Event Management: Budgetary Challenges and Event ROI
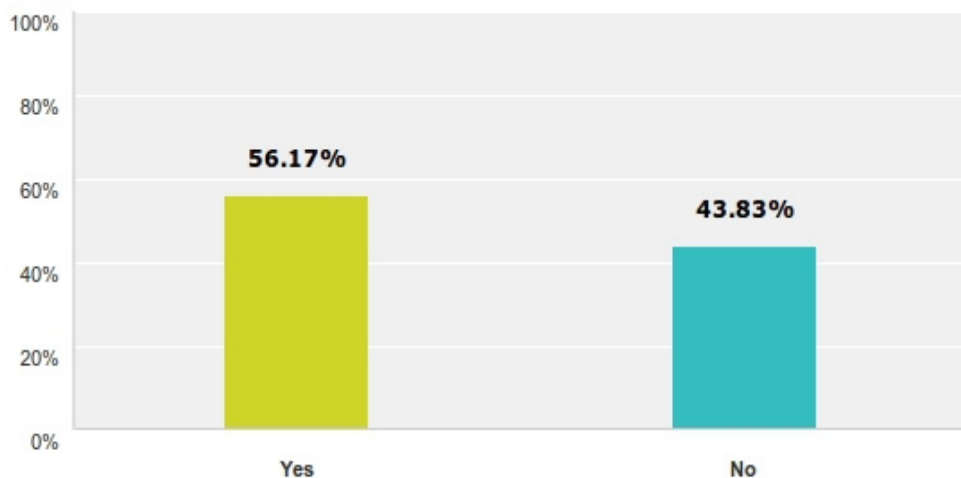
AZAVISTA

Introduction

2013 brought a feeling of optimism back to the meetings and events industry as companies began to grow their programs again and bring back events that were put on hold during the recession. This trend nevertheless is identified only in some markets, confirming an 'asymmetrical recovery' of regional economies.

The current and projected situation of the meetings, events and business travel sectors largely reflects the evolution of the global financial state, with the greatest growth being found in those countries that are experiencing the highest levels of economic development. However, taken globally, the available evidence points to a conviction on the part of the market that the path to recovery, however asymmetrical, will continue to be followed in the year ahead.

In this survey, Azavista sought to identify the severity of the budgetary and other problems event planners face, as well as the correlation between these challenges and the measurement of Event Return on Investment (ROI). Is measuring Event ROI a common practice? Is it seen as a solution? Azavista surveyed, 400 event planners from agencies and enterprises around the world.

Has your event budget been reduced during the last 2-3 years?

Source: Event Management: Budgetary Challenges and Event ROI, June 2013

Budget Cuts a Reality

Event planners around the globe are facing the repercussions of the current economic situation. This was confirmed in the Azavista survey, with almost 60% of respondents stating that their budgets have been reduced during the last 2-3 years. The majority of these respondents also claimed that the cuts surpassed 20% of their initial budget. The budgetary challenges planners face are highlighted even more in the survey, where over 1/3 of respondents stated that they organize 20+ events a year and almost 70% does this in house.
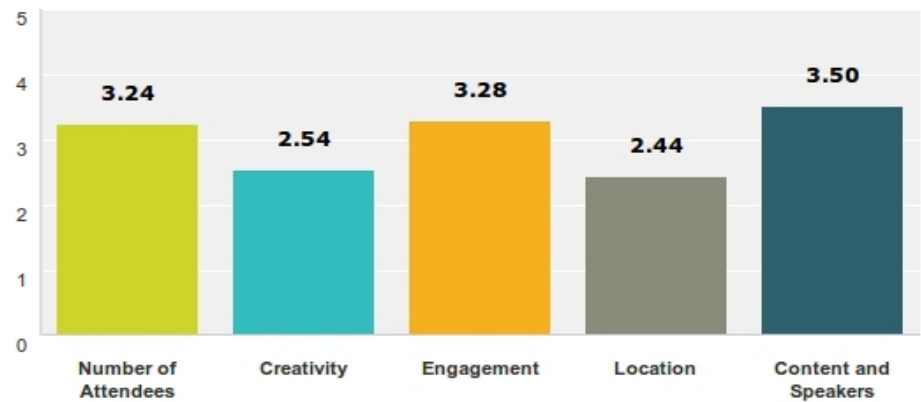
One here can identify the trend of enterprises trying to contain costs and handle the workload on an internal level. Furthermore, when respondents were asked about the main challenges they face in event planning, the lack of manpower, time and recourses was stressed.
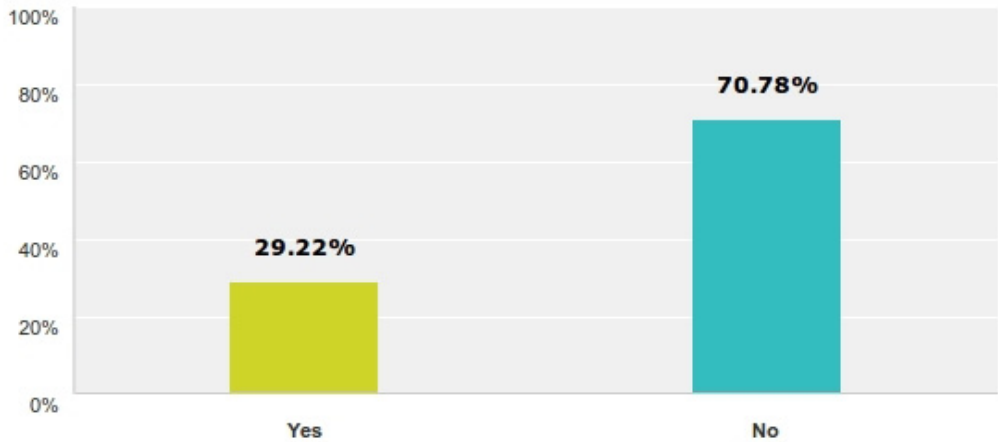
Event ROI

With meetings and events under scrutiny, now more than ever, ROI measurement and reporting could give planners the leverage they need to safeguard their budgets and prove the strategic role of their events. However, results from the Azavista survey portray the contrary; 70% of planners surveyed do not measure the ROI of their events. Azavista estimates that this percentage will decrease year after year, as planners embrace a more evidence based approach in mitigating budget reductions and boosting the value of their events.

Do you measure Event ROI?

Measuring event ROI can be a complex procedure. Every event has its own distinct variables, and as such, a standardized method that covers all parameters is challenging to implement. In the Azavista survey "Event Planning: Budgetary Challenges and Event ROI", we identified the main methods event planners use to measure the Return on Investment and success of their events. Here are the top examples:

How do you measure ROI?

• Analysis of social media content
• Monitoring of sales results and new leads
• Questionnaires
• Attendance
• Media coverage
• Employee engagement
• Solicitations vs participation
• Evaluations of attendees and managers who planned the event
• Website clicks
• Costs vs. opportunities
• Measure the incremental revenue that came from the business contacts created during the event

What is more important for the success of your event?

What type of event management solutions do you use?
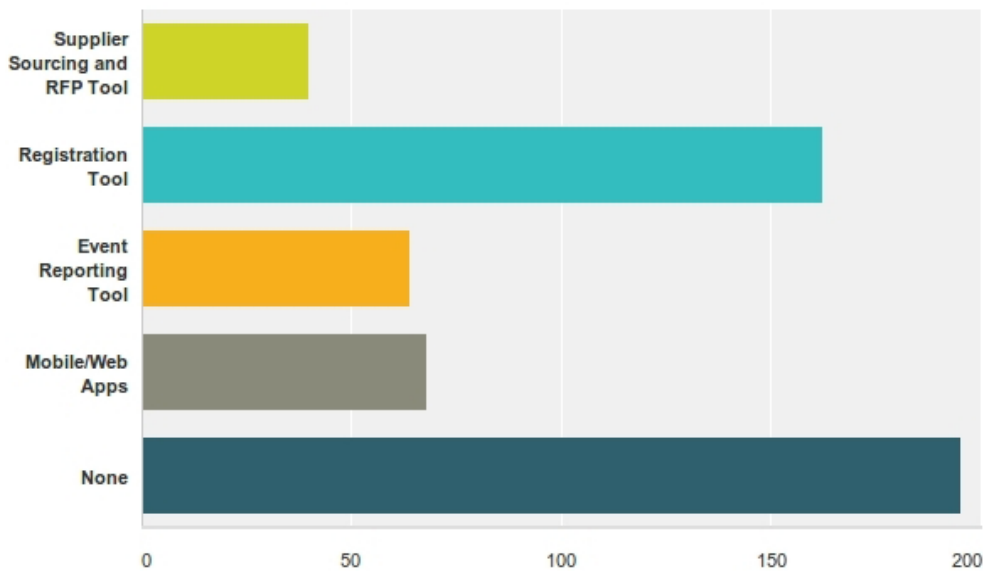
Source: Event Management: Budgetary Challenges and Event ROI, June 2013

Event Elements

When designing an event, some elements are more important than others. Azavista asked planners to rank the following elements according to their importance for the success of their event. The results were:

1. Content and Speakers
2. Engagement
3. Attendance
4. Creativity

Content and Speakers we're rightfully ranked number one. This element will boost both engagement and attendance, as well as contribute to the retained knowledge of participants and ultimately determine their actions post event.

Other Challenges

Budget is not the only challenge event planners face. According to Azavista's survey "Event Planning: Budgetary challenges and Event ROI, June 2013" these are the top five challenges planners have to deal with:

1. Budget and Cost Control: Stagnant/decreasing budgets and higher expectations
2. Limited Resources & Manpower: High workload and minimal resources to handle it
3. Time & Coordination: Getting timely decisions from management / finding an appropriate date for the majority of participants
4. Attendance: Avoiding last minute cancellations and achieving high levels of attendance
5. Location: Finding a venue that all domestic and international participants agree on

The fact that many companies choose to handle their event in-house but at the same time are understaffed in the marketing and event departments leads to increased challenges in implementing the event within given deadlines and quality standards. Does reducing resources and manpower assist or damage overall event ROI? This should be carefully assessed, as a poor event roll-out could jeopardize the event's success as a whole.

Technology

The Azavista survey revealed that the penetration of technology tools remains significantly low in the event planning industry. Almost 50% of respondents do not use any Event Management Solutions; 160 respondents out of the 400 surveyed, use registration tools, while about 10% utilize Supplier Sourcing & RFP Tools and 15% Event Reporting Tools and Mobile/Web Apps. This finding is strengthened even more with the fact that 82% of respondents state that they are not aware of tools or solutions which measure and help boost Event ROI.

Conclusion

The results from the Azavista survey, "Event Planning: Budgetary Challenges and Event ROI, June 2013" show that event planners do not emphasize on evaluating and boosting the Return on Investment of their events. Azavista estimates that this trend will change, as event budgets become tighter and planners need to do more with less. Measuring Event ROI can facilitate budget approvals, improve the overall success of the event and be utilized to avoid pitfalls in future projects. Furthermore, the penetration of event technology tools still remains low, but given the reduction in recourses and manpower, sooner or later planners will have to turn to technology in order to streamline their work in a more time and cost efficient manner.

Fast Facts

- 400 event planners from agencies and enterprises around the world participated in this research
- 70% does not measure event ROI
- Only 10% are using supplier sourcing and e-RPF tools.
- 15% are using event reporting and mobile apps
- 40% are using event registration tools
- 82% is not aware of tools which can measure and improve event ROI

About Azavista

Founded in 2010, Azavista is a product of Web and IT specialists, as well as a team of travel and tourism industry professionals. Azavista is the first - all in one - Web 2.0 solution that streamlines every aspect of group travel, event and meeting planning. Using advanced technology, the Azavista platform offers a multitude of features that covers even the most challenging needs. From e-RFPs to group transportation, event management, industry data, delegate communication, online contracting, logistics and more, Azavista is an A-Z planning solution. The company is headquartered in Amsterdam, The Netherlands.

For questions, please contact:
Cassandra Michael
cassandra@azavista.com
+31 (0)20 8464066
www.azavista.com