Maritz RESEARCH

RESEARCH WHITE PAPER May 2012

The Future of Meetings

The Future of Meeting Venues

The Future of Meetings study is published in partnership with The Hospitality Sales and Marketing Association International (HSMAI) Foundation.

The Future of Meetings – Overview

In 2002, Yahoo! Mail was five years old; iPhones hadn't been created; and Facebook and Twitter were non-existent. Ten years later, more people access the internet via mobile phones than computers; social media is a way of life; and the average consumer has more than one email address. The world is changing more quickly than anyone could have possibly imagined, with the technology explosion as the driving force behind change.

As the meetings sector makes plans for the next two to five years, all of the stakeholders are working hard to figure out what the future holds and how to best prepare. Having a clear picture of what to expect is a particular challenge for the sector due to the diversity of its members and the existence of constant change in the marketplace.

Those involved in planning or executing meetings come from a host of diverse industries, each with different imperatives. The needs of meeting planners and designers, venue managers, speakers, exhibitors and suppliers are very different. The expanding scope of meeting types (e.g., conferences, trade shows, educational sessions, motivational gatherings, conventions and gala business events), even makes an issue of defining what constitutes a "meeting."

To address these issues, Maritz Research has undertaken an extensive project to examine the future outlook for the meetings sector through a combination of primary and secondary research. The goal of The Future of Meetings research series is to integrate these individual pieces of information into a cohesive story. A lot of information has already been published in this area. Our purpose is to synthesize this information and share the collective findings in four succinct white papers.

Description of the Research Process

Primary research was conducted through an online, qualitative survey of 1,612 meetings sector stakeholders. This study, the most comprehensive of its kind, examined four primary areas: technology, meeting design, suppliers and venues, and social media. The online study surveyed 1,612 stakeholders who worked in the meetings and events sector. Forty-six percent (46%) of the respondents currently work as meeting planners, with another 43 percent currently employed as suppliers to the meetings industry. The remainder represented a diverse group including speakers, attendees, and procurement agents.

Unlike most surveys, this process asked the survey participants to generate their own thoughts and ideas about the future in response to a series of open-ended questions. The average length of the survey was more than 20 minutes, but some reported spending several hours to complete the survey. The fact that so many took the time to express their thoughts in such detail demonstrates the high amount of engagement in the topic.

Additionally, numerous in-depth interviews, both formal and informal, were conducted with sector experts and commentators. Maritz also conducted an extensive literature review to reconcile key findings from other credible resources to complement the primary research.

How to listen to a thousand people at once

The survey questions allowed stakeholders to share their predictions for the future of meetings in their own words, and to talk about the things they considered most important. Through use of text analysis software, the study "listened" to all of the feedback from the 1612 participants, and used this feedback to create a classification structure (taxonomy). This automated text analysis allowed systematic analysis of stakeholder comments and identified key themes and insights contained in the comments. The analysis also identified relationships between topics and discerned the sentiment of the comments. The text analysis software, based on extensive knowledge and experience with natural language processing, was supported by Maritz' extensive understanding of the meetings sector. In the very simplest terms, this analysis consolidated similar responses together using common keywords and phrases to provide a snapshot of the group's collective conversation and allowed distillation of the story of what these stakeholders predict for the future of meetings in the primary areas of inquiry.

In addition to this large scale, qualitative study of meeting sector stakeholders, Maritz also c onducted an extensive review of published academic reports, articles, interviews and other research studies on the future of meetings. Over 50 hours of video, webinar and audio presentations and interviews were reviewed.

Top level results

The text analysis yielded ten phrases that represented the respondents' most popular themes. In order of frequency of mention, these themes are:

- Integrating technology (22 percent)
- Designing the meeting experience (17 percent)
- Cost and value (17 percent)
- Value of face-to-face meetings (9 percent)
- Meeting designer's job evolving (8 percent)
- Pre and post use of social media (7 percent)
- Role of technology and social media (7 percent)
- Meeting venues need technology (7 percent)
- Sustainability (3 percent)
- Generations (2 percent)

The white papers begin exploring these themes as an initial point of investigation and elaboration, although there are quite a number of other interesting comments that emerged apart from these ten.

The Future of Meetings White Papers

The information that emerged from these research efforts was combined to form an overall story about the future of meetings. The findings are divided into four white papers, one for each of the prominent themes of the survey. In some cases, there was overlap. For example, technology was a theme that was an undercurrent that went across all four papers. This serves as an introduction for all four papers. The paper presented here is ***The Future of Meeting Venues***.

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Introduction – Changing Spaces

As the design and demands of meetings evolve, so will the venues that host them. The walls are coming down, wireless is coming in and non-traditional venues will grab the attention of meeting planners.

The changing needs of meetings require greater venue flexibility. Venues will be faced with greater competition and additional challenges associated with satisfying more sophisticated needs within this environment.

With the changes taking place in the meetings industry, possibly one of the most important shifts for venues is the growing accountability of meeting organizers to ensure a measureable return on investment (ROI) and the resulting increased attention given to strategic meeting design. Future meetings will be designed with very specific desired outcomes in mind. More attention will be paid to every component that goes into making a meeting successful, and venue selection will be crucial to this effort.

The Discussion

Although new technologies are causing radical changes to meetings, face-to-face meetings are here to stay. The need for meeting venues will not be diminishing. However, the specific features of venues will be changing as the number of choices will be expanding.

The increased reliance on technology to help facilitate meetings (e.g., use of mobile devices and social media during meetings, etc.) will create new demands for meeting venues. The impact of these changes relative to both technology investment and meeting room layout design was a topic that came up in the Maritz Future of Meeting survey.

Technology Investment

Greater Connectivity

Meeting venues will need to provide greater connectivity to attract meetings moving forward. Respondents in the Maritz Future of Meetings survey research often mentioned the need for "free Wi-Fi" and "consistent Wi-Fi" at venues. Their comments also included the need for reliable cellular phone connectivity and having enough bandwidth to accommodate large numbers of devices.

These are present concerns that can impact even technologically sophisticated venues. In 2010, Steve Jobs of Apple had to ask attendees to stop using their smartphone devices at a live product launch meeting because the Wi-Fi bandwidth of the venue could not support the audience usage. Jobs could not connect to demonstrate his product. [V1]

The increasing use of technology will require these issues be resolved sooner rather than later. Beyond the ubiquitous use of smart devices, there will be an even greater demand on having consistent and reliable access to social media sites. Meeting organizers and participants, including delegates, speakers, and exhibitors will need remote access to their business networks. Being able to provide this access will be a requirement for meeting venues.

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Meetings stakeholders are also talking about the increasing importance of venues having highly trained technical staff onboard to support this connectivity.

> *"Invest in technical staff… who offer know-how and solutions, rather than (just) technical stuff."*

> *"…ensure that the staff is technology savvy (if not experts)…"*

> *"I would ensure that [venue] staff can attend conferences on technology and be able to determine what technology will support better client outcomes… and provide added value."*

Staying Ahead of the Curve - Cautiously

While meetings stakeholders want venues to stay ahead of the technology curve, they acknowledge that doing this profitably will require some caution.

On the push side, some sector experts write that venues will need to "stay up-to-date or ahead of the curve" [V2] and "monitor emerging technologies to gauge how the meetings business will change." [V3] One such way to monitor trends, and at least ride the wave recommended in the report "Hotels 2020: Beyond Segmentation" is to "play an active role in social media and use it to highlight the changes on the horizon."[V4]

Respondents in the survey research voiced the prudence of using caution when deciding in which technologies to invest. While enticing danger by possibly missing a trend that develops into the way business will be done in the future, this approach does not preclude listening and acting, but doing so with a sense of caution.

> *"… the actions that prove themselves, socially and financially are the ones that stay…. the rest are trends and fads that will drift in and out. (How many cigar lounges are still around?)"*

Panelists at the Meet Different 2010 conference offered similar points to the discussion. When asked about taking risks, embracing the unknown and doing things differently, Michael Massari, vice president of meeting sales and operations at Caesars Entertainment said, "Until I'm sure what the new normal is going to be, I'm going to be careful about taking huge risks." and Mike Dominguez, vice president of global sales at Loews Hotels & Resorts responded, "Taking risks/different approaches doesn't mean I jump off a building without a parachute." [V5]

The Shape of Venues to Come

Demand for venues is predicted to become very fragmented in the future, giving rise to more flexible meeting spaces and greater use of niche locations. Both the survey research and expert opinions paint a picture of a landscape of radically different venue types.

> *"Looking for creative, out of the box, fun meeting locations."*

> *"Look for unconventional options at a better value."*

Meeting spaces will increasingly become more flexible and technically enhanced to meet the changing demands of meetings.

Flexible Meeting Spaces

The most common thread in the discussion is that venues will have more flexible meeting spaces. Survey respondents and other experts mention that this trend has already begun and will continue to grow in importance. As Mark Reddington, a design partner at Seattle's LMN Architects said, "Convention centers are increasingly less limited by specific or traditional assignments of activities within particular rooms; instead, we're moving toward more flexible and dynamic spaces in which the user experience is created through flexible systems." [V6]

Survey respondents commented:

> *"Facilities will need to be looking at how they design space and how flexible that space can become"*

> *"Make especially the large meeting rooms multifunctional and flexible"*

The move to more flexible meeting spaces that permit manipulation of meeting space size will allow meeting venues to accommodate a growing variety of smaller meetings. Jim Ruszala, senior director of marketing at Maritz Travel, adds that a flexible venue means "having plenty of room for general and breakout sessions. Also, going beyond traditional room settings; for instance, creating more of an informal room set-up that is more attendee friendly and engaging. It's more about creating good, lasting experiences."

> *"The venue of the future will be smaller, highly technical - to be able to offer the combo Face-to-Face and Face-to-Screen meetings."*

Concern about greater competition and underutilization is driving the anticipated rise in meeting space flexibility. As one meeting sector expert commented, "They must be adaptable and flexible enough to combine different functions to remain financially viable." [V7]

On the experimental end of addressing this flexibility issue, a case study presented in the report "Hotels 2020: Beyond Segmentation" describes the completely portable modular units design that won the Hospitality Design Radical Innovation Award (2010) - Mosaic. "Destination designers, WATG conceived Mosaic to be entirely flexible, comprised of individually configured, modular prisms, outfitted as needed as spas, salons, guestrooms, mini-homes." [V8]

Smart Rooms

Meeting venues are being tasked with investments in cutting-edge technology and other enhancements. It will not be enough to have an in-house staff setting up the latest equipment in existing rooms. Respondents in the Maritz Future of Meetings survey research suggest that successful venues will be moving to provide "smart rooms" with built-in connectivity and meetings technology.

> *"Invest in in-room technology for suites (and) small meeting rooms that allow for online collaboration."*

The survey respondents are not alone in this assessment. In the 2010 Center for Hospitality Research paper "Hospitality Business Models Confront the Future of Meetings." The authors by way of a case study detail how TelePresence rooms are being built in hotels by a company offering the service. [V4] They go on to offer that a self-assessment be undertaken, in part because "Hoteliers may wish to... redesign physical spaces." [V9]

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Informal Gathering Spaces

Another common theme, shared both by respondents and sector experts, is that future meetings will be less structured and allow for more free-time for participants to network. The increase of unscheduled time at meetings requires that there be well-designed, comfortable, separate spaces and hospitality services available throughout a meeting.
The old breakout rooms and fixed times for coffee breaks will be replaced by a looser structure that allows for constant interaction throughout the course of an event.

Ideally, these new spaces will be available to participants outside of the formal meeting schedule. Of course they will also have to boast all the technical and communication requirements the participant will want (e.g., power outlets, connectivity, etc.).

> *"Provide more casual quiet spaces for less formal interaction than meeting rooms. Places where people can "do stuff" as they talk and meet, as they do in their own homes."*

> *"Flexible networking space, lots of space that needs to meet the needs of different groups, events, people, etc. lots of lounge sofa type seating with wireless to allow people to network and stay connected."*

At the very ambitious end of the spectrum, survey respondents and sector experts predict these informal gathering spaces will be available to meeting participants twenty-four hours a day and provide access to food and beverage.

> *"…have more and more appropriate seating outside meeting rooms for gathering. Encourage informal gathering by having places w/ food open 24 hours/day people at meetings/in venues are on different time zones and may want a place to gather and meet others."*

> *"Food and beverage kiosks that offer regular and healthy alternatives— 24 hours a day"*

Niche Locations

The market for meeting venues is becoming more competitive. The rise in smaller meetings, as well as shorter meetings, is causing the market to increasingly consider the idea of booking non-traditional venues. This will have serious implications for venue revenues.

> *"Smaller meetings will be the trend at casinos, parks, museums, and large restaurants."*

> *"Smaller meetings may begin meeting in less formalized settings... rather than hotels, etc., they may choose more remote, more relaxed environments..."*

> *"The length of meetings will be shorter and that may put hotels in the position of having to look at their venues in a different light."*

> *"Other options, such as universities and school environments are entering the meeting venue market."*

As with the issues surrounding the adoption of new technologies, meeting venues will have to decide the extent to which they want to be a niche player or appeal to the broadest possible audience. However, there are opinions that appealing to the broadest audience is a thing of the past. How far venues will want to go in diversifying their chosen niche position depends on what audience and what meeting types they hope to attract.

"Everyone wants something new, something fresh, something no one has ever seen."

"Venues with a "plain" identity will start to suffer… the volume of meetings will decrease."

"Meetings are looking for options other than cookie cutter type of venues."

"Attendance increases at unique venues and delegates are more engaged, interested and therefore more apt to learn, gain from the experience."

Traditional Venues
This is not to say that the demand for traditional, large venues will be disappearing.

"We are always in search of the new and exciting, however there will always be the need for the traditional venues."

"Groups will still require large hotels or convention centers for larger conferences. Many groups will still want the 'under-one-roof' capability."

But they likely won't be more of the same. Many architects and commentators view the current leading examples of innovative design as representing a rebirth of the large scale meeting venue.

Peer Teglgaard Jeppesen, of Henning Larsen Architects, reports, "The building will offer large auditoriums and conference facilities as well as formal and informal meeting places… there will be zones offering a high degree of concentration and privacy. This flexibility of larger or smaller— open or intimate—areas not only will ensure the capacity for many different types of events, it also will meet the demands of many different users. The future conference center will also offer luxury hotel accommodations, as well as leisure activities such as wellness and health treatments, and top-notch dining."

Survey respondents and other sector experts contend that meeting venues, especially convention centers, will increasingly focus on creating a connection to their location and fulfillment of a larger cultural role in the community. Nik Karalis, director of multicultural architecture practice at Woods Bagot reports, "The convention center will gain significance as an important cultural function and a fulcrum of connectivity to a wider global audience…The convention center of the future must separate the user experience into three public modes: urban responsibility; significant hospitality dimensions, offering a hotel-like service and functionality; and flexible meeting-room accommodations." [V10]

Survey respondents also comment:

"Venues will become more culture and theme oriented."

"Location and distinguishing features of a venue will set them above the others"

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5

Future Challenge - Three Shades of Green

Be green, eat green and save green. The challenge for meeting venues of the future will be how to do all three.

While "cost and value" and "sustainability" are both frequently mentioned topics in the Maritz Future of Meetings survey research, comments concerning cost are mentioned six times for every one mention of a sustainability topic.

For venues in particular, both cost and sustainability comments typically refer to eating green food. The discussion of cost for venues centers most vocally on the cost of food and beverage services, while the discussion of "sustainability" for venues typically focuses on the offering of locally grown food, organic food and healthier dietary options.

> *"Green meetings are still growing in popularity"*

> *"I would like to see menus that address the increasing number of vegetarians, gluten intolerances, and health conscience (participants)."*

> *"I think venues need to follow trends in the market and stay flexible. For example, a hot trend is green meetings, green living, etc. If you can capitalize on the moment, it can give you a boost".*

The dilemma facing venues as they move forward is how to balance these conflicting ideas.

> *"The 'green' factor will become more important. However …depending on incoming business (they) might not have the budget and knowledge to update their facilities to the latest standard."*

> *"Green initiatives can be tricky based on the cost of organic and local food options as well as the extra steps in food composting/measurement etc."*

It is a challenge that has to be met. Survey participants point to the three "greens" as being a demand upon venues that will only grow with the passage of time. How to service the green meetings market will be the subject of case studies and noted in the news for quite a while [V11].

> *"We are… growing organic herbs and spices for our caterer on-site."*

> *"Also, it takes money to upgrade venues to meet green standards. For example, challenging to find the capital for a new green roof."*

While the number of green meeting venues will grow, they will likely remain in the minority for the near future. With spiralling costs for food and sustainability initiatives on one side, and on the other, a demand for transparent sustainability practices, specifically local food products, increased food options (e.g., greater variety and healthier) along with lower costs; meetings venues are in a seemingly no-win situation. One size does not fit all. While some venues will choose to specialize and cater to the green movement, others will concentrate on a more cost-driven customer base.

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Conclusion

Meeting venues have choices to make today about how they want to approach the future of meetings. Individuality has to be stressed due to the fact that the fragmented meetings landscape will simply become more complex in the future and there is no way forward that applies to all equally. The era we live in is referred to as the digital age and its key trait is that the limitless flow of information causes rapid change. Specialization decisions to address these emergent technologies and competing imperatives will be essential for a venue's success in the future.

The Future of Meetings Venues Horizon Watch

- Adoption of free Wi-Fi at meetings venues
- Expansion of bandwidth at meeting venues (and ensuring mobile data coverage)
- Increased reliance on a more highly trained technical staff to support new meetings technology and greater connectivity
- Move toward venues offering "smart rooms" with built-in connectivity and meetings technology
- Growing popularity of non-traditional venues to host smaller, hybrid meetings.
- Redesign of venues to allow alternate configurations and use of flexible systems that permit manipulation of meeting space size
- Venue design that offers informal gathering spaces and hospitality services throughout meetings
- Greater reliance on niche marketing, exemplified by:
  - Specialization of some venues in catering to the green movement and offering locally grown food, organic food and healthier dietary options
  - Specialization of others in offering economical options
  - Traditional venues distinguishing themselves by creating a greater connection to their location and what makes them culturally unique

For more information visit *Maritz Research* at **www.maritzresearch.com** or call **(877) 4 MARITZ**.

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(Source: convention2020.com)

V3 –"Hospitality Business Models Confront the Future of Meetings" By Howard Lock and James Macaulay, Cornell Hospitality Perspective No.4,
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V4 – "Hotels 2020: Beyond Segmentation" Amadeus – page 3
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Source: http://www.pcma.org/Convene/Issue-Archives/October-2010/Show-Places.htm

V7 - NikKaralis quoted in "Show Places" Convene, PCMA
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V8 –"Hotels 2020: Beyond Segmentation" Amadeus
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V9 –"Hospitality Business Models Confront the Future of Meetings" By Howard Lock and James Macaulay, Cornell Hospitality Perspective No.4,
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V10 – NikKaralisquoted in "Show Places" Convene, PCMA
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V11 - Two such cases recently discussed in the media are: The Vancouver Convention Centre has a well-publicized green roof and active bee colonies (which produced 140 pounds of honey in 2010)the six-acre green roof supports 400,000 indigenous plants and grasses. "The Fairmont Whistler has been trying to organize a similar program, which management is hoping to implement next summer. A number of Fairmont properties are already home to beehives that produce thousands of pounds of honey annually for the hotels' kitchens while simultaneously pollinating on-site herb gardens used by chefs."

"Epicurious: Bees on the brain" By Susan Hollis
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