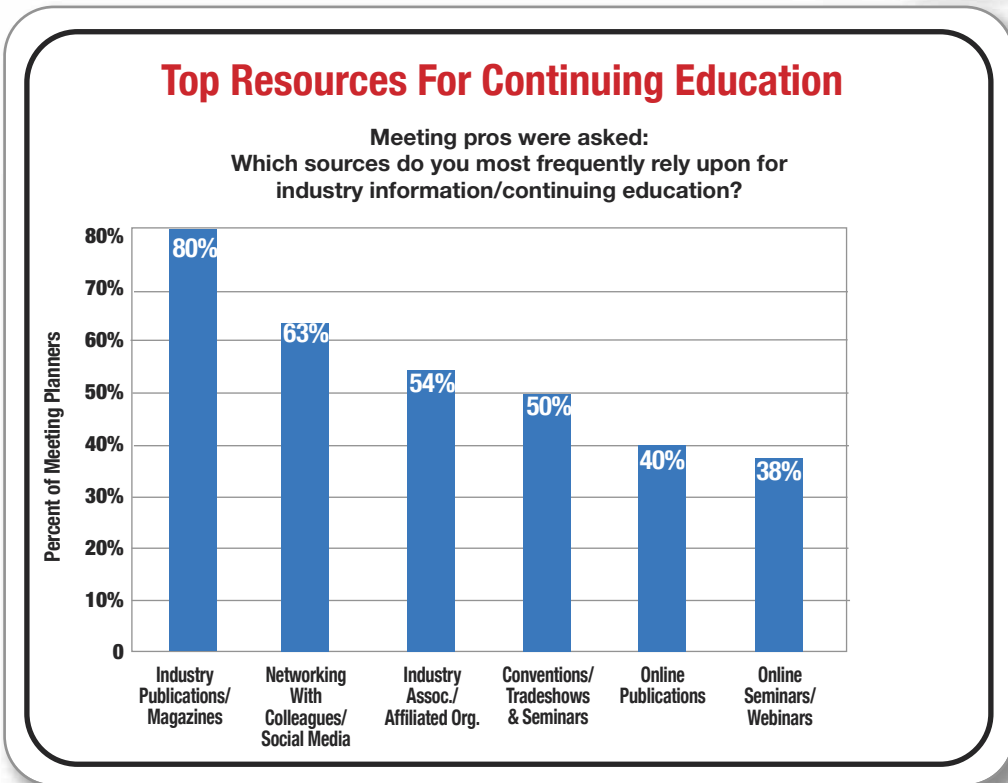
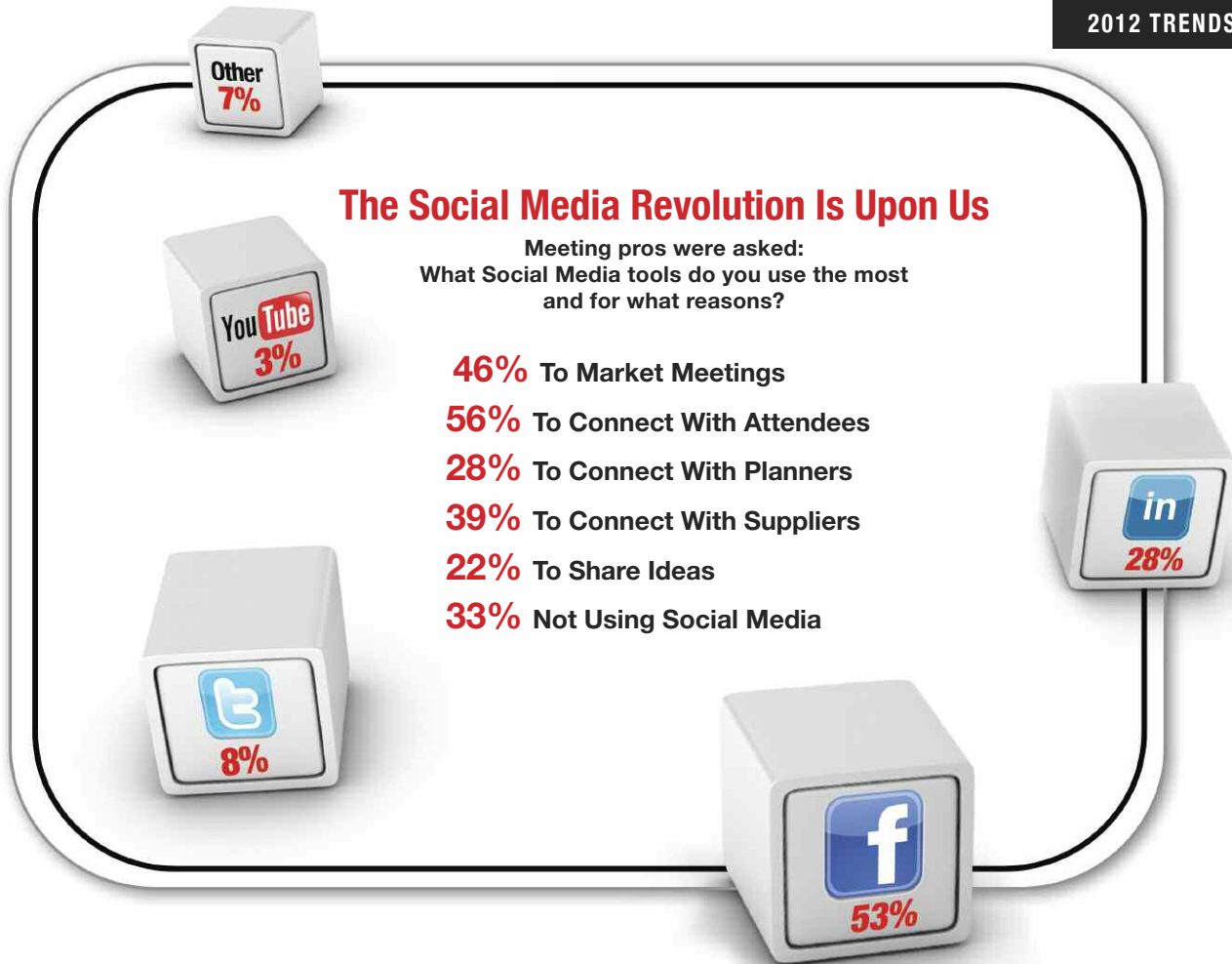


- 1** Available Meeting Space
- 2** Willingness To Negotiate Contracts
- 3** Price of Meeting Space/Service
- 4** Service Standards
- 5** Price of Hotel Guest Rooms

Where Meeting Planners Are Cutting Costs

Meeting planners say they are still working to limit their costs and are especially working to limit spending in these areas:





Meeting Pros ♥ Their Job

While job satisfaction remains high and nearly half of planners surveyed are receiving raises, job-related stress is high.

- 75%** said they have not considered a career change.
- 47%** said they have received a raise in the past 12 months.
- 55%** said their work-related stress level in 2011 compared to 2010 has increased.

Negotiating Concessions

Meeting pros were asked:
For which of the following items are hoteliers most willing to make concessions?



66%
Meeting Space
Rental Fee

58%
Guest Room
Rates

38%
Attrition
Penalty Fees

38%
Food &
Beverage Costs

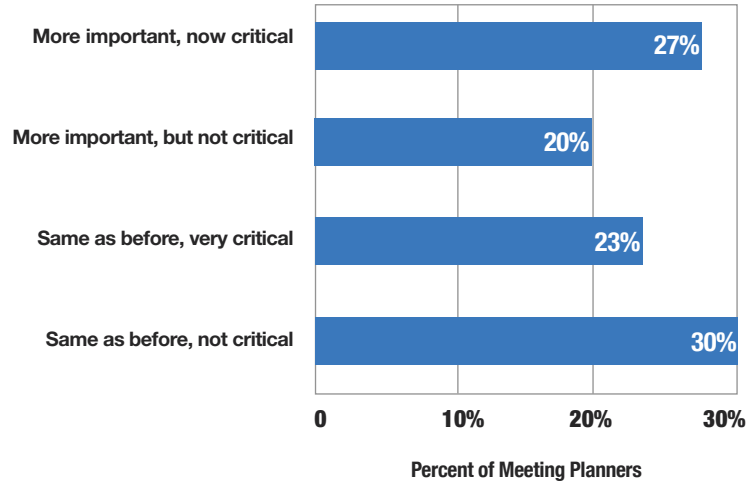
37%
Resort or
Amenity Fees

14%
Cancellation
Fees

12%
Meeting
Services

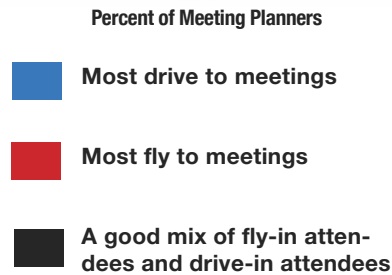
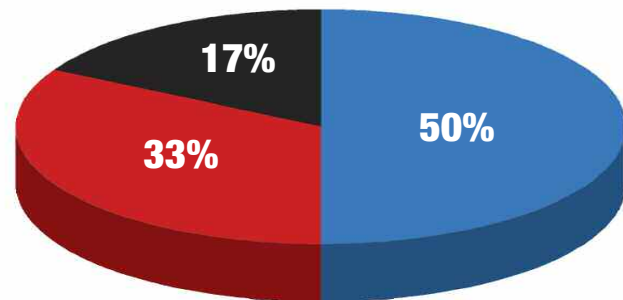
ROI Matters

Meeting Pros were asked:
In 2011, compared to previous years, how important
is it for you to show ROI on your meetings?



Attendees Choose To Drive

Meeting pros were asked:
What method of transportation do your attendees typically use?



Who Took Our Survey?

The largest number of survey respondents—**48%**—are independent or in-house meeting planners, followed by association at **24%**, corporate at **14%** and government/nonprofit at **14%**. **41%** of respondents have earned a Certified Meeting Professional designation. And, the majority of respondents—**48%**—have more than 20 years of experience within the meetings industry.



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