



MEETINGS & EVENTS

2018 Global Meetings and Events Forecast

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A Thriving Environment

Dear Readers,

I'm pleased to present the 2018 Global Meetings and Events Forecast, our seventh annual edition. Looking ahead to 2018, the meetings and events industry is thriving. We are seeing steady and increasing investment as meetings are viewed more and more as growth enablers within organizations. This growth mindset highlights the ongoing opportunity for the meetings and events industry to create value and expand its impact and reach. The value we create as meetings professionals has not only been recognized by corporations, but also by the investment community, and this will help fuel innovation and further investments.

From a global perspective, we are seeing a trend toward localization, with customers operating global programs that have an increasing recognition of the reality that business happens locally. There seems to be a greater desire to add flexibility to global programs, recognizing country-specific needs and the dynamics necessary to drive program adoption. This trend does not mean that organizations are moving away from the need for overarching program insight and management of spend; rather, this localization is tied to the desire to improve the adoption of global programs and further consolidate spend.

Another sign of the thriving environment is the sense of increased competition. The meetings and events industry and, more broadly, the hospitality industry have been part of significant investment and merger and acquisition activity over the past 24 months. The new investments and supplier consolidation have created a more competitive environment, as providers seek to expand their global share. This has also resulted in suppliers making investments to expand their global footprint. The shifting supplier landscape has included new investments in direct booking capabilities through the websites of major brands, expanding the potential reach to small meetings. Electronic sourcing continues to be a dynamic area of the



ISSA JOUANEH,

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

industry, with more innovation expected and new solutions being developed to facilitate the efficient management of the small meeting segment.

There is a continued increase in the focus on, and influence of, compliance for meetings and events. The regulatory environment on a global basis continues to drive attention to risk and how to best mitigate risk across meetings activity. This compliance focus is also tied to safety and security concerns. Terrorism, weather events, and political unrest highlight the need for employees and meeting attendees to follow processes for booking and documenting travel. It also means meeting owners and planners need easy, comprehensive access to traveler information, so they can help identify and mitigate risk when emergencies arise.

From a global perspective, we are seeing a trend toward localization, with customers operating global programs that have an increasing recognition of the reality that business happens locally.

Technology is expected to continue to transform meetings and events. In 2018, we expect that technology will continue to make an impact on the overall end-to-end management of the delivery of meetings and events, and also on the attendee experience perspective. The ongoing evolution of mobile apps and hybrid meeting solutions, combined with the potential applications for newer technologies such as virtual reality (VR) and artificial intelligence (AI), have exciting implications for meeting owners and attendees alike. Modern attendees expect an online experience will be available to enhance their face-to-face experience and are eager to deploy technologies that facilitate personal event attendance goals, such as networking and interacting more deeply with content.

The geopolitical landscape has been interesting and quickly shifting over the past year, creating new questions around borders and freedom of movement. The coming year is likely to bring more clarity to the impact of these issues within our industry, including the potential for more stringent visa regulations and potential staffing challenges for the growing hotel industry. While we expect that restrictions on freedom of movement would have an impact on our industry, we do not expect that they would have a measurable impact on the overall levels of investment and activity.

Within the pharmaceutical industry, a significant consumer of meetings and events, we see the possibility of increased regulation, coupled with early signs of a potential ramp-up of merger and acquisition activity. Overall, the pharmaceutical industry continues to invest in meetings and events to drive awareness of their product. Within specific segments of the pharma industry, such as medical devices, there is a shift toward more training events, while we continue to see investments in growth in the consumer and healthcare sides of the industry.

From a regional point of view, in North America, respondents appear optimistic about continued growth in the meetings industry. While there is awareness that cost pressures will continue as hotel and air rates rise faster than meetings budgets,

planners indicate a focus on the attendee experience. When respondents consider where to cut and where to add as budgets shift, they are doing so with the attendee experience top of mind.

Europe once again sees quite a bit of country-specific variation, with respondents in the United Kingdom, Belgium, and the Netherlands appearing the most optimistic across a variety of indicators. Cost per attendee pressure is consistent across Europe, with survey respondents indicating they are most likely to look at reducing meeting length and limiting offsite and optional activities to make up the budget gap.

Within the Asia Pacific region, respondents in Australia predict increases in both spend and number of attendees per meeting. Other parts of the region are less optimistic, predicting spend pressure in combination with rising hotel costs. Overall, respondents indicate that they're continuing their focus on the basics of managing meetings—capturing spend and gaining visibility to help ensure compliant meetings programs.

Respondents in Central and South America indicate modest growth across most categories in 2018. They also indicate pressure on cost per attendee, again a result of hotel rates rising faster than meetings budgets. As areas in Mexico and Colombia become increasingly popular, the demand and the fact that it's a sellers' market are creating challenges in finding availability for groups. The message from the region is to book early, particularly in the most popular destinations.

Emerging countries such as China, the Middle East, India, and Africa continue to be of interest to expanding global companies. Our special section on operating compliant meetings in China looks at the challenges associated with meetings in the country and considers some basic steps to decreasing the risk.

An exciting new addition to our forecast this year is a special section on benchmarking and program assessment. This section provides insight into the components of benchmarking programs at various stages along the meetings journey and gives the reader the opportunity to consider their own program goals and next steps. To further facilitate this exploration, we've added a **web-based assessment tool** where you can select your desired program state, indicate your current state across various attributes and receive a customized report that will provide suggestions for where you can focus your efforts to drive meetings program growth.

As we look to 2018, the optimism related to the meetings industry continues with positive sentiment, plans for growth, and increasing investment activity. While there are many geopolitical influences that will continue to evolve and create uncertainty, we expect the meetings and events industry to be resilient and adjust accordingly. We are pleased to see the increasing focus on attendee experience, and the continued focus on managing meeting investments strategically, with the goal of creating meetings that deliver on desired business outcomes.

Regards,

Issa Jouaneh

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

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EXPECT

More

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Inn

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HOMEWOOD
SUITES
BY HILTON

HOME
2
SITES BY HILTON

Hilton
Grand Vacations

Hilton
HONORS

2018 Global Meeting Activity

A blue-tinted photograph of a conference room. In the foreground, several black office chairs with silver bases are arranged around a long table. The chairs are slightly out of focus, and the overall scene is dimly lit, creating a professional and quiet atmosphere. The text '2018 Global Meeting Activity' is overlaid in white in the upper left quadrant.

This Year's Forecast

Who responded?

A global cohort. For this year's forecast, more than 600 meetings and events professionals from around the world completed surveys about their expectations for the meetings and events industry looking ahead to 2018. Survey respondents represent meeting planners and meeting owners from corporations and associations of all sizes, as well as meeting sourcing professionals, and air and hotel suppliers. These respondents provided data on their expectations for meeting and attendee numbers, meeting types, shifts in rates, budgets, and meeting policy, as well as several trends to watch for in 2018. This rich survey data is complemented by qualitative interviews with more than thirty meetings professionals, including meeting planners and executives, global hoteliers, and air executives, from the four survey regions: North America, Europe, Central and South America, and Asia Pacific. This data provides us with a glimpse into the exciting year ahead for meetings and events around the world.

Meetings Activity and Characteristics

Number of Meetings and Number of Attendees

Pockets of growth. Each year we ask respondents to provide their anticipated number of meetings per meeting type, as well as their expected number of attendees and days per meeting. These numbers provide a picture of meetings activity for 2018 and the changes we can expect as we move forward.

While responses vary by region, respondents point to several global trends across meeting types. Conferences and tradeshows, along with sales and marketing meetings, tend to make up the greatest number of meetings for all regions. For North America and Europe, conferences and tradeshows account for one-fifth or more of planned meetings activity, comprising 23% of meetings activity in North America and 20% in Europe. Similarly, at least 20% of 2018 meetings activity in Central and South America and Europe are expected to be sales and marketing meetings. Training meetings are also predominant, at 16% or more of meetings in all four regions.

Across most meeting types, survey respondents predict that the number of meetings will remain relatively flat with increases or decreases of less than 0.5% in 2018. Those in Asia Pacific anticipate the greatest decreases in their meeting numbers, with advisory and incentive meetings expected to decrease 1.1% and 1.2%, respectively. Respondents in Central and South America suggest that most meeting types will remain flat with an anticipated increase of 1.1% for sales and marketing meetings. Considering that this meeting type makes up 20% of meetings activity in Central and South America, this increase is not insignificant.

Growing meeting size. While meeting length holds steady, respondents in North America and Central and South America predict a small increase of up to 1.8% in the number of attendees across many meeting types, especially large meetings such as conferences and tradeshows. Global hoteliers suggest greater increases from 2% to 2.3% for product launches, conferences and tradeshows, and incentive meetings. Of respondents in North America, 55% indicate their attendee approach for more than

Meetings Activity Levels

2018 vs. 2017

— Indicates no significant change

| | NORTH AMERICA | EUROPE | CENTRAL/S. AMERICA | ASIA PACIFIC |
|---------------------------------|---------------|--------|--------------------|--------------|
| Sales/Marketing | — | — | 1.1% | — |
| Training | 0.6% | 0.9% | — | — |
| Internal Team Meeting | — | — | — | — |
| Product Launch | — | 0.7% | — | — |
| Conference/Tradeshaw | 0.8% | -0.8% | -0.6% | — |
| Senior Leadership Board Meeting | — | — | 0.8% | -0.8% |
| Advisory | — | — | 0.6% | -1.1% |
| Incentives | — | — | — | -1.2% |

(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American Surveys, August 2017)

23%

of North American respondents report that Conference/Tradeshaw is the most popular meeting activity type.



Meetings Activity by Type

Percent of total meetings

| | NORTH AMERICA | EUROPE | CENTRAL/S. AMERICA | ASIA PACIFIC |
|---------------------------------|---------------|--------|--------------------|--------------|
| Sales/Marketing | 13% | 17% | 20% | 20% |
| Training | 20% | 17% | 17% | 16% |
| Internal Team Meeting | 12% | 14% | 13% | 13% |
| Product Launch | 6% | 9% | 11% | 9% |
| Conference/Tradeshaw | 23% | 20% | 10% | 17% |
| Senior Leadership Board Meeting | 12% | 11% | 10% | 13% |
| Advisory | 8% | 11% | 9% | 7% |
| Incentives | 11% | 9% | 12% | 10% |

(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American Surveys, August 2017)

10% of incentives and special events is to include a “plus one” for attendees. Those in Europe are least likely to include a “plus one” or family.

While Asia Pacific respondents see a potential for increased attendee numbers for sales and marketing meetings and product launches, they align with those from Europe who suggest that overall attendee numbers will not change from 2017, or may decrease by less than 1%. In Europe, small decreases are expected for sales and marketing meetings, internal team meetings and senior leadership/board meetings.

Christine Lawson, Senior Vice President, Loews Sales Organization, Loews Hotels & Resorts, explains, “Companies are being more focused and sensitive to groups and meetings, and asking ‘Is this meeting essential and if so who needs to attend?’ This could mean smaller meetings but we haven’t seen that trend. While we have seen an increase in small meetings in aggregate over the past couple of years it has not been at the expense of larger meetings”.

Days per Meeting

Holding steady. Meetings professionals suggest that meetings will hold relatively steady in terms of numbers of days per meeting, whereas in 2017 we saw a growing interest in shorter meetings. As budgets tightened, meeting owners and planners pointed to a desire to focus on quality within a slightly shorter time frame. As we move into 2018, survey respondents suggest that meeting length will remain the same, indicating that meeting owners and planners have identified meeting lengths that work across most meeting types and budgets. Europe stands out with respondents predicting that meetings will be shorter by nearly 1% across most meeting types.

Continuing to focus on experience. 2017 saw an emphasis on the quality of experience over the length of meetings. Similarly, Yma Sherry, Vice President, North America, American Express Meetings & Events, explains that meeting owners and planners are working to “find creative and cost-effective ways to enhance attendee experience,” incorporating pre-meeting prep work and post-meeting knowledge checks rather than extending the length of the event.

Spots of growth. Respondents in Central and South America anticipate some growth in meeting length for advisory and incentive meetings. Similarly, Global hoteliers predict an increase of 0.7% in days per meeting for incentives and a 0.5% increase for training meetings. However, meetings professionals suggest that growth should be approached with caution. One meeting planner from Central and South America suggests, “The biggest challenge for this region is the exchange rate so we may see growth for international travelers, but less so for national travelers. As we experience economic and political shifts, meeting owners will adjust the length or number of attendees”.

Focus on attendees. Across all regions, meeting owners, suppliers and planners speak to the growing focus on attendees that began to emerge in 2017. For some, this attention on attendees combined with shorter meetings may mean more more participants can be accommodated in a meeting budget. Stakeholders agree that regardless of meeting size, length, or frequency, more analysis is needed to determine whether meetings are successfully bringing together the people that need to attend. Ms. Sherry explains that meeting size is dependent on “increased scrutiny on who is attending. Meeting owners are really looking at attendee lists to see if they make sense”.

Number of Attendees

2018 vs. 2017

— Indicates no significant change.

| | NORTH AMERICA | EUROPE | CENTRAL/S. AMERICA | ASIA PACIFIC | GLOBAL HOTELIERS |
|---------------------------------|---------------|--------|--------------------|--------------|------------------|
| Sales/Marketing | 0.94% | -0.63% | 0.9% | 0.7% | 1.14% |
| Training | 1.4% | — | 0.6% | — | 2.2% |
| Internal Team Meeting | 0.6% | -0.6% | — | — | 1.6% |
| Product Launch | 0.8% | — | 0.8% | 1.0% | 2.0% |
| Conference/Tradeshaw | 1.8% | — | 1.4% | — | 1.9% |
| Senior Leadership Board Meeting | 0.7% | -0.8% | — | -0.6% | 1.6% |
| Advisory | — | — | 0.7% | — | 0.8% |
| Incentives | 1.3% | — | 0.8% | -0.7% | 2.3% |

(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American and Key Supplier Surveys, August 2017)

Approach to Incentive and Special Events

More than 10% of meetings

| | NORTH AMERICA | EUROPE | CENTRAL/S. AMERICA | ASIA PACIFIC |
|---|---------------|--------|--------------------|--------------|
| Main attendee only (employee, incentive winner, etc.) | 37% | 81% | 78% | 68% |
| Main attendee may bring a 'plus one' | 55% | 14% | 15% | 18% |
| Main attendee may bring family | 6% | 1% | 2% | 8% |
| Other | 3% | 5% | 5% | 8% |

(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American Surveys, August 2017)

Days per Meeting

2018 vs. 2017

— Indicates no significant change.

| | NORTH AMERICA | EUROPE | CENTRAL/S. AMERICA | ASIA PACIFIC | GLOBAL HOTELIERS |
|---------------------------------|---------------|--------|--------------------|--------------|------------------|
| Sales/Marketing | — | -0.9% | — | — | — |
| Training | — | -0.8% | — | — | 0.5% |
| Internal Team Meeting | — | -0.9% | — | — | — |
| Product Launch | — | — | — | — | — |
| Conference/Tradeshaw | — | -0.6% | — | — | — |
| Senior Leadership Board Meeting | — | -0.7% | — | -0.5% | — |
| Advisory | — | -0.5% | 1.0% | — | — |
| Incentives | — | — | 0.9% | — | 0.7% |

(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American and Key Supplier Surveys, August 2017)

Budgets and Planning

Overall Meeting Spend Within Organizations

✓ SURVEY RESULTS

Overall Meeting Spend within Organizations

2018 vs. 2017

| Indicates no significant change. | NORTH AMERICA | EUROPE | CENTRAL/S. AMERICA | ASIA PACIFIC | GLOBAL HOTELIERS |
|----------------------------------|---------------|--------|--------------------|--------------|------------------|
| — | 1.0% | — | — | -1.0% | 1.1% |

(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American and Key Supplier Surveys, August 2017)

Constraint is the word. Respondents expect that their overall meeting spend in 2018 will remain relatively flat, compared to predicted increases of approximately 1% for 2017 in our forecast last year, in all regions except Asia Pacific. Respondents in Asia Pacific point to an expected decrease of 1% in meeting budgets for 2018. North America stands alone with a predicted 1% increase in meeting budgets for 2018. Aligning budgets with company meetings and events strategy emerges as particularly important across all regions, and we will return to this theme throughout this forecast.

Budget wary. Meetings professionals suggest that meeting owners are looking more closely than ever before at the details of their meeting spend. One planner in Europe explains that while “the budget has not been the main factor in the past, now for a lot of meetings the budget is the priority, and with exchange rates and the costs of travelling internationally, meeting owners are increasingly cost conscious”. A meetings executive in Europe explains that while marketing departments often take the lead on meeting planning for large meeting types, such as sales meetings and tradeshows, many companies are increasing their focus on meeting spend. He suggests that there was “a feeling that spend wasn’t under control” and this has contributed to closer linkages between procurement and marketing with respect to meeting planning. “Procurement is making decisions, putting out a tender, and making sure the company is not spending more than they have to”.

Ms. Sherry points to the heightened sense of risk around meeting spend. She explains that companies are now “auditing expense reports that meeting owners are submitting. Meetings and Events are now considered a high-risk category of spend with big opportunities for fraud”. As meeting spend is registering on company radars, so too is the interest in tightening meeting policy and meeting planning processes.

Cost per Attendee

Regional variation. As meetings leaders expect meeting budgets to hold, a limited change in cost per attendee is expected but will likely vary by region and meeting type. Respondents in North America point to a potential increase of 0.5% or more for most meeting types, while those in Europe and Asia Pacific see a decrease of up to 0.8% across several meeting types. Those in Central and South America predict increases for special internal meeting types such as advisory, senior leadership and incentive meetings, but anticipate decreases in cost per attendee for other internal meetings and training meetings.

One meeting planner in Central and South America suggests that increasing costs per attendee for some meeting types is not necessarily about spending more on participant experience, but more about changes in local economies. “As the cost of living increases in certain areas of this region,” she explains, “average room rates will increase. And as the local currency fluctuates, so too will meeting expenses”.

Increased complexity. Regional meetings leaders around the globe suggest that whether it is hotel rates, air rates or the expense of a unique venue, cost per attendee will continue to rise as clients demand a meaningful, quality attendee experience. Respondents point to the increasing complexity of meeting planning and implementation, such as sourcing a non-traditional venue or incorporating a technological innovation to enhance the meeting experience. New demands to deliver on complex meeting plans require that meeting planners think outside the box and think strategically. A meeting planner explains that, “While there is demand for increasingly complex meetings, budgets are not necessarily increasing. So we have to be smarter. Maybe this means smarter in terms of logistics, where we have one bigger meeting rather than several smaller meetings, or smarter in terms of quality, perhaps smaller meetings with enhanced content”. Many suggest that the meeting planner’s role continues to shift well beyond meeting logistics, and is increasingly focused on delivering a quality experience for attendees.

Shorter but sweeter. Whether meetings professionals see meeting budgets increasing or holding steady, they agree that meeting owners are, more and more, focused on attendee engagement and experience. Global hoteliers predict increases in cost per attendee for most meeting types. Elaine Macy, Executive Vice President, Global Group Sales, Preferred Hotels & Resorts, explains, “People are interested in their return on investment for meetings and ensuring their attendees are able to focus on the objective of the meeting. The cost per attendee is going up and they want to ensure attendees are fully engaging with the meeting content. To stay in budget, this often means meetings are short and sweet”.

Flexibility is key. In response to meeting owners’ budget concerns, suppliers point to the need to be flexible. John Gaca, President, DMI Hotels, explains that, “Clients are paying closer attention to budgets and costs because they are often faced with higher price points than they initially anticipated due to ancillary fees such as meeting charges and resort fees”. He suggests that those suppliers willing to be flexible with fees and other elements in contract negotiations can better meet the needs of cost-conscious clients.

Cost per Attendee

(excluding air cost)

| | NORTH AMERICA | EUROPE | CENTRAL/S. AMERICA | ASIA PACIFIC | GLOBAL HOTELIERS |
|---------------------------------|---------------|--------|--------------------|--------------|------------------|
| Sales/Marketing | \$517 | \$345 | \$464 | \$427 | \$410 |
| Training | \$417 | \$342 | \$319 | \$346 | \$247 |
| Internal Team Meeting | \$320 | \$367 | \$305 | \$411 | \$235 |
| Product Launch | \$488 | \$508 | \$560 | \$516 | \$451 |
| Conference/Tradeshaw | \$560 | \$609 | \$467 | \$585 | \$534 |
| Senior Leadership Board Meeting | \$552 | \$544 | \$516 | \$565 | \$539 |
| Advisory | \$525 | \$426 | \$521 | \$363 | \$440 |
| Incentives | \$629 | \$720 | \$702 | \$496 | \$507 |

(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American and Key Supplier Surveys, August 2017)

+2.2%

Global hoteliers expect increases in cost per attendee from 0.8% for Training meetings and 2.2% for Incentive meetings.



Change in Cost per Attendee

2018 vs. 2017

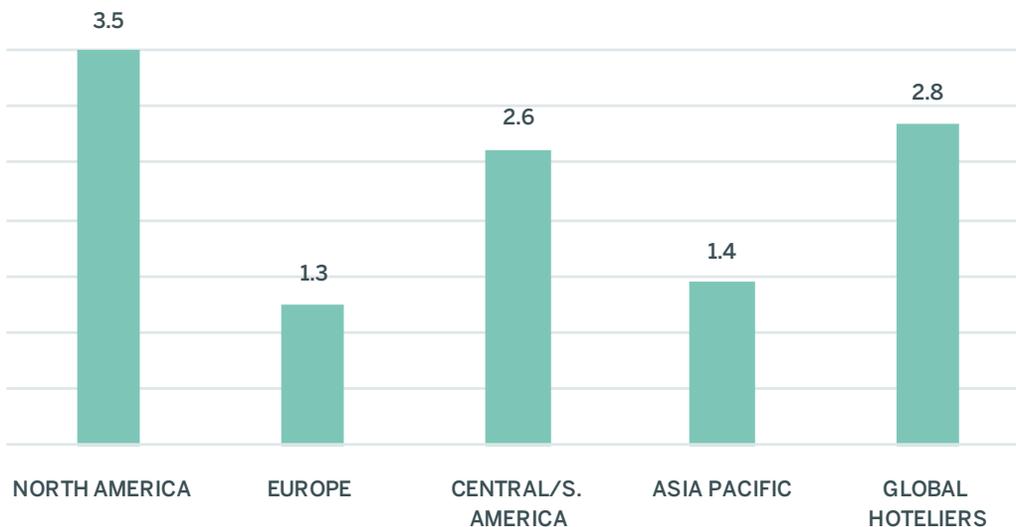
— Indicates no significant change

| | NORTH AMERICA | EUROPE | CENTRAL/S. AMERICA | ASIA PACIFIC | GLOBAL HOTELIERS |
|---------------------------------|---------------|--------|--------------------|--------------|------------------|
| Sales/Marketing | 0.7% | -0.8% | — | — | 1.3% |
| Training | 0.5% | -0.7% | -0.5% | — | 0.8% |
| Internal Team Meeting | — | -1.0% | -0.9% | -0.6% | — |
| Product Launch | — | — | — | — | 1.7% |
| Conference/Tradeshaw | 0.8% | -0.8% | — | — | 1.7% |
| Senior Leadership Board Meeting | 0.6% | -0.9% | 0.7% | -0.5% | 1.6% |
| Advisory | — | -0.9% | 0.7% | -0.8% | 1.2% |
| Incentives | 1.0% | — | 1.0% | -0.5% | 2.2% |

(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American and Key Supplier Surveys, August 2017)

Group Hotel Rates

2018 vs. 2017



(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American and Key Supplier Surveys, August 2017)

Steady climb. Group hotel rates are expected to continue moving upward in 2018. Global hoteliers predict hotel rates will increase 2.8% in 2018 and respondents from all regions anticipate increases in average group hotel rates, with the greatest increases predicted in Central and South America (2.6%) and North America (3.5%) and smaller increases in Europe (1.3%) and Asia Pacific (1.4%) respectively.

A sellers' market. Meetings professionals suggest that rates will continue to rise whether the inventory evens out with demand or demand outweighs supply. In response, as Milton Rivera, Vice President, Global Business Development and Strategy, American Express Meetings & Events, explains, planners and owners are increasingly “emphasizing value and asking ‘What am I getting for that rate?’ This influences location choice, bringing to light mid-size cities. And then this will likely drive up rates in those locations as well”. Issa Jouaneh, Senior Vice President and General Manager, American Express Meetings & Events, suggests that while rates are increasing, “There is an overall sense that the hotel industry is becoming more competitive as suppliers become more aggressive”. Increasing competition could help to limit rising rates.

Plan early, focus on experience. Stakeholders continue to emphasize the importance of planning ahead to address rising rates and limited space availability. At the same time, they speak to the importance of experience. One meeting planner explains, “clients are conscious about paying costly room rates, as they want to invest in creating group activities”. When bringing groups of people together, room rates are an unavoidable expense, so looking closely at how a particular hotel can support the success of a meeting is crucial.

Global Meeting Property Demand and Supply

Property Type Demand

Mid-tier dominates. Demand for mid-tier properties is expected to continue to rise and outpace other property types by at least 2% in 2018. Similar to last year's predictions, at least 41% of demand across all regions is for this property type in 2018. Reflecting a long-term trend in our annual Forecasts, Canada, the UK, and Switzerland stand out with over 75% of projected property demand being in the mid-tier category.

Resort and luxury. Resort and luxury properties are next in popularity after mid-tier properties across most regions. While global hoteliers anticipate the demand for resort and luxury properties will remain flat in 2018, Central and South America respondents suggest their demand for resort properties will increase to 24% of meetings in 2018, from a projected 18% in our 2017 Forecast. Luxury property usage is expected to decline to 20% of meetings in Asia Pacific, a drop of 5% from 2017 predictions.

Lower-tier on the rise. While the demand for lower-tier properties is small compared with that for mid-tier, luxury and resort properties, lower-tier property usage is expected to increase 1% over 2017. Europe and Central and South America expect an increase in usage of lower-tier properties of 5% from 2017 to 12% and 11%, respectively.

Growing demand for the unique. The use of non-traditional space also represents a small portion of the overall property demand across regions. Rising demand for non-traditional meetings facilities, however, is expected to continue to outpace growth in demand for other property types. Matching last year's prediction, global hoteliers predict an increase of almost 4% in the demand for non-traditional meeting facilities.

While the complexity of meetings and events might be growing, meeting planners are excited about the "unique" factor. Many see the need to match non-traditional meeting spaces with increasing client demand for unique venues as a particularly exciting development moving forward. One explains, "As a meeting planner it's exciting—finding creative solutions for clients and keeping on top of the variety of venues. It's not just hotels that are available anymore. It's anything you can turn into a space that could house a meeting. There's a lot of competitiveness in meetings and events and everyone is trying to find different and unique venues to wow attendees".

Navigating Extreme Weather. As we write this year's forecast, the Americas are experiencing devastating hurricanes and earthquakes which will undoubtedly have long term implications for residents in those locations. The impact of these natural disasters on the future choice and availability of meetings locations, particularly for incentive type events that frequent resort areas, is unknown at this point. As many of the hardest hit areas rely heavily on travel and tourism, at American Express Meetings & Events we hope that the infrastructure can be rebuilt quickly to allow our industry to once again play a key role in their economic recovery.

Property Type Demand

2018 vs. 2017

| | GLOBAL HOTELIERS |
|-------------------------------------|------------------|
| Resort Properties | -0.2% |
| Luxury Properties | 0.4% |
| Mid-Tier Properties | 3.0% |
| Lower-Tier Properties | 1.0% |
| Non-Traditional Meetings Facilities | 3.8% |
| Cruises | 0.7% |

(Sources: American Express Meetings & Events Key Supplier Surveys, August 2017)

Group Space Availability

YOY percent change

| | NORTH AMERICA | EUROPE | CENTRAL/S. AMERICA | ASIA PACIFIC | GLOBAL HOTELIERS |
|------|---------------|--------|--------------------|--------------|------------------|
| 2018 | - | - | 0.6% | - | 1.5% |
| 2019 | - | 0.7% | 1.6% | 0.8% | 1.9% |

(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American and Key Supplier Surveys, August 2017)

+3.8%

Demand for non-traditional meetings facilities is expected to increase by 3.8% in 2018



Property Type Usage

As a percent of meetings

| | NORTH AMERICA | EUROPE | CENTRAL/S. AMERICA | ASIA PACIFIC |
|-------------------------------------|---------------|--------|--------------------|--------------|
| Resort Properties | 17% | 5% | 24% | 15% |
| Luxury Properties | 17% | 11% | 17% | 20% |
| Mid-Tier Properties | 51% | 61% | 41% | 50% |
| Lower-Tier Properties | 7% | 12% | 11% | 7% |
| Non-Traditional Meetings Facilities | 8% | 10% | 7% | 6% |
| Cruises | 1% | 1% | 2% | 3% |

(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American and Key Supplier Surveys, August 2017)

Group Hotel Space Availability

Flat for the time being. While respondents indicate that group space availability will remain relatively flat in 2018, those in Europe, Central and South America and Asia Pacific predict small increases in 2019. Respondents in Central and South America stand alone in predicting a 0.6% increase for 2018, while global hoteliers remain optimistic, expecting a 1.5% increase in 2018 and a 1.9% increase in 2019. Mr. Jouaneh points out, though, that “larger suppliers are focusing more and more on expansion of their footprint into growth countries around the world. This is an exciting trend”.

Four- and five-star construction continues to increase. In Europe, Asia Pacific and the Middle East, four- and five-star hotel construction will continue to increase, according to data from TOPHOTELPROJECTS GmbH. Europe will see an increase from 1,409 properties under construction in 2017 to 1,587 in 2018, while Asia Pacific will see an increase from 1,565 properties in 2017 to 1,737 in 2018. Rolf Schmidt, CEO of TOPHOTELPROJECTS, explains, “We have strong growth and strong development in Europe, pushed by Germany as a country and London as a city. These are the key drivers in growth”. He adds that Asia Pacific will continue to see growth but not necessarily in China, “where construction is levelling off”. The ratio of midscale to luxury will continue to be greater in Europe and North America than in Asia Pacific and Central and South America. New construction in North and Central America will match 2017 construction (1364 combined in North and Central America) and will decrease slightly in South America, from 170 to 162. Mr. Schmidt suggests that North and Central America are “fascinating from a statistical point of view, as the numbers are the same moving into 2018, but there is now a lot going on in Mexico in terms of effort to promote it as a destination, more than years before. They are running a strong program to push tourism”.

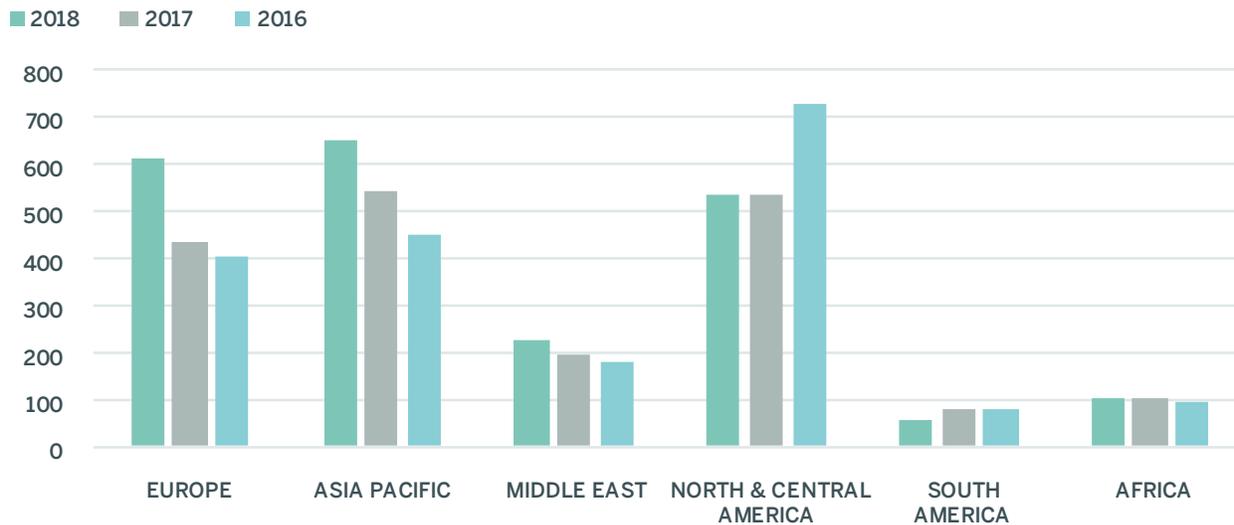
Busy top cities. Openings in many top cities will continue to increase in 2018, with Dubai again seeing the biggest leap, from 39 in 2017 to 66 in 2018. South America and Africa will see the fewest openings, with between three and five new hotels opening in their top cities. While New York will see fewer new openings this year (18) than last (25), Nashville rises to the top three with 16 new openings in 2018. Bali replaces Shanghai as the number one city in Asia with 16 new openings in 2018. And London will see an increase in hotel openings, from 24 in 2017 to 27 in 2018.

Those that prioritize, rise above. Meetings professionals agree that those cities that prioritize meetings and events capacity emerge as top choices for planners and owners. Norma Dean, Director Delta Specialty Sales, Delta Air Lines, suggests, “Orlando is consistently in the top five because of the cost of doing business there, the proximity for many meeting owners, and the work the city has done to make sure appropriate venues exist”. Similarly, she points out that “as China increased its visibility as a whole with advertising and a better reach to global customers, it has emerged as a popular destination for meetings and events as well. It may take time for companies to build inroads in China but China is keen on building partnerships as airlines increase the flight options to China”.

What about meeting space? While a small growth in group space availability is expected, new hotels may add guest room space but not necessarily group meeting space. Ms. Sherry explains that “while hotel supply is outpacing demand in transient, this is not happening in meetings because new hotels are often not including significant meeting

Hotel Openings (Midscale to Luxury Segments)

2016-2018



(Source: TOPHOTELPROJECTS GmbH, as of August 2017)

4/5 Star Hotels Under Construction 2016-2018



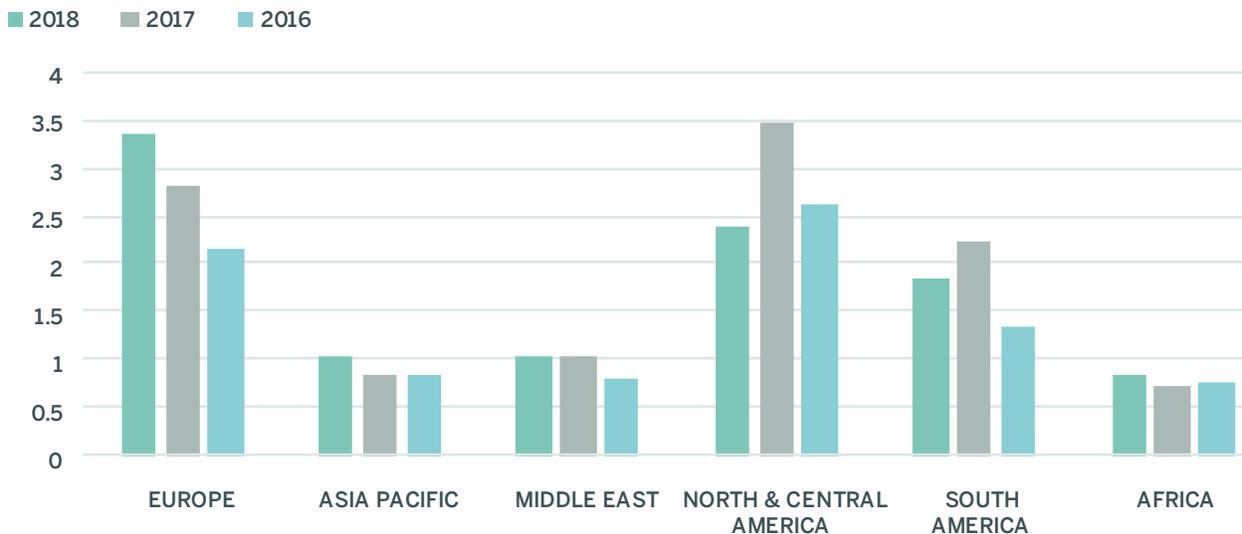
(Source: TOPHOTELPROJECTS GmbH, as of August 2017)

space". This puts greater emphasis on the meeting planner to source alternative venues. At the same time, Frank Passanante, Senior Vice President, Group Sales & Industry Relations, Hilton Worldwide, explains that often there is a misperception that space is limited. "We need to dispel the myth that there is no space available in certain cities". He suggests all hotel suppliers need to consider how they are communicating their availability and offerings to the meetings and events industry to ensure buyers are clear.

Suppliers at the last minute. The complexity of meetings and events planning does not rest solely on the shoulders of meeting planners and owners. Suppliers face challenges as meetings and events evolve. Ms. Lawson of Loews Hotels & Resorts explains the emerging challenge for hoteliers: "While there is more

Ratio of Midscale to Luxury Hotel Openings 2016–2018

Number of midscale hotel openings for every luxury hotel opening



(Source: TOPHOTELPROJECTS GmbH, as of August 2017)

supply coming online we’re seeing a lot more short-term business, not just for small meetings and groups but for larger programs. We need to be ready for this in terms of forecasting and pricing. Inventory planning and preparation is critical to navigate both our customer and hotel short- and long-term needs”.

Negotiation considerations. The importance of effective negotiation in realizing an optimal meeting scenario for meeting owners emerges as a key area to consider moving forward. As they did last year, survey respondents indicate that hotel mergers and acquisitions can often add another layer of complexity to contract negotiations and contract terms and conditions. At the same time, respondents suggest that suppliers are most willing to negotiate on room rates and amenities. More than 65% indicate that several other areas are often open to negotiation as well, including complimentary meetings space, attrition clauses and cancellation fees, food and beverage upgrades and free Wi-Fi. Responses indicate planners, suppliers and owners are often able to find common ground in negotiation.

Emphasizing the value of meetings and events. In interviews, suppliers indicate that hoteliers are increasingly championing meetings and events. They recognize the benefits of hosting meetings and events and, as Mr. Passanante of Hilton Worldwide explains, they are “getting more vocal about the value of face-to-face meetings. I’m excited about the future of meetings and elevating the stature of the meetings industry”. And hotel suppliers indicate that it is a time of growth for the hotel industry in regard to meetings and events. Ms. Macy of Preferred Hotels & Resorts points out that “group sales are 20% higher than expected within our organization, and the industry is doing very well”.

Some suggest that meetings and events are key to the success and sustainability of hotels. Ms. Lawson explains, “Groups are a significant driver for the hotel industry and becoming increasingly important. Whether a transient or group reliant property, every hotel has some level of dependency on groups and meetings to support a strategic and balanced market mix and ancillary spend, such as F&B. As groups and meetings continue to strengthen we need to better understand the needs and preferences of meeting owners and planners to hand-craft our offerings to their individual goals and company culture.” This understanding of needs touches on an emerging theme of partnership in this year’s forecast research. As we gathered data and spoke with stakeholders, it became clear that partnerships between suppliers, planners, and owners have become an important point of discussion. We return to this theme later in this Global Trends section.

✔ SURVEY RESULTS

Terms Hotels are Willing to Negotiate in Contract

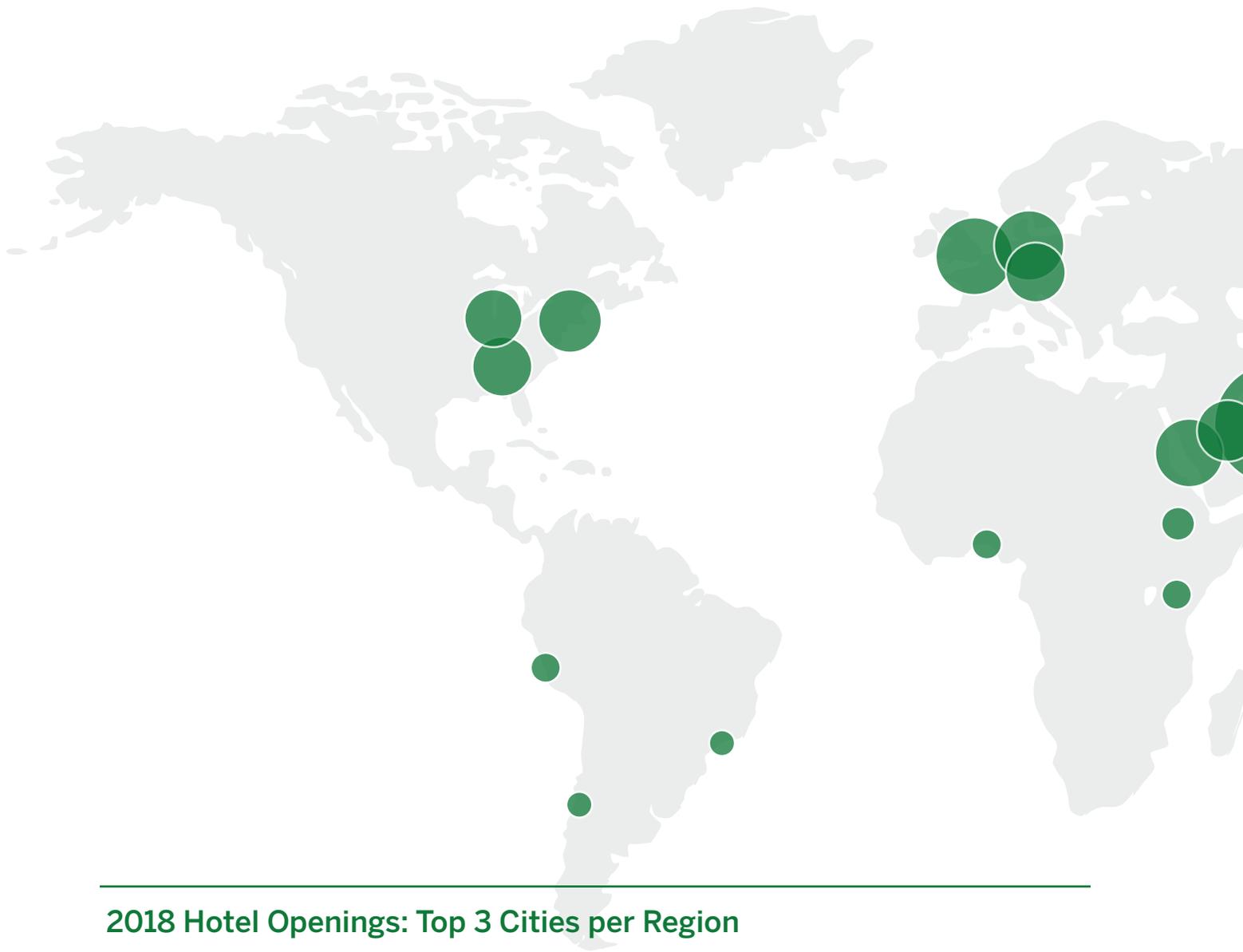
| GLOBAL HOTELIERS | |
|-------------------------------------|-----|
| Discounted audio/visual | 57% |
| Hotel room rates | 89% |
| Complimentary meetings space | 68% |
| Food/beverage upgrades or discounts | 76% |
| Free or discounted WiFi | 78% |
| Attrition clauses | 67% |
| Cancellation penalties | 67% |
| Free or upgraded amenities | 85% |
| Resort fees | 29% |
| Service charges | 33% |

(Sources: American Express Meetings & Events Key Supplier Surveys, August 2017)

Top Impacts of Increased Hotel Merger and Acquisition Activity

| | NORTH AMERICA | EUROPE | CENTRAL/S. AMERICA | ASIA PACIFIC |
|--|---------------|--------|--------------------|--------------|
| Change in key contacts | 39% | 32% | 37% | 67% |
| Re-flagging of local properties | 21% | 9% | 6% | 10% |
| Lower commission rates | 14% | 32% | 35% | 24% |
| More challenging contract negotiations | 63% | 54% | 56% | 43% |
| Erosion of group program points | 12% | 8% | 4% | 14% |
| Slower RFP Response Rates | 21% | 28% | 31% | 22% |
| Changes in contractual terms and conditions | 61% | 46% | 52% | 52% |
| Easier to establish a global preferred hotel program | 24% | 34% | 31% | 33% |
| Increased investment in meetings technology | 16% | 26% | 10% | 16% |
| Increased investment in hotel renovations | 29% | 29% | 40% | 19% |

(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American Surveys, August 2017)

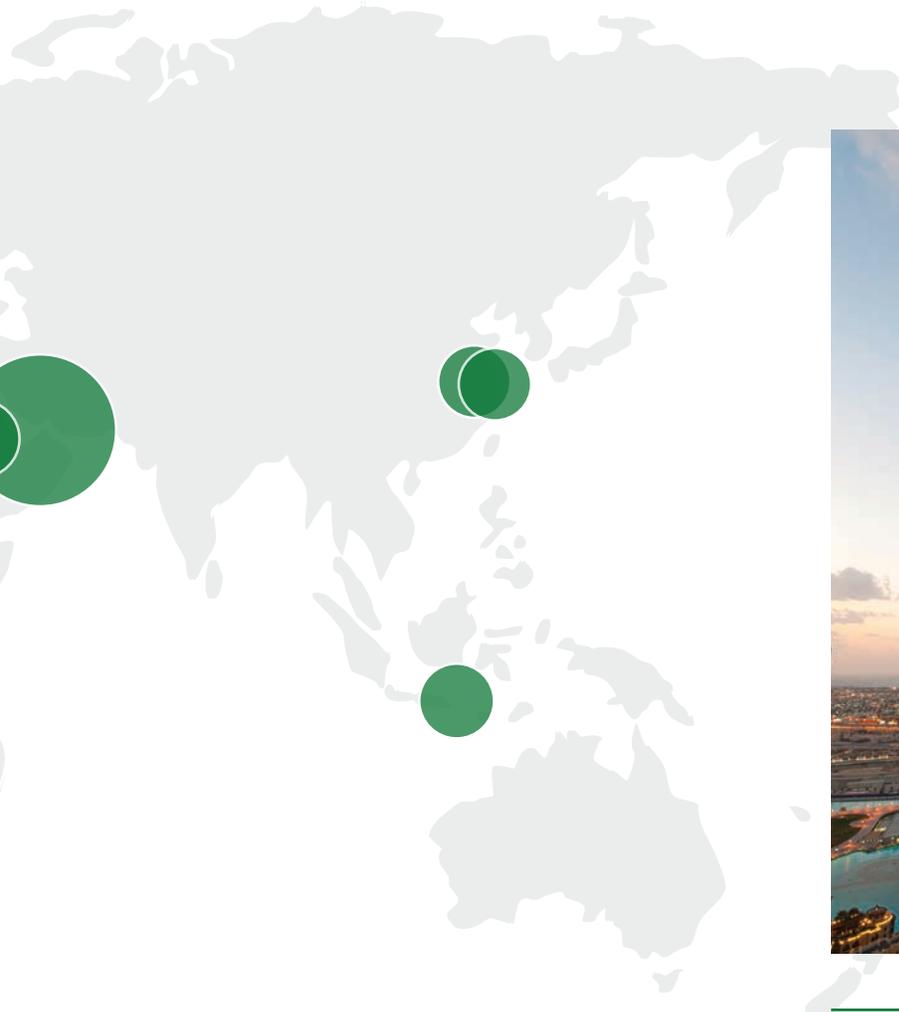


2018 Hotel Openings: Top 3 Cities per Region

| CITY NAME | # OF HOTEL OPENINGS |
|----------------------|---------------------|
| North America | |
| New York | 18 |
| Nashville | 16 |
| Chicago | 15 |
| Europe | |
| London | 27 |
| Hamburg | 22 |
| Munich | 16 |
| Middle East | |
| Dubai | 66 |
| Jeddah | 21 |
| Riyadh | 17 |

| | |
|----------------------|----|
| Asia | |
| Bali | 16 |
| Shanghai | 15 |
| Suzhou | 15 |
| South America | |
| Lima | 4 |
| Santiago | 3 |
| Sao Paulo | 3 |
| Africa | |
| Addis Abada | 5 |
| Lagos | 4 |
| Nairobi | 4 |

(Source: TOPHOTELPROJECTS GmbH, as of August 2017)



Top Cities for Hotel Openings 2018

| CITY NAME | # OF HOTEL OPENINGS |
|--------------|---------------------|
| Dubai | 66 |
| London | 27 |
| Hamburg | 22 |
| Jeddah | 21 |
| New York | 18 |
| Riyadh | 17 |
| Nashville | 16 |
| Munich | 16 |
| Bali | 16 |
| Berlin | 16 |

(Source: TOPHOTELPROJECTS GmbH, as of August 2017)

Group Air Trends

Group Air Rates

Rates on the rise. The results of our group air survey suggest that group air rates will continue to rise into 2018 and 2019, with increases exceeding those predicted for 2017. Respondents in North America and Central and South America expect the greatest increases of 4.7% and 4.3%, respectively, in 2018, and 5.6% and 4.9% in 2019. Asia Pacific predicts a small rate increase of 0.9% in 2018 and an even smaller increase of 0.5% in 2019.

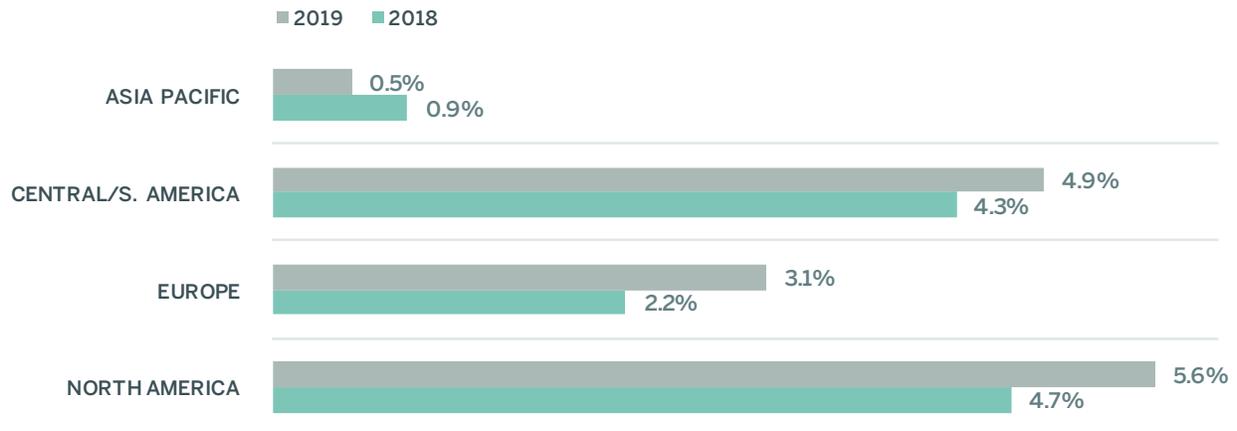
Rates and destinations. At least 37% of respondents across regions indicate that rates have some influence over destination choice, with more than half of respondents in Central and South America indicating that they have a significant influence. A third of respondents in Europe and just over one-quarter in North America state that rates have no influence over destination choice. One meeting planner in North America suggests that, “Often when it comes to meetings and events in the US people are looking to shake it up and do something different whether it is on the east coast or west coast. Even if the rates are slightly higher they will still go with it”.

Air rates also influence the emergence of new destinations for meetings and events. José Miguel Moreno, Vice President Global B2B Sales Strategy, Méliá Hotels International, describes how the push for new destinations by meeting owners and planners combined with the great connectivity and competitive rates to Majorca, for example, contribute to the development of meetings space there. “Majorca, while it is easy to get to, had not been considered for congresses because of a lack of facilities, and now since the opening of the new Congress Centre of Palma, it has the space and will be a key destination for congresses, large events or car launches”.

New routes and groups. Airline executives express a growing enthusiasm for meetings and events travel. They continue to add new routes and grow awareness of their new routes in response to demand from the industry. Stefano Mastrantonio, National Manager, Group Sales, Air Canada, explains, “The trend among meeting planners to find new destinations encourages us to add new routes, with new access to new destinations around the world. We’re partnering with destinations to build awareness and grow those destinations. We’re also using current trends to become more strategic about how we price and make flights available so that we can capture business well in advance”.

Group Air Rates

YOY percent change



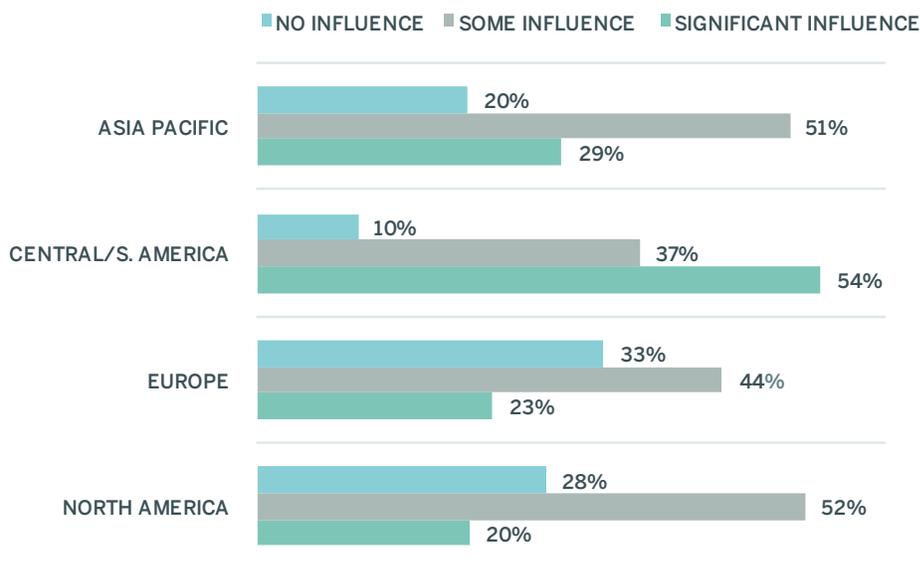
(Source: American Express Meetings & Events Group Air Expert Survey, August 2017)

+5.6%

Group air rates are predicted to rise by 5.6% expected in North America in 2019



Group Air Rates Influence on Destination Choice



(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American Surveys, August 2017)

Regional Group Air Rates

Regional rates also rising. Survey respondents indicate that regional group air rates will rise between 1% and 2.9% in 2018. North America and Western Europe will see the greater increases, while the Middle East and Africa will see the smallest.

Closer to home. Stakeholders from planning, supply and air perspectives all suggest that with greater numbers of meetings and budget limitations, many meeting owners will look to keep meetings closer to home. One meeting planner from Asia Pacific explains, “One of the key items for clients drafting meeting policy now is the importance of making an effort to locate the meeting where the largest number of attendees are, especially if they have a limited budget. Then, once the location is selected other decisions can be made”.

But meeting closer to home is not simply about the cost. Mr. Jouaneh explains that meeting planners and owners “appreciate that business happens locally and corporations are looking to be flexible in process, event design and execution to help ensure meetings are successful in their local geography”. Meeting planners must, then, endeavour to better understand local dynamics, existing business practices and availability closer to home.

Value in group air. Respondents and group air professionals also suggest that meeting owners and attendees are looking for value for their money spent on air travel. Services along the way are not a given and group air leaders indicate clients are looking for an improved flight experience overall. Ms. Sherry explains, “Everything I’m hearing is that airlines need to bring back some services. There can be quite an outcry, especially when there’s nothing but pretzels or they run out of meals available for purchase because everyone is hungry”. Unfortunately, these experiences en route to a meeting can cause an attendee to have a negative association with the meeting overall.

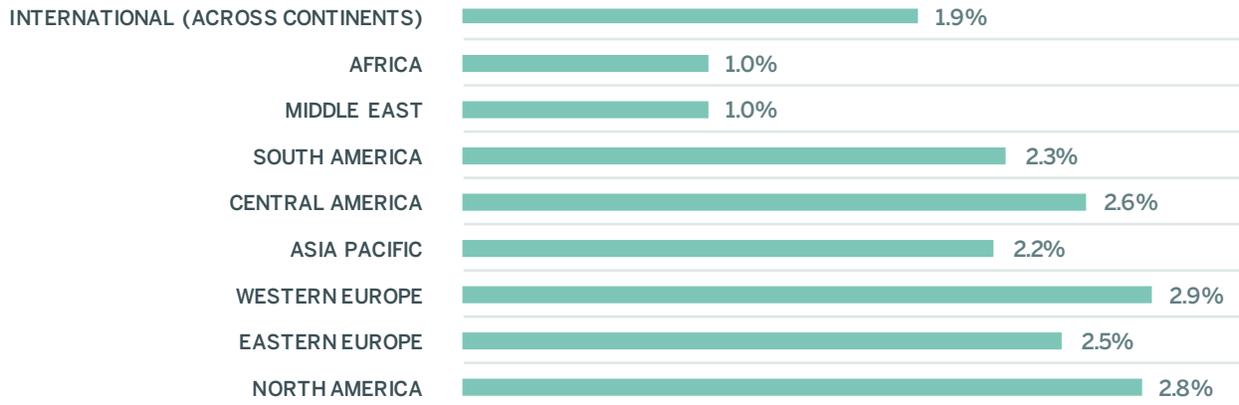
Airline Capacity and Group Volume

Always expanding. Air suppliers suggest that capacity and volume will continue to increase. As demand for air travel increases, so too does capacity and volume. One airline representative indicates that he “absolutely anticipates capacity changes as they continue to look for ways to meet customer needs. In some cases it is about improving on the network we already have and in others it’s building new networks”.

Insight into group travel. Group air professionals agree that diverse booking channels and multiple points of origin for meeting attendees can make understanding meetings volume a challenge both for the airline and the individual company or meeting owner. One explains, “Airlines are trying to better understand what their group volume is. One strategy is to offer rewards programs to clients so that all group volume is tracked via that program and clients are rewarded with extra miles/tickets per year based on their meetings volume”. Ms. Dean of Delta Air Lines echoes the value of rewards programs and client recognition to both the supplier, meeting attendees and the meeting owner. She points out that “the dedicated groups desk is able to provide intelligence for the meeting owner on their spend as well as contribute to the potential to factor spend history into contract negotiations”.

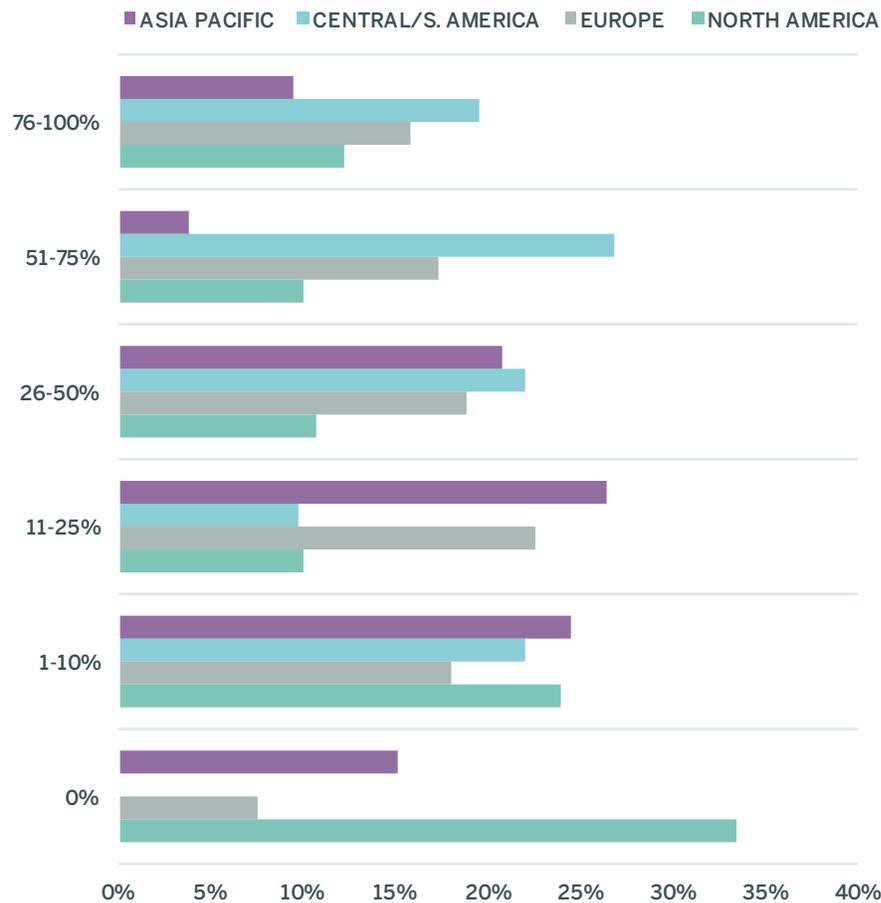
Regional Group Air Rates

2018 vs. 2017



(Source: American Express Meetings & Events Group Air Expert Survey, August 2017)

Percentage of Meetings that Include Group Air Management



(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American Surveys, August 2017)

Group Air Management

Inclusion differs by region. While 22% of respondents in North America indicate that over half of their meetings include group air management, 33% in Europe and 47% in Central and South America do. Only 13% of respondents in Asia Pacific indicate that at least half of their meetings include group air management. 30% percent of respondents in North America say that none of their meetings include group air management, while responses from Central and South America suggest that at least a portion of all of their meetings include some group air management.

The group air specialist. While regions appear to differ in terms of their use of resources for group air booking, the internal group air specialist emerges, once again, as the most popular resource in all regions except North America where both the travel management company and the group air specialist are most frequently used. In most regions, at least 45% of respondents indicate that the internal group air specialist is the resource most frequently used for group air management. And in every region, 22% or more of respondents indicate they make direct arrangements with airlines.

Flat rates and mini routes. As with last year, group air specialists report that they prefer to negotiate on flat rates from one destination for group air programs. However, the combination of flat rates and mini route deals/conference window rates is expected to rise from 37% in 2017 to 50% in 2018.

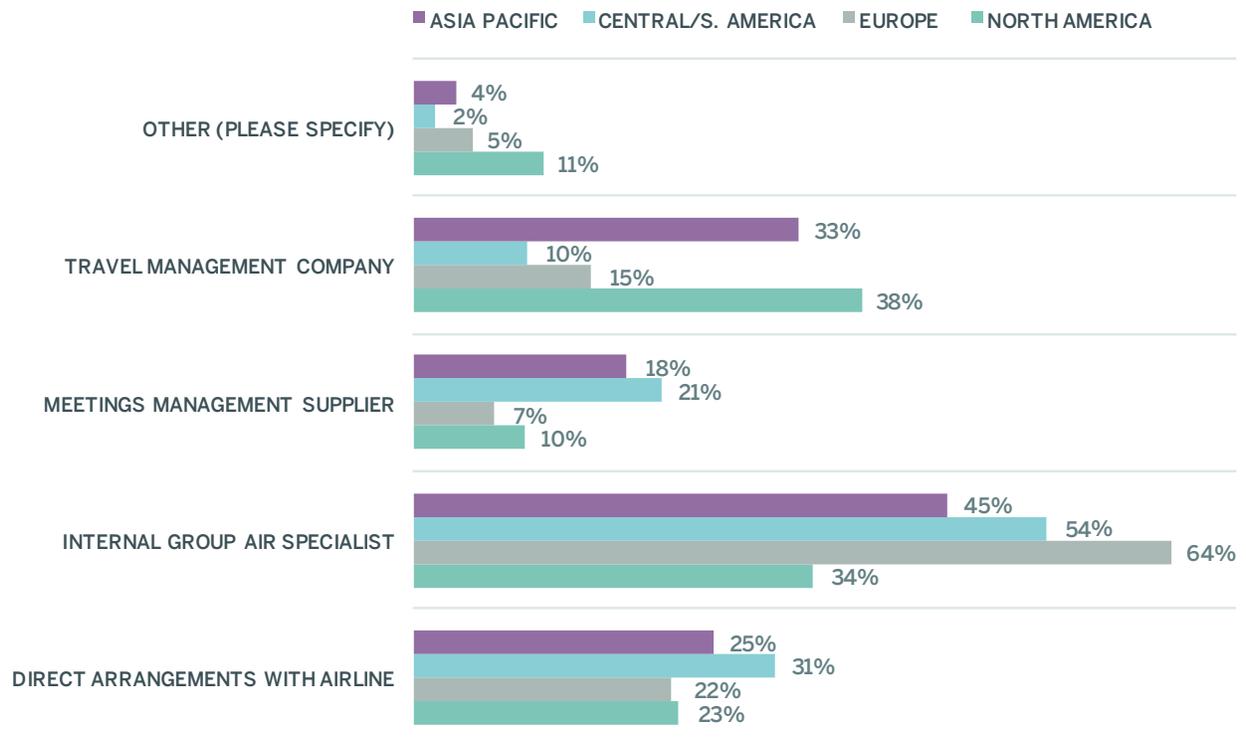
✔ SURVEY RESULTS

Types of Deals Airlines Prefer to Negotiate

| | |
|---|-----|
| Flat rate from one destination | 26% |
| Mini route deals/conference window rates | 10% |
| Both flat rate from one destination and mini routes deals/ conference window rates | 50% |
| Other (please specify) | 15% |

(Source: American Express Meetings & Events Group Air Expert Survey, August 2017)

Group Air Booking Resources Used Most Frequently



(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American Surveys, August 2017)



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Global Trends



Meetings Program and Policy Trends

Top Meeting Location Concerns

Getting there. Ease of air lift is, for many, a top factor in selecting a meeting location, according to 49% of respondents in North America and 26% in Europe. For groups whose members are located around the world, finding a location that everyone can easily get to and from, without multiple connections and wait times, will always be important.

Proximity. With more and more meetings on the horizon, meeting owners also look to minimize travel times and cost. For 52% of respondents in North America and 44% in Europe, the need for a specific location type, whether it is close to an airport, training facility or a customer's location, is a top factor in determining the location of a meeting. A meeting planner in Europe highlights the importance of proximity, explaining that meeting locations need to be easily reachable by air or train. He states, "With increasing numbers of meetings and shorter meetings, travel time also needs to be reduced for many meeting types".

Security and stability. While efficient travel is important, only 15% of respondents in Central and South America and one-quarter of those in Asia Pacific rank ease of air lift as a top factor. For these regions, economic and political instability are greater factors in their decision-making, as identified by 50% of those in Central and South America and 43% in Asia Pacific. Moreover, nearly a third of respondents in Europe identify economic and political instability as a top decision-driver and 41% of those in Asia Pacific and 33% in Europe consider safety concerns to be a top priority.

Respondents around the world state that attendee security is always top of mind for meeting planners and owners. It drives decisions about mode of transportation, destination, property type, and meeting activities, and shapes meetings and events policy and programs. Safety and security have always been at the heart of risk management policies. As the risk of political or economic uncertainty in a region increases, companies are recognizing the importance of meetings and events policies and overall compliance.

Concerns about security and stability do influence meetings and events decisions. They do not, however, as Mr. Jouaneh, Senior Vice President and General Manager, American Express Meetings & Events, suggests, limit the possibilities of meetings and events. He explains that "while concerns about political and economic instability do drive destination choices and, in some cases, encourage localization of meetings and events, these concerns are not affecting the overall volume and activity of meetings or travel, which continue to rise".

Meetings Management Trends

Strategy is key and policy is the first step. Meetings and events are increasingly at the forefront of how companies promote themselves, their products and their services. They require great investment in terms of time and money and the resulting return on investment can spur new growth for a company. As meetings and events continue to be central to the success of a business, aligning them with an overall strategy is crucial—but developing that strategy and putting it into practice can be challenging.

Top Factors Influencing Meeting Location

| | NORTH AMERICA | EUROPE | CENTRAL/S. AMERICA | ASIA PACIFIC | GLOBAL HOTELIERS |
|---|---------------|--------|--------------------|--------------|------------------|
| Economic/political instability concerns | 12% | 28% | 50% | 43% | 36% |
| Currency/exchange rate | 3% | 8% | 33% | 11% | 10% |
| Online reviews | 3% | 4% | 6% | 3% | 6% |
| Safety concerns | 14% | 33% | 14% | 41% | 29% |
| Perceptions around “resort” destinations for meetings | 13% | 8% | 15% | 10% | 3% |
| Participation in company or organization’s preferred supplier program | 15% | 14% | 12% | 13% | 14% |
| Past experience of colleague | 7% | 7% | 4% | 11% | 14% |
| Ease of air lift / transportation to location for attendees | 49% | 26% | 15% | 24% | 42% |
| Client directive based on past experience | 16% | 18% | 13% | 13% | 11% |
| Repeat destination for meeting | 16% | 11% | 6% | 6% | 7% |
| Specific location type needed – airport, near training facility, near customer location, etc. | 52% | 44% | 33% | 25% | 29% |

(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American and Key Supplier Surveys, August 2017)

One meeting planner argues that companies often need a financial driver to push them to develop strategy. He explains, “As long as companies are making money, they are not as concerned with establishing a meetings and events strategy or pay much attention to spend. But shifts in the economy do drive companies to look at meeting spend and strategy”. As companies consider the benefits of meetings and events and the related risks and costs, they recognize the importance of cementing meetings policy and strategy and aligning these with their budgets. Many meeting planners explain that they often play a supportive role in a company’s decision to implement meetings and events policy. We expect this trend to continue to expand as companies build their meetings and events programs.

Assessing their programs. As with understanding any aspect of a company, evaluating and quantifying the effectiveness of meetings and events is important to the company’s growth. Many companies are recognizing this and are interested in benchmarking programs to assess meetings and events activity. But this is not easily done. Yma Sherry, Vice President, North America, American Express Meetings & Events, suggests that for meetings and events, benchmarking is “often like comparing apples to oranges because no two events are alike. Comparing cost per attendee when there are so many elements involved is hard to do. Comparing transient travel, such as air or hotel rates, is much easier. We need the capacity to break out meeting elements and put them all back together to provide for effective assessment”.

Isolating milestones. One starting point for meetings evaluation is to measure the same meeting or set of meetings year over year. A meeting planner explains, “Once an event is over and reconciliation is complete, we’ve moved onto the next meeting, so the challenge is to put something into place that does a time-over-time analysis for a company’s meetings program”. Milton Rivera, Vice President, Global Business Development and Strategy, American Express Meetings & Events, suggests that companies with mature meetings programs have the opportunity to look at patterns and possibly compare those with other companies. He argues that getting at the anecdotal evidence of the success of a meeting or event can help a company benchmark where they are on the meetings and events journey. “Everyone agrees there is a path in the development of a meetings and events program, and if we can isolate some milestones along that journey we can better understand where we are as an organization”.

Policy and Procurement

Ease of approval and meeting types. Respondents across the four regions identify training meetings as having the easiest approval process among meeting types. For Asia Pacific and Europe, internal team meetings are also ranked as relatively easy to get approved. Central and South America stand alone in identifying one of the larger meetings types, sales and marketing, as being approved easily.

Across all four regions, incentive/special events are identified as having the most challenging approval process. This is consistent with prior year’s results, given higher on average cost per attendee for these event types. Conferences and tradeshow in North America and Europe are also challenging, while respondents in Central and South America identify product launches as having challenging approval processes. In Asia Pacific the same proportion of respondents identified internal team meetings as having the most difficult processes and as having the easiest approval processes, suggesting that the difficulty or ease can be policy or company specific in nature. And those in Asia Pacific point to sales and marketing meetings as well as internal meetings as having challenging approval processes.

Partnerships. Stakeholders suggest that partnerships among suppliers, planners, and meeting owners will be crucial to providing the best meeting experiences and ensuring they align with company policy. Ms. Lawson of Loews Hotels suggests that she sees “group and meeting planners in partnership with procurement coming together to define the groups and meetings budget and jointly identify where that spend will be applied for greatest efficiency and impact”.

Electronic sourcing. Technological innovations, new meeting demands and increasing cost-consciousness are driving continued efforts around electronic sourcing for all meeting types—including small meetings. Last year we reported that the trend toward individualized distribution channels was one to watch. Electronic sourcing and the direct access to supply that it can provide present challenges to ensuring policy compliance, but many see electronic sourcing as a path toward more efficient and timely meeting planning. As Linda McNairy, Vice President, Global Operations and Shared Services, American Express Meetings & Events, points out, “Customer demand is there, and technology can accommodate it. The challenge continues to be the ability and willingness of hotels to offer space and rates to allow for instant bookings for meetings”. A meeting planner adds, “In 5-10 years, sourcing will likely be

Difficulty of Meetings Approval Process

| EASIEST | | | |
|---|-----------------------|---------------------------|-----------------------|
| NORTH AMERICA | EUROPE | CENTRAL/S. AMERICA | ASIA PACIFIC |
| Training | Training | Sales/Marketing | Training |
| Senior Leadership Meeting/Board Meeting | Internal Team Meeting | Training | Internal Team Meeting |

| HARDEST | | | |
|--------------------------|--------------------------|------------------------------------|--------------------------|
| NORTH AMERICA | EUROPE | CENTRAL/S. AMERICA | ASIA PACIFIC |
| Incentive/Special Events | Incentive/Special Events | Incentive/Special Events | Incentive/Special Events |
| Conferences/Tradeshows | Conferences/Tradeshows | Product Launch (Internal/External) | Sales/Marketing |
| | | | Internal Team Meeting |

(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American Surveys, August 2017)

done completely differently with a smart solution to book small meetings on the fly, and we won't be using as many sourcing agents. Sophisticated sourcing tools will facilitate online booking that will have the capacity to take into account a large company's travel policy and their preferred suppliers. This will change sourcing". He explains that digital sales servicing solutions are already available in some areas to facilitate quick proposal responses, manage reservations, provide feedback, and monitor rates. "From a commercial perspective, this is driving and changing meetings and events".

Another meetings executive ties the future of meetings and events to the central availability of meetings inventory. Mr. Rivera suggests that, "The central availability of a meetings inventory will accelerate the industry, automating a lot of the things we are doing that are tactical and cause stalls. Once the inventory comes available there will be another industry leap forward".

Mobile Apps

Engaging the apps. Mobile apps are not new. They emerged years ago and their usage possibilities for meetings and events continue to evolve. Respondents predict mobile app usage will increase in 2018. Global hoteliers predict a 4.3% increase. Respondents in North America reported higher mobile app usage than other regions in 2016 and continue to project higher usage through 2018 compared with other regions, expecting an increase of 3.4% in 2018. While respondents in Central and South America and Europe have reported lower usage in the past, they also expect usage to increase 3.1% and 3.5%, respectively, in 2018. Asia Pacific respondents predict a smaller increase (2.2%).

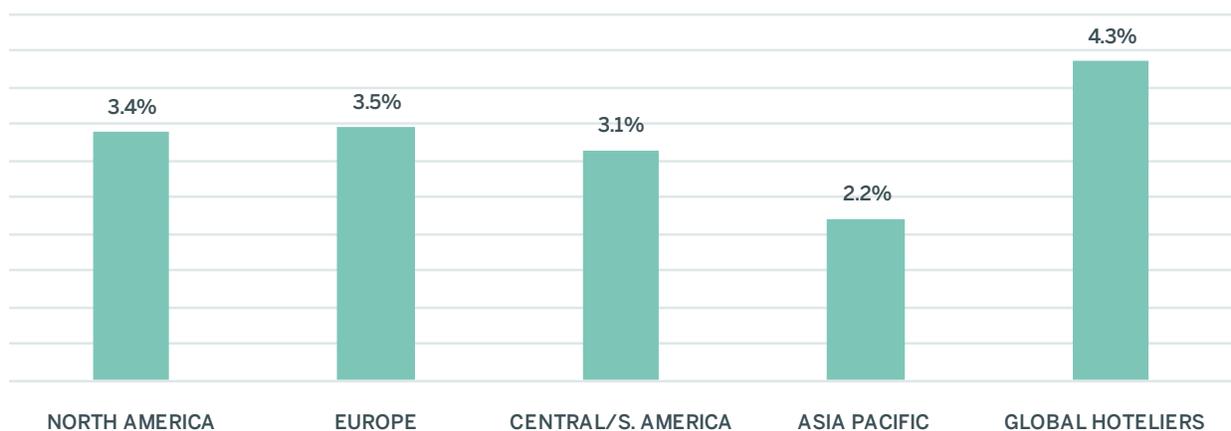
As Ms. McNairy suggests, “using meeting apps goes well beyond a reduction of printed materials, agenda management and surveys. Mobile apps are now a ‘must have’ for all events. Attendee engagement, both before, during and after the event, in addition to gamification are driving richer insights into attendee behaviors and allowing event organizers to make more informed decisions about their business”. Respondents indicate that improving attendee engagement, communication during the event and facilitating networking among attendees are among the most compelling reasons to use a mobile app. Communicating with attendees regarding changes or emergencies is equally compelling across regions.

Some suggest, however, that while there are many great reasons to use mobile apps for meetings and events, some meeting owners are hesitant to include mobile apps in their events. One meeting planner in Asia Pacific finds that, “while apps are so widespread, some meeting owners seem reluctant to use mobile apps for meetings. This is partly due to the cost but it could also be related to the overwhelming number of apps to choose from”.

✓ SURVEY RESULTS

Mobile App Usage

2018 vs. 2017



(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American and Key Supplier Surveys, August 2017)

Most Compelling Reason to Use Mobile App

| | NORTH AMERICA | EUROPE | CENTRAL/S. AMERICA | ASIA PACIFIC | GLOBAL HOTELIERS |
|---|---------------|--------|--------------------|--------------|------------------|
| Improve communications | 46% | 45% | 29% | 29% | 44% |
| Improve engagement of attendees | 53% | 44% | 37% | 52% | 50% |
| Facilitate networking among attendees | 15% | 24% | 29% | 37% | 28% |
| Measure effectiveness of presentations | 7% | 9% | 12% | 11% | 8% |
| Measure event effectiveness overall | 15% | 20% | 35% | 24% | 17% |
| Communicate with attendees regarding changes or emergencies | 39% | 32% | 40% | 32% | 36% |
| Deliver documents electronically | 26% | 27% | 19% | 16% | 17% |

(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American and Key Supplier Surveys, August 2017)

Mobile App Features: Very Important to the Success of Meetings

| | NORTH AMERICA | EUROPE | CENTRAL/S. AMERICA | ASIA PACIFIC |
|--|---------------|--------|--------------------|--------------|
| Gamification | 8% | 11% | 8% | 2% |
| Floor maps | 45% | 23% | 35% | 33% |
| 1:1 messaging | 24% | 22% | 19% | 33% |
| Channels for subject- specific conversations | 12% | 15% | 27% | 24% |
| iBeacon – see who is nearby | 5% | 5% | 4% | 6% |
| Agenda | 69% | 65% | 67% | 59% |
| Surveys/Polls | 47% | 38% | 56% | 56% |
| Send messages and reminders to attendees | 58% | 47% | 60% | 48% |
| Speaker profiles | 32% | 26% | 40% | 41% |
| Take Session Notes | 18% | 19% | 19% | 19% |
| Analytics to measure event success | 43% | 42% | 54% | 38% |
| Hosted .pdf documents/presentations | 38% | 34% | 29% | 27% |
| QR code scanner | 15% | 27% | 29% | 30% |
| Session attendance scanning | 31% | 32% | 39% | 37% |
| Upcoming session reminders | 47% | 37% | 33% | 41% |
| Session Q&A | 30% | 29% | 40% | 41% |

(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American and Key Supplier Surveys, August 2017)

Apps in planning. While respondents across regions agree that mobile apps can be effective for connecting and engaging attendees, they indicate that apps are particularly useful for meeting planning and management tasks that contribute to the success of meetings. At least 47% of respondents in each region indicate that apps are very important for sending messages to attendees and sharing agenda details, and nearly half also find them useful for conducting surveys or polls among meeting attendees. At least 38% in each region identified meeting analytics to measure success as a key feature of mobile apps. They also suggest that the possibilities for mobile apps in meeting planning, management, and assessment are yet to unfold. Mr. Rivera predicts, “We are at a pivotal point for technology and meetings. It may be that someone automates the dining set up or another aspect of a meeting but the next big thing is about to happen”.

The Experience

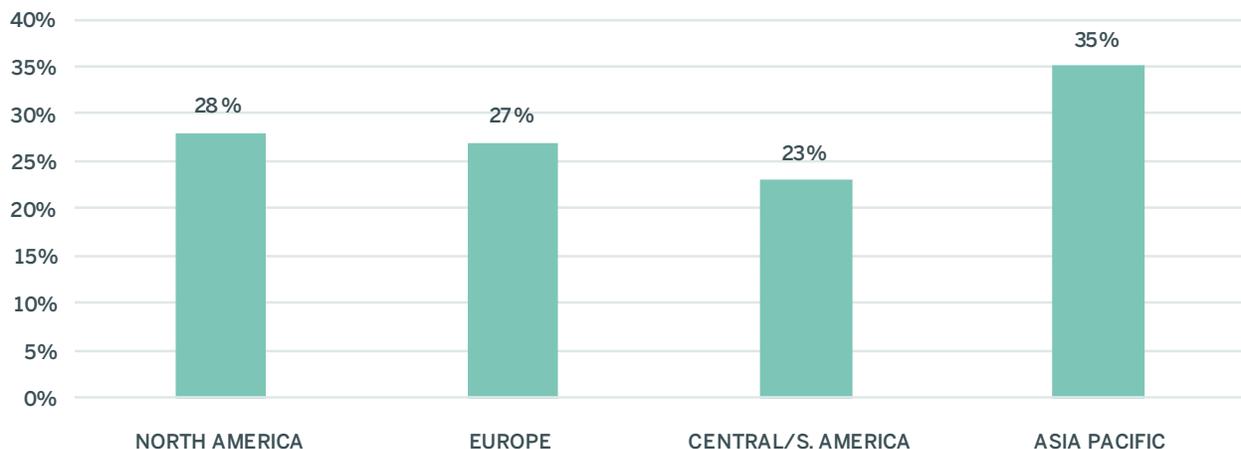
Face-to-face. Less than a third of respondents in most regions, and 35% of those in Asia Pacific, predict that virtual or hybrid meetings will be used in more than 10% of their meetings. One respondent states, “Webinars and technology can enhance a training meeting but they cannot replace in-person meetings”. Regional meetings leaders across regions agree that bringing people together virtually may be helpful for smaller meetings or to complement a live face-to-face meeting, but virtual meetings will not replace face-to-face.

Creativity. We asked survey respondents and interview participants to consider one thing that excites them as they think about the next few years for meetings and events. Many spoke of technological innovations such as mobile apps or the expansion of online sourcing. Others spoke of the growth of meetings and events as a dynamic industry. Most suggested that creativity underlies both of these and is essential to succeed in meetings and events. As one meeting planner in North America suggests, “There is a

✔ SURVEY RESULTS

Virtual/Hybrid Meetings Usage: 2018

More than 10% of meetings



(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American Surveys, August 2017)

need to mix it up and make sure we are engaging the audience. The expectation is that we'll create a level of excitement and engagement so attendees want to be there and part of the conversation".

Wellness. Several meetings professionals and suppliers indicate that wellness is an emerging trend to watch as we move into 2018. Enhancing the attendee experience is not limited to activities and meeting content. It includes contributing to attendee wellness, and increasing numbers of companies and their meeting owners are looking to appeal to attendee wellbeing throughout meetings and events. Ms. Sherry highlights this emerging trend and explains, "Wellness is huge and it is growing as a factor in meeting planning, partly driven by a broader consumer movement or mindset. You'll see this more in hotels around food and beverage offerings. They may provide more organic, free range, healthy options. In the past, meetings were where everyone broke their diet...now they're not". Meeting owners are recognizing the value of employee and attendee wellbeing and this will shape meetings and events. Frank Passanante of Hilton Worldwide points out that as wellbeing increasingly becomes an element in meeting planning, it "offers an opportunity to differentiate ourselves as we focus on healthy lifestyle and work with purpose".

Special Sections

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Understanding China: How to Manage Compliant Meetings

IN 2016, CHINA OVERTOOK THE UNITED STATES AS THE LARGEST BUSINESS TRAVEL COUNTRY globally, with an overwhelming volume of domestic travel. This, combined with multinational organizations increasing their presence in this economic growth zone, reinforces the need to deploy effective spend management strategies to help mitigate risk and optimize return on investment. As with many regions, Meetings & Events is a primary sales and marketing investment that corporations make to grow revenue. However, Meetings & Events continues to be a category of spend that has yet to be consolidated and mastered by most organizations.

According to Transparency International's 2016 Corruption Perceptions Index, China scored 40/100, making it one of the highest risk countries to operate in across the globe. For many organizations and industries, the use of meetings and events in China as a means to facilitate non-compliance and fraud is a very real risk that can no longer be overlooked. Numerous corruption investigations by the US Securities Exchange Commission (SEC) and the US Department of Justice (DOJ) have focused on meetings and events, or travel and entertainment. High-end and luxury sporting events, with VIP packages facilitated through meetings and events channels, have also been scrutinized. While many organizations with successful meetings programs in other regions are beginning to recognize the risk in holding meetings and events in China, very few have yet to successfully mitigate this risk to achieve a program that is both compliant and effective. There are a number of reasons for this, including a gap in the core understanding of what the risks are, as well as how to design a process to mitigate such risks that is specific to doing business in China.

Other challenges facing organizations holding meetings and events in China include localization and deployment of a solution. Deploying a successful and compliant meetings program from end-to-end in China can be a daunting and overwhelming task, and, when coupled with resistance from those in the country, can seem unattainable. It is one thing to design and deploy a program, but success comes only with the adoption and ongoing operation of the program.

It is possible to operate meetings and events in a compliant way in China. You can put a program in place and begin to mitigate risk by following three basic steps: **Step 1**—Understand the risks; **Step 2**—Manage the basics; **Step 3**—Optimize and enhance.

Step 1: Understand The Risks

Most meeting owners and professionals are aware that operating in China has a high risk element. Following are three significant areas of risk relative to operating meetings and events in China.

Bribery and kickbacks: Meeting and event activities are at risk for being used as a form of bribery due to the nature of the activity. They represent an opportunity for the delivery of overly luxurious rewards and gifts disguised within a meeting or event. For example, if you fly a client, and a spouse or personal guests, first class to a 5-star resort to play golf but have no business agenda, calling it a “business conference” is an inaccurate representation of the activity. Events can also provide an opportunity to give excessive welcome gifts. Given that activities are often outsourced to agencies or third parties, employees may be able to circumvent their company’s internal compliance processes by submerging such inappropriate transactions within an overarching service bill, so as to not be clearly identified.

Third- and fourth-party money funneling: Similar to the above, most companies in China use local travel agencies or logistics partners to deliver services supporting meetings and events. Unfortunately, even today, the generally accepted practice locally is for an agency to invoice the client’s organization with one lump sum, lacking itemization or details. This lack of transparency means that the client’s organization has no line of sight as to what the agency, or a further third party of such agency, is spending on their behalf, creating the opportunity to disguise bribery and kickbacks and also enable money funneling. Client organizations need to be able to follow the money and match it up against each activity that occurs during a meeting. Historically, local thinking has been that the client’s responsibility ends when payment is made to the agency. However, the transfer of funds does not mitigate the organization’s responsibility for its actions and that usage of funds. This has been borne out by multiple SEC and DOJ investigation findings and fines issued in recent years.

Fake activities and receipts: A seemingly basic method of fraud, but one that is extremely prevalent in the meetings and events space in China, is the provision and use of fake receipts. It is possible to secure approval for a meeting and then procure a “reconciliation pack,” which has event budgets, contracts, receipts, and records for a meeting that never, in fact, takes place. Employees will then use the fake reconciliation pack to claim expenses, either directly or through an agency (which may or may not be colluding with the employee), to get reimbursement. Creating policy and processes for meetings and events in China with these risk factors in mind can help increase your ability to operate compliant meetings and events.



Step 2: Manage The Basics

Creating the perfect program in China can be a long process, taking up to two years for full program implementation. Following a step-by-step approach achieves control in stages. It also has the advantage of achieving change management. The main question is: what basic elements are critical to address in the early stages?

- 1) Know your activity:** The first step to control is to gain a line of sight into meetings and events activity. To make the correct strategic and policy decisions about the program, accurate data is critical.

As such, requiring registration of all meetings creates a foundation for managing meetings. The goal is to create clear sight lines and transparency into the activities and budgets proposed.

- 2) Know your providers:** It is important to note that in many situations, logistics agencies have been found to be complicit in corruption, so due diligence in selection and knowledge of your providers is critical. Also, local offices of clients in China often have upward of 25 logistics agencies that support meetings and events, with some larger operations having over 70 suppliers. Such a wide supplier base makes it difficult to know your providers and weakens control. However, moving to one supplier is often challenging in China due to resistance and geographic spread.

To help mitigate risk, review and perform due diligence on existing vendors, working to narrow the list to five or so preferred vendors, and then direct all activity through them, with allocation by business unit, meeting type or geography.

- 3) Control the money:** Ultimately, the risk in China within the meetings category is controlled by the funds behind the activity. As such, institute a policy that all meetings-related travel and expense claims above a certain amount cannot be submitted unless the activity has been registered via the meetings request process and has secured approval. Eliminate the use of cash wherever possible and require original receipts for all transactions.

While these steps alone will not achieve a full-blown meetings management program, they will be a starting point to build on and will have an immediate and measurable impact.

Education and communication is critical as you begin this process. In this space, simple email communications do not suffice. Employees must have clear guidelines available that are accompanied by training and follow-up. A basic “Dos & Don’ts” summary on the company portal can make a big difference to drive the message home with employees.

Step 3: Optimize And Enhance

Once the basics are developed, the more complex aspects associated with managing meetings can be identified and deployed, including: comprehensive third-party oversight and monitoring; business self-tests; robust cash management; electronic banking options; sourcing consolidation; contracting terms/conditions; supplier consolidation; and, internal and external audit review.

Over the past few years, some organizations have taken these risks so seriously as to completely ban meeting and event activity in China, a move that in some industries has created irreparable harm to the business. Avoid this extreme step with a successful meetings management program, starting with risk awareness, managing the basics, and a dedication to program success.



Benchmarking

Your Meetings Management Journey

Around the world, organizations are looking to increase the effectiveness and compliance of their meetings and events spend. Strategic Meetings Management (SMM) programs have been held up as the gold standard for two decades. But comprehensive SMM, with all of its components, can be more than some organizations need. There are stages to SMM, and each organization must decide for themselves what the appropriate structures and investments are for managing their meetings. In this report, we consider four stages:

Individualized—Programs in the individualized stage manage meetings on an individual basis, looking to gain efficiencies where possible. In many cases, individualized programs apply some basic policies or procedures that individual meeting owners are expected to follow. We found a higher

number of Automobile, Manufacturing and Industrial, Retail, and Wholesale Sales companies are in the individualized stage. Additionally, more companies located in the Asia Pacific region fall into this stage.

Consolidated—The consolidated stage is the first step organizations take toward a more strategic program. This phase often involves implementing meetings policies and a meeting registration/approval system. Consolidated management of, at a minimum, the sourcing portion of meetings is a key milestone in this stage. A higher number of companies in Business Services and, surprisingly, Financial Services are in this stage.

Strategic—An established meetings policy, including approvals and sourcing processes, along with a single meetings registration and tracking technology are the hallmarks of companies utilizing a strategic approach. A higher number of Hospitality companies have programs within this stage.

Optimized—Programs in the optimized stage have established all the basics of SMM within their organization and are in the process of continuous refinement and improvement. These programs seek ongoing efficiencies and opportunities to expand and continue to drive savings, compliance wins and more from their programs. As might be expected, companies with more than \$1 Billion in annual revenue fall more into this stage than other stages, including Healthcare, Pharmaceutical, and Medical Device companies.

Each company must determine the goals for their meetings management program and their desired end stage on the SMM continuum. In this report, we will help you understand where the companies surveyed sit on the continuum and what benefits they are deriving from SMM. Across hundreds of SMM programs you will find that goals, unique needs, and even company culture play a major role in structure and relative success. Understanding what is most important to your company—savings, compliance, visibility, or other elements—will drive the focus of your meetings management investments.

Approach

In the 2018 Global Meetings Forecast Survey, we collected data around core meetings management practices to provide some categorization around how companies are approaching their meetings management journey. More than 500 companies participated in the benchmarking exercise and each company was scored on its implementation, definition, and adoption of meetings management practices. Based on their scores, companies were categorized into one of the four SMM stages: Individualized, Consolidated, Strategic, or Optimized.

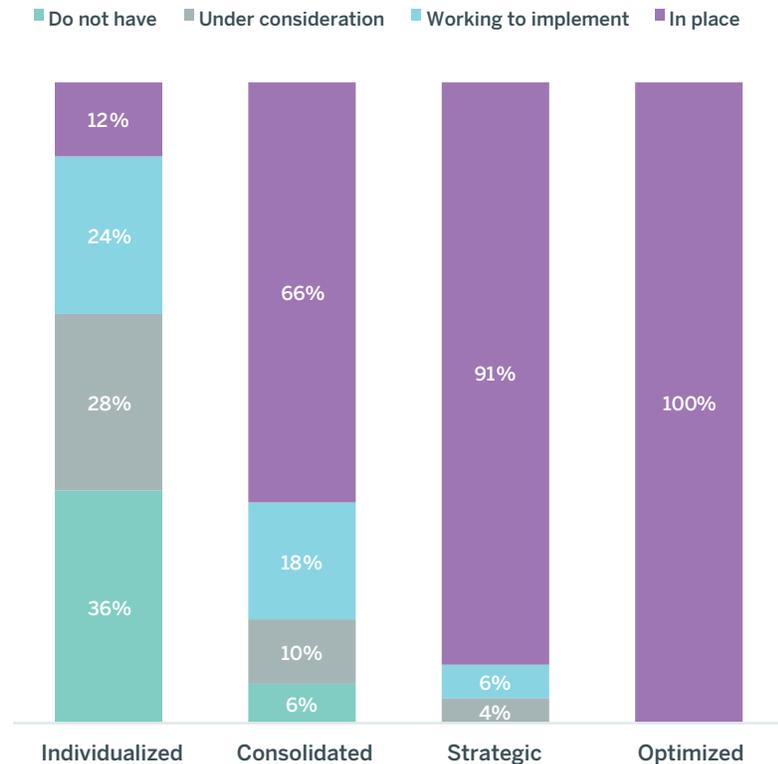
Key Indicators of Stage in the Meetings Management Journey

To understand how programs are moving along the meetings management journey, we examined key indicators of program maturity—strategy, policy, contracting, centralized staffing, and meeting technology. Overall, we found that while having components such as policy or technology in place are certainly enablers of SMM, the key (and often most challenging element) is driving adoption. Without adoption, a meetings program is only good on paper. Meeting planners and owners must drive adoption of the policies, processes, and technologies before a program can claim success. Planning and

managing program adoption is, therefore, as important as the investment in policy or technology.

Strategy

Establishing a meetings strategy is a critical first step toward gaining visibility and consolidating your meeting spend. Only about a third of companies in the individualized stage indicate they have, or are implementing, a strategy. That number increases significantly to 84% when companies move into the consolidated stage, demonstrating that strategy is a critical starting point for a meetings management program. The level of strategy definition is also an indicator of meetings maturity. The percentage of programs with explicitly defined strategies more than doubles as companies move from the consolidated to strategic stage. Having a defined strategy that includes explicit guidelines around areas such as preferred supplier usage and meeting approval processes indicates a company has a significant focus on driving savings and mitigating risk with their meetings program.



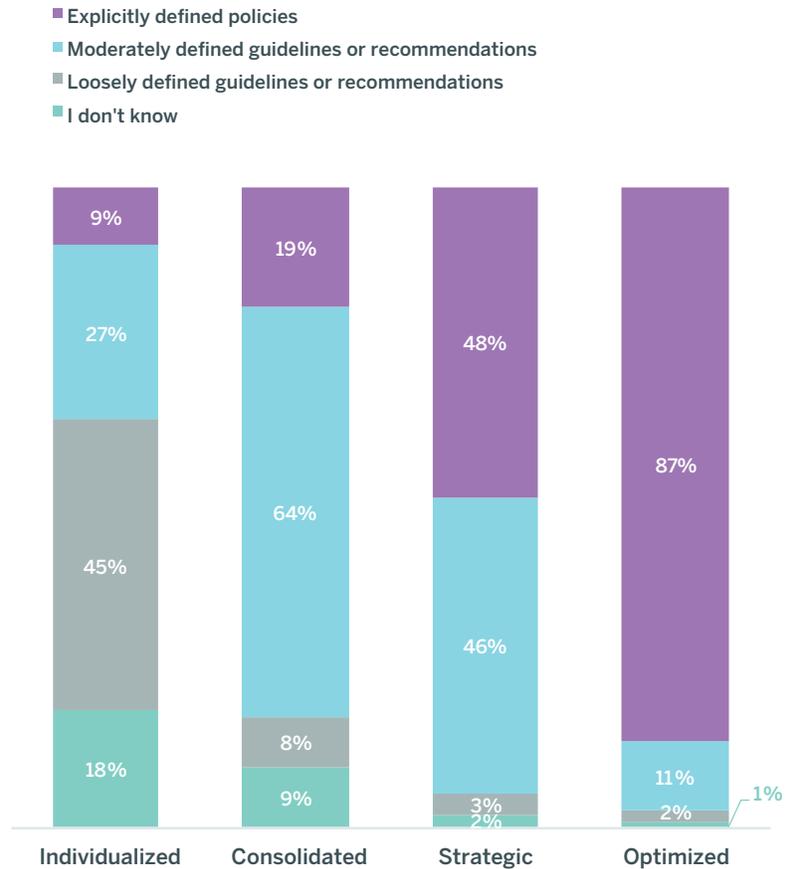
STRATEGY Development Stage

(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American Surveys, August 2017)

Establishing a meetings strategy is a critical first step toward gaining visibility and consolidating your meeting spend.

STRATEGY Level of Definition

(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American Surveys, August 2017)

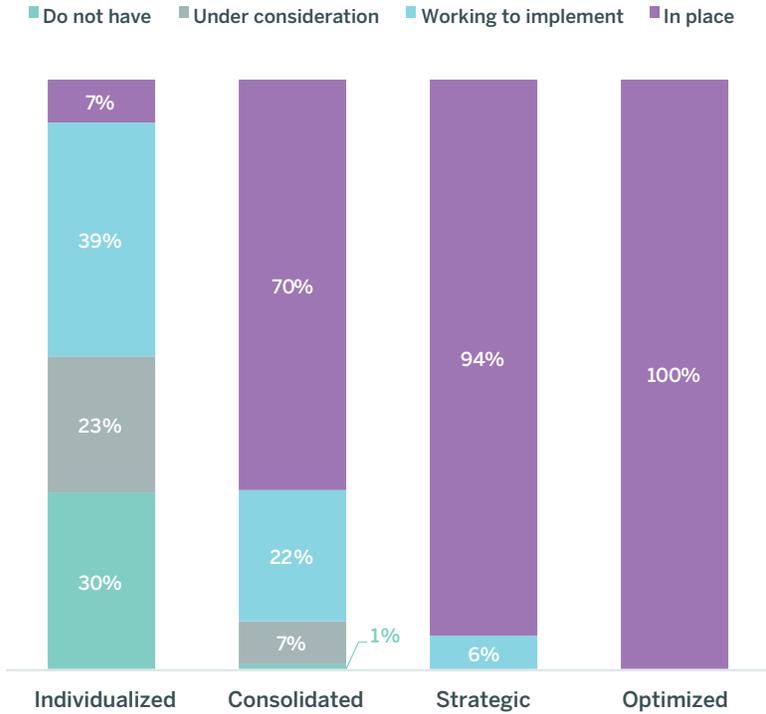


Policy

Putting a policy in place is the equivalent of pouring a solid foundation when it comes to your meetings management strategy. While having a strategy is critical, real progress toward having a functional program is made when policy is implemented. Only 7% of the companies within the individualized stage reported having a policy in place. Among those who have progressed to the consolidated stage, a significant 70% have a policy in place. Not having a policy is clearly a major barrier to moving to a more strategically managed program.

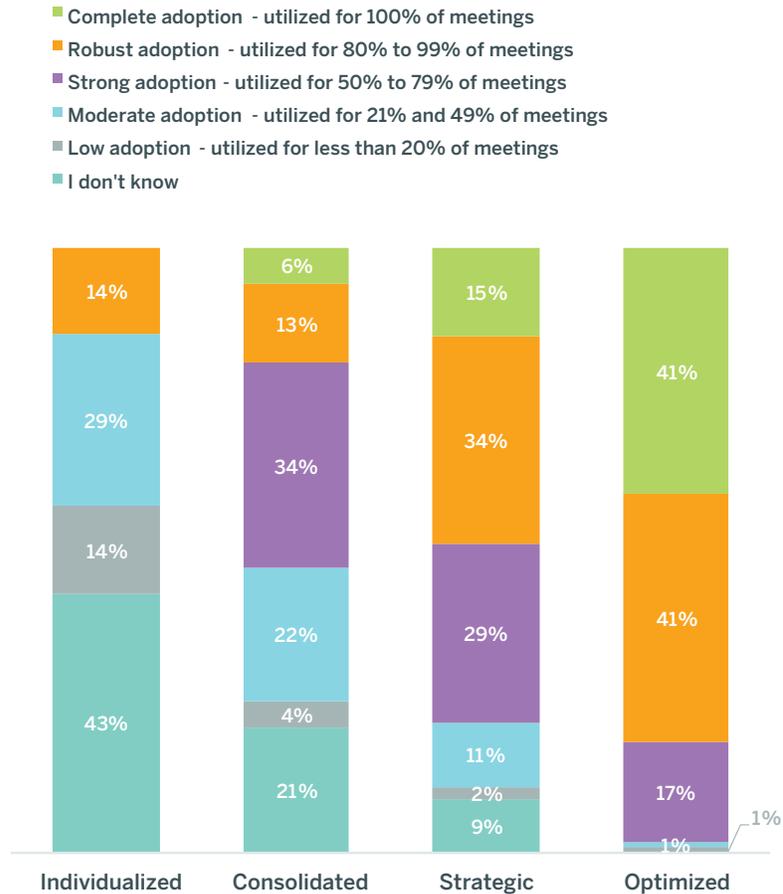
Policy definition is another clear indication of movement into a more strategically managed program. Of the 7% of individualized programs with a policy, only about half of those have at least moderately defined guidelines. In the consolidated stage, we again see a considerable shift. Over 90% of consolidated programs with a policy have moderately or explicitly defined guidelines. For those in the optimized stage, 93% explicit definition demonstrates a high level of performance, but also shows that even companies with the highest-functioning programs are continually working to clearly define policy.

Across stages there are also patterns of what is included and explicitly defined in policies. In the chart below, guidelines around approval processes, procurement of meetings, preferred supplier usage, and payment methods are more universally defined across stages. We see more variability within other items such as technology, where



POLICY Development Stage

(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American Surveys, August 2017)

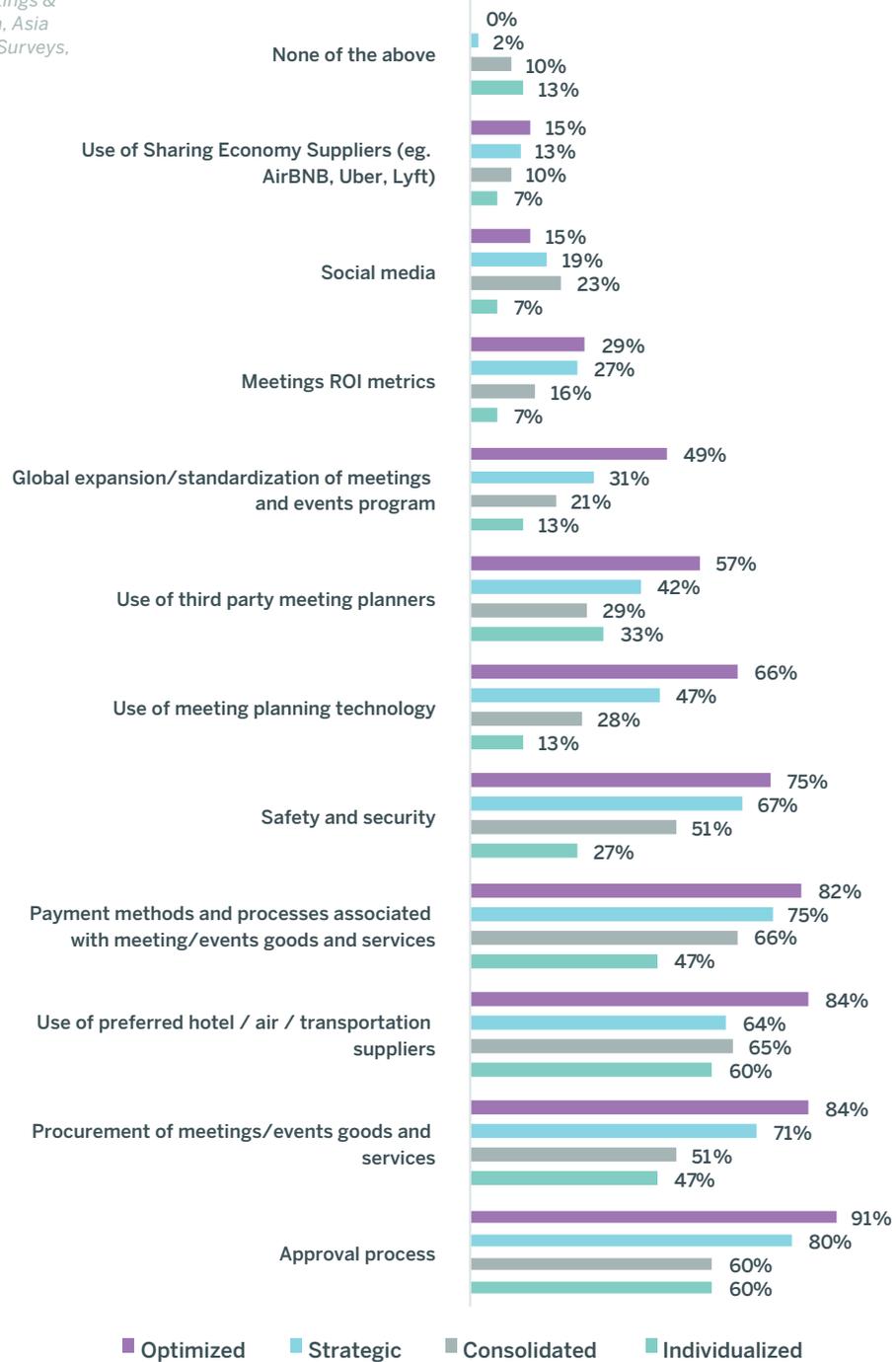


POLICY Adoption

(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American Surveys, August 2017)

POLICY Explicit Language

(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American Surveys, August 2017)

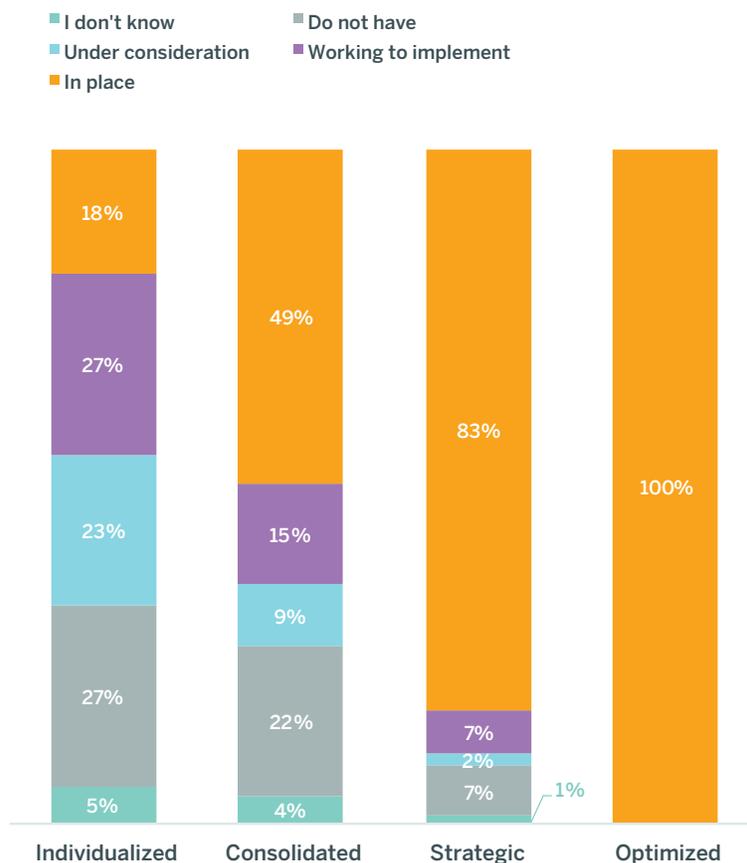


even in optimized programs only 66% of respondents indicate they have explicitly defined policies for meeting planning technology. Guidelines around use of social media, sharing economy suppliers, and even meetings ROI are at the bottom of the list of meetings-related policies that companies across stages are working to define.

The goal of policy is to incite behavior change. Having a strategy and a policy is a necessary first step, but ultimately, they are words on a page until there is a concerted effort to market and drive adoption or mandate the desired behavior. The low levels of policy adoption across stages indicate this is something companies struggle to achieve. Even at the optimized stage, just over half of respondents indicate they have strong or complete adoption. Also of note are the number of respondents at the strategic level who selected “don’t know” when asked about their level of policy adoption. Of the strategic programs that have a policy, 9% reported they don’t have any visibility into adoption levels, indicating their organizations may be less committed to ensuring meeting planners understand and follow the meeting policy.

Contracting

Contractual risk exists in all aspects of meeting planning, from hotel sourcing to food and beverage, ground transportation and entertainment. Managing how contracts are negotiated and approved is critical for avoiding financial repercussions. The importance of centralized contracting and approval processes is evident in the charts below. In the consolidated stage, almost half of the programs have centralized contracting in place and 82% have approval requirements.

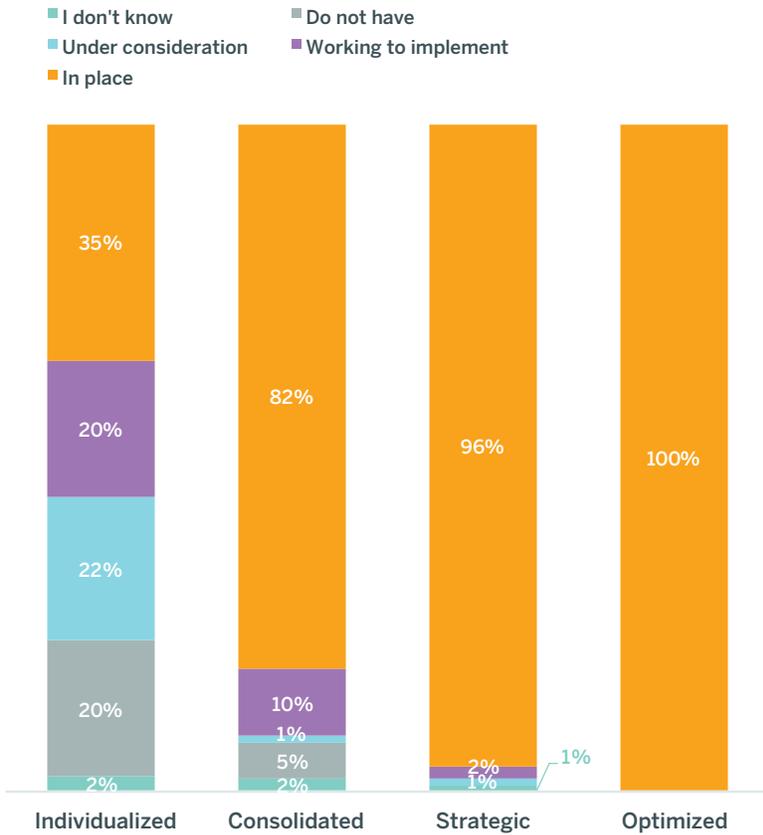


CONTRACTING Development Stage: Centralized Contracting

(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American Surveys, August 2017)

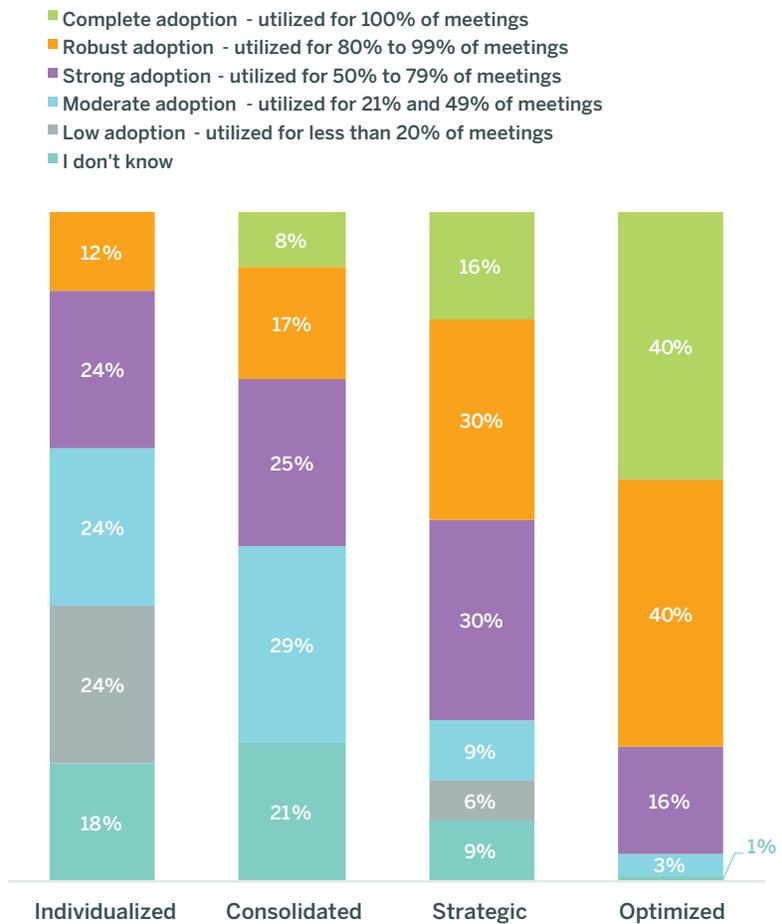
CONTRACTING Development Stage: Approval Process

(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American Surveys, August 2017)



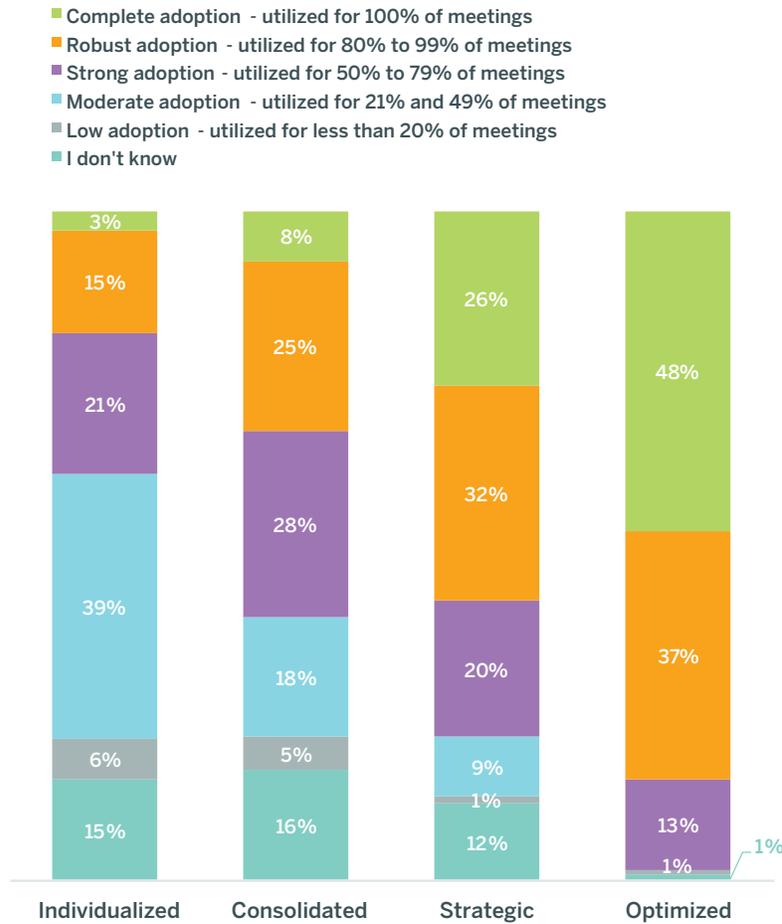
CONTRACTING Adoption: Centralized Contracting

(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American Surveys, August 2017)



CONTRACTING Adoption: Approval Process

(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American Surveys, August 2017)



Low adoption levels for both centralized contracting and approval processes could indicate that meeting planners are still finding work-arounds to use their own preferred vendors over their organizations' approved suppliers. It is important to find ways to close those gaps and mitigate risks. Attrition and cancellation penalties alone can account for thousands of lost dollars in a program in a single year. Communicating the benefits and risks of negotiating and signing individual meeting contracts may help compel meeting planners to comply.

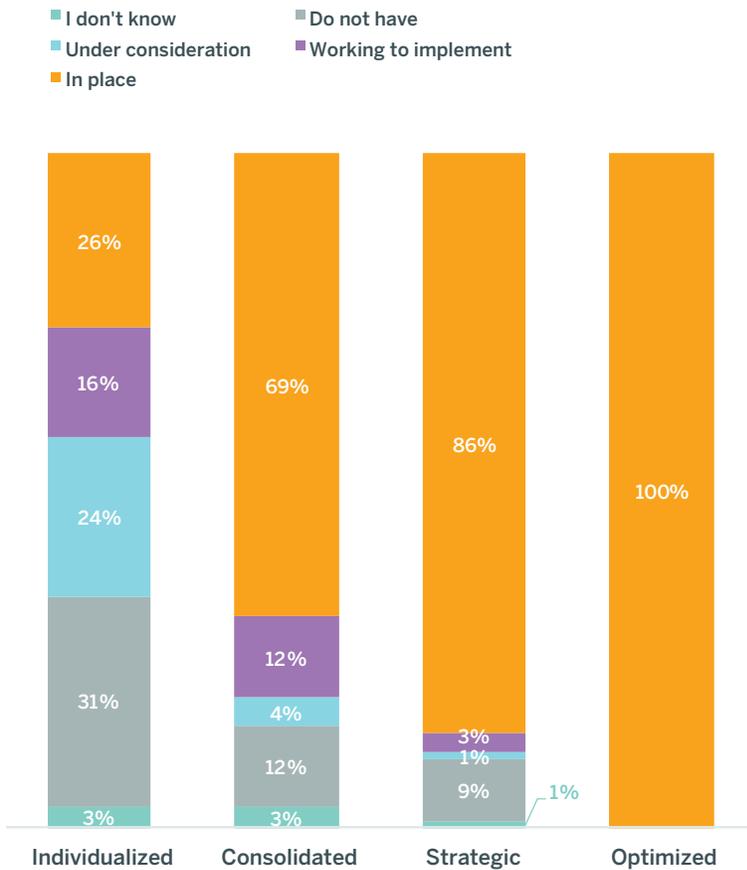
Attrition and cancellation penalties alone can account for thousands of lost dollars in a program in a single year.

Centralized Staffing

The industry appears to be moving toward a centralized staffing model, with 69% of consolidated programs and 86% of strategic programs having centralized staffing in place. The level of investment in meetings management resources indicates organizations are finding the savings realized from a strategically managed program are worth the investment in resources to manage the category. Meetings spend is often spread across many different areas of the organization. Centralized staffing and management can give increased transparency into the total meetings spend within an organization, providing insight into potential savings and improved negotiation with suppliers.

CENTRALIZED STAFFING Development Stage

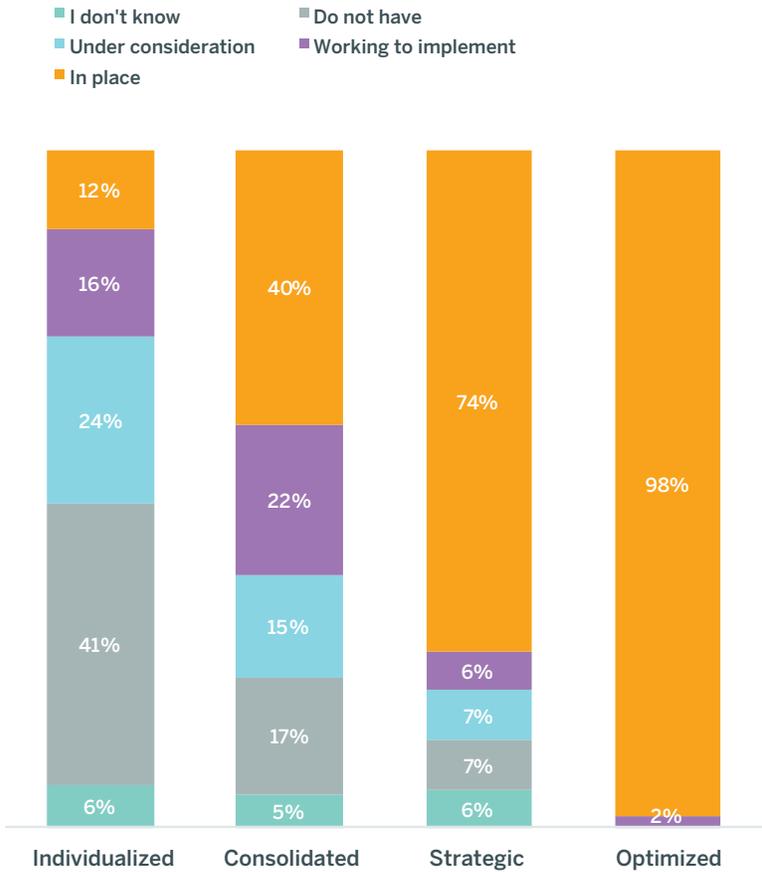
(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American Surveys, August 2017)



69% of consolidated programs and 86% of strategic programs have centralized staffing in place.

Meetings Management Technology

Technology appears to be an area that is more difficult for companies to implement, define, and manage. Fewer than half of consolidated programs have meetings technology in place. At the strategic stage, while 74% indicate they have technology, only 43% indicate it has been widely adopted. Far too many companies buy technology and assume victory in meetings management, even though only a fraction of their meetings flow through the technology. The key to a successful program is behavior change and adoption of technology across the organization. Even within optimized programs, 16% indicate they are not fully utilizing the meetings technology they have in place.



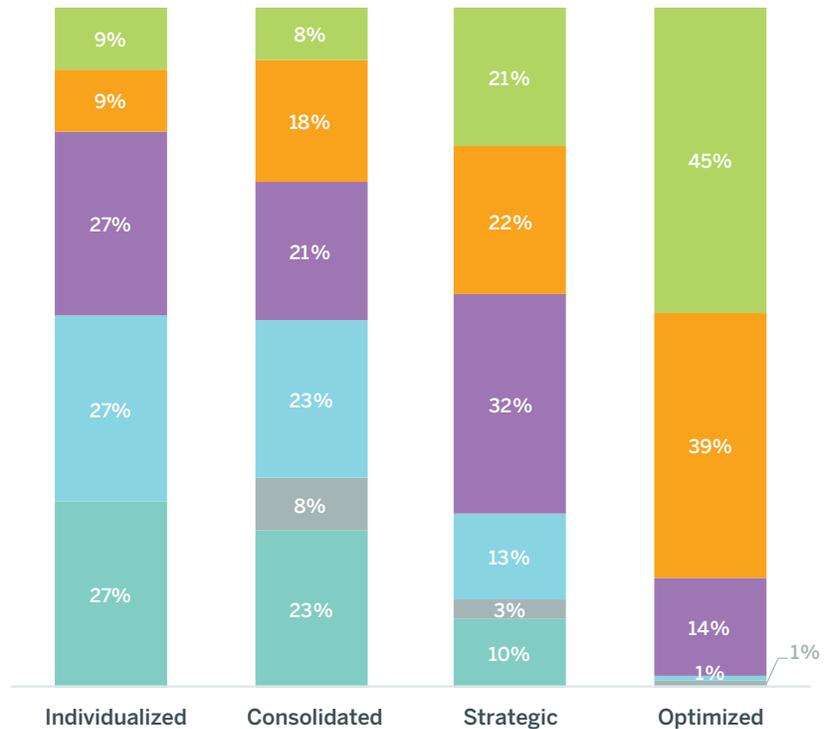
MEETINGS MANAGEMENT TECHNOLOGY Development Stage

(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American Surveys, August 2017)

MEETINGS MANAGEMENT TECHNOLOGY Adoption

(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American Surveys, August 2017)

- Complete adoption - utilized for 100% of meetings
- Robust adoption - utilized for 80% to 99% of meetings
- Strong adoption - utilized for 50% to 79% of meetings
- Moderate adoption - utilized for 21% and 49% of meetings
- Low adoption - utilized for less than 20% of meetings
- I don't know

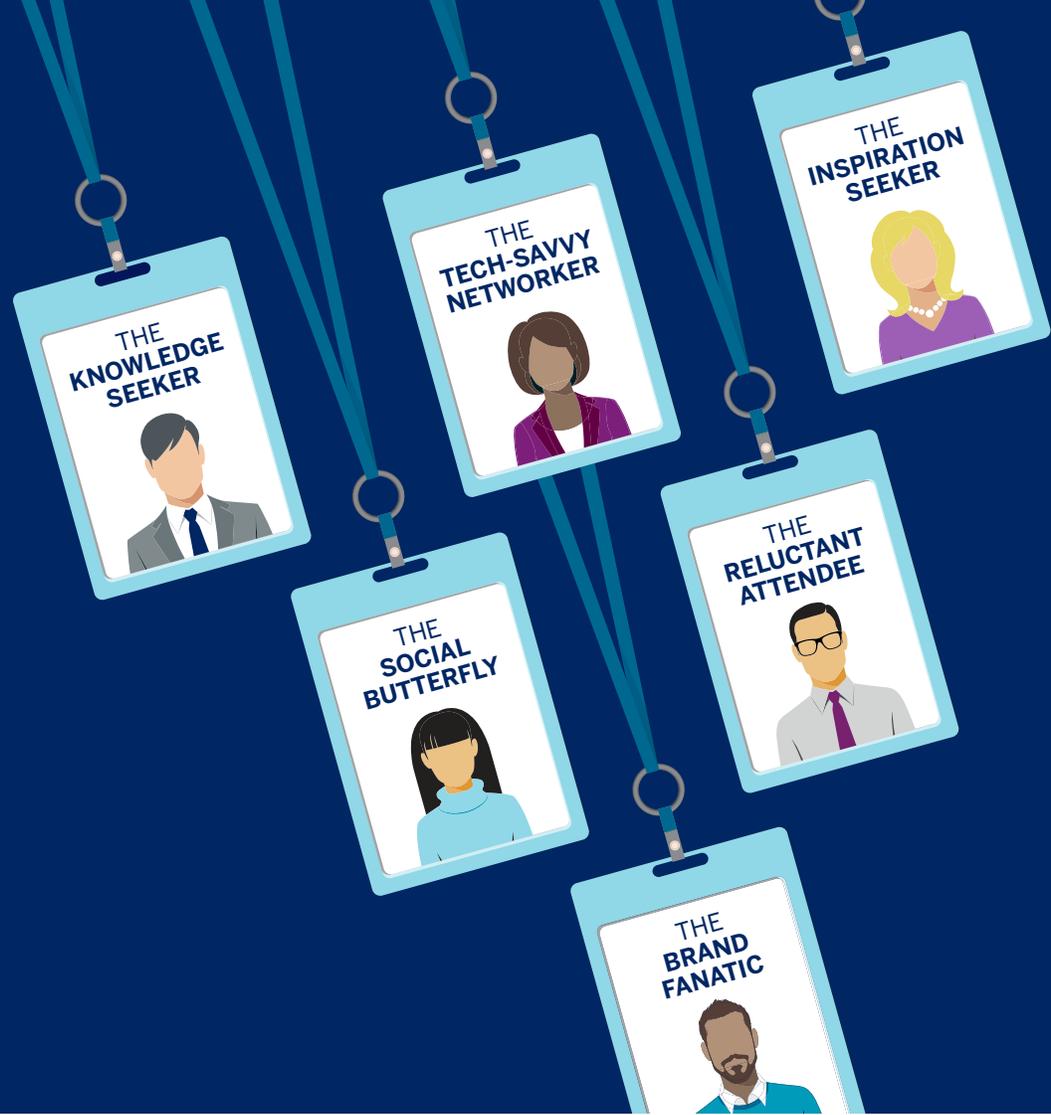


Take the Online Meetings Management Program Assessment

Where does your program sit on the continuum? Are you interested in taking steps to improve your program? To help you better understand the potential next steps on your meetings management journey we have created an online assessment tool. Within the tool you will be asked to select the desired goal state for your program and then answer a few questions about the performance of your existing meetings program against key indicators. The resulting report will provide some basic next steps you can take within your meetings programs to help achieve your meetings management goals.

Remember, strategically managing your meetings is a journey. Understanding the meetings management goals for your organization and identifying opportunities to close gaps will help drive continuous improvement.

[MyMeetingsProgram.com](https://www.americanexpress.com/meetings/assessment)



Understanding Your Attendees: The Key to Event Success

By Banks Sadler

The success of any event hinges on the attendee experience. You want attendees to be enthusiastic about coming, to be engaged while they're there, and to leave feeling that their experience was worthwhile. Attendees come in a variety of personas each with varying expectations and motivations that affect how they experience an event. How do you make sure that events you create have a positive impact on the people who come to them? Success begins with getting to know your audience members — what motivates them, what makes them engage or disengage. Tailoring your event design to create meaningful, personal connections with attendees will ultimately help you drive behavior change and create value for your business. In this paper, we explore some common event attendee profiles and offer corresponding design recommendations as starting points that you can adapt to your organization and events.



THE KNOWLEDGE SEEKER

Knowledge Seekers are always looking for opportunities to learn something that can help them better their career, build a business case, or gain a more complete understanding of an industry or a product. Therefore, the educational agenda of your event may drive the Knowledge Seeker's decision to attend, while the quality of the presenters and the content of the sessions will determine how they rate their experience.

How to Design Events for the Knowledge Seeker

- Conduct pre-event surveys to tailor your content to their needs
- Invest in the main speaker to pique interest and keep their attention
- Offer a choice of education tracks to ensure they find something that interests them
- Provide post-event information to extend their learning experience
- Include app features to allow them to easily find speaker bios, take notes, and gather session materials
- Add interest with out-of-the-box learning environments and creative meetings space set-ups
- Consider including sessions that allow for two-way interaction between speakers and attendees

WHY DO THEY ATTEND?

To take advantage of engaging learning experiences



PROFILE SNAPSHOT

Looks for opportunities to learn to better their career

Seeks to gain industry knowledge

Makes attendance decision based on agenda and speakers

Bases their experience rating on session content



THE TECH-SAVVY NETWORKER

Tech-Savvy Networkers are active, plugged-in attendees. They value personal relationships and seek out ways to make meaningful connections that can help them achieve their goals. Events are made for the Tech-Savvy Networker, providing them with targeted opportunities to meet the right people and have productive conversations. They are always on, taking any chance they get to make new connections and engage with new people. And engagement goes beyond face-to-face conversations. These attendees are multitaskers who will engage with others through a variety of platforms, including apps, and will continue the conversation even after the event ends.

How to Design Events for the Tech-Savvy Networker

- Include features in your app to help them find and connect with the right contacts, as well as to store their virtual business cards
- Enable gamification in your app to feed their need for multiple ways to connect
- Offer speed networking sessions
- Provide them with ample opportunities to meet up with people
- Supply them with the attendee list prior to the event
- Engage them in the app to keep the conversation going even post-event

WHY DO THEY ATTEND?

To build their contact list



PROFILE SNAPSHOT

Plugged-in professional

Values personal relationships

Sets event goals

Always “ON” multitasker

Seeks meaningful connections

Looks for opportunities to have productive conversations

Continues conversations beyond event via multiple platforms



THE INSPIRATION SEEKER

Inspiration Seekers are always looking for purpose in their personal and business endeavors. They value emotional connections and prefer having experiences to sitting in conference rooms or lecture halls. The Inspiration Seeker is creative and vibrant and will be absorbed in each moment of the event. They also have high expectations and want to leave an event with a changed outlook. Ideally they will leave the event with a specific action, process, or idea they can share with their coworkers and incorporate into their day-to-day.

How to Design Events for the Inspiration Seeker

- Deliver highly motivational content through a variety of methods, such as powerful keynote speakers, 1:1 coaching sessions, and content tailored to attendees' business and personal objectives
- Offer immersive experiences that connect the Inspiration Seeker to local culture
- Give opportunities to participate in brainstorming or co-creation sessions
- Provide alternative venues that will take them outside of the traditional meeting space
- Consider community outreach experiences or corporate social responsibility endeavors
- Involve them in the event. Don't just speak to them, speak with them, engage them

WHY DO THEY ATTEND?

To find personal inspiration and engage in transformational experiences



PROFILE SNAPSHOT

Looks for meaning and purpose

Values emotional connections

Prefers experiences vs lectures

Creative, vibrant

Possesses high expectations



THE SOCIAL BUTTERFLY

Social Butterflies can be your greatest allies. Because they love meeting new people, connecting with others who share common interests, as well as socializing with friends and colleagues, they bring energy and enthusiasm to the mix. They're truly interested in meeting, greeting, and learning, eager to engage at every touchpoint, and prefer interactions that involve more casual social opportunities such as cocktails, meals, and entertainment over confined structured networking. And, when they're having a good time, they're happy to spread the word on social media.

How to Design Events for the Social Butterfly

- Make sure there are plenty of opportunities for interaction in breakout sessions
- Choose informal meal settings, rather than seated events, to allow for socializing
- Include entertainment and leisure activities in your agenda
- Consider how the Social Butterfly can be a powerful influencer, helping to communicate your key messages and build excitement with other attendees — consider asking them to be speakers or event committee members
- Give them opportunities to be social leaders through your event app — consider in-app games such as a points system for posting pictures, commenting, and sharing to social media, if appropriate for your event type

WHY DO THEY ATTEND?

To make key industry connections, see and be seen, meet and greet



PROFILE SNAPSHOT

Looks forward to meeting new people

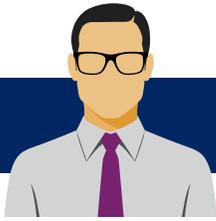
Loves to socialize with colleagues and friends

Enthusiastic, high energy

Eager to meet, greet, engage and learn

Prefers casual social interaction

Spreads the word via social media



THE RELUCTANT ATTENDEE

The Reluctant Attendee is likely an introvert who finds attending events about as appealing as a dentist visit. This is your most challenging target audience, because just getting them to show up can be a huge hurdle. Reluctant Attendees may feel overwhelmed by the experience and the social demands of events. They may be awkward with small talk and feel uncomfortable socializing with people they don't know. It's likely they're attending the event because they feel obliged to do so for personal or professional reasons.

How to Design Events for the Reluctant Attendee

- Create opportunities for attendees to get to know each other early in the agenda to help them feel more comfortable throughout the event and want to participate more
- Use your event app to make recommendations to nudge the attendee to try other things based on what they liked
- Consider providing meeting and breakout session choices where possible so the attendee feels in control of their experience
- Point out content that is forward-thinking or based on new research as it may hold more appeal to this attendee type
- Allow free time and space for disengagement as this type of attendee often needs downtime to recharge
- Consider incorporating on-demand and/or virtual sessions to allow them to attend the event in their own comfort zone – from their office or home
- For non-mandatory meetings, be certain the invitation clearly states the benefits of attending

WHY DO THEY ATTEND?

To meet their obligation



PROFILE SNAPSHOT

Likely an introvert

May be overwhelmed by the experience

Not a small talker

Uncomfortable socializing with new people

Feels obligated to attend



THE BRAND FANATIC

The Brand Fanatic is a dedicated follower who identifies with a brand's culture and feels connected to its other devotees. They may feel that the brand lends them a certain status that they find enjoyable. The Brand Fanatic is always looking for the next big thing, "the inside scoop." The Brand Fanatic craves the wow factor, wants consistency in experience, and enjoys attending high-level events. In addition to owning the brand's products or services, the Brand Fanatic may also follow the brand on social media, own gear or accessories that identify them as a fan of the brand, and possibly even invest in the company.

How to Design Events for the Brand Fanatic

- Include plenty of gear and opportunities for them to showcase their brand loyalty
- Provide access to key brand representatives, unique brand-centric experiences and product information
- Offer them chances to win exclusive brand merchandise and experiences
- Provide exciting product demonstrations along with early access to new products/services
- Keep brand top of mind from end-to-end, from the initial invitation through mobile app experiences to exclusive event experiences
- Hold "user group panels" to give a forum for brand fanatics to share insight and ideas

WHY DO THEY ATTEND?

To experience and enjoy the culture with other brand fanatics



PROFILE SNAPSHOT

Dedicated follower

Brand loyal

Looks for "the inside scoop"

Craves the WOW factor

Enjoys high-level events

Wants experience consistent with brand

Likely social media savvy

Conclusion

Regardless of the kind of event you plan, you are likely to have a mix of different attendee types. And that's great, because events are about the people who go to them – and the energy, knowledge and enthusiasm they bring through the door. With large meetings or conferences, you may be able to appeal to all attendee types by including multiple elements that will let them build their own itineraries and create their own experiences. With smaller events, take a look across attendee types and try to appeal to the likely majority. Remember, everyone who attends brings a unique perspective and can be an asset to you and other attendees. Understanding what motivates different types of audience members and catering to their needs will keep them engaged and make your events even more memorable and impactful.

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Trends by Region and Commentary

North America

Meetings Activity

Meetings Activity and Characteristics

Signs of growth. Survey and interview participants in North America are optimistic about meetings and events for 2018. Respondents predict meeting numbers will remain level with 2017 activity, with small increases in the number of conferences and tradeshows in the region, as well as training meetings. Conferences and tradeshows account for nearly one-quarter of predicted meetings and training meetings account for one-fifth of predicted meetings for 2018 in North America, so even small increases in numbers are significant. Growth for each of these very different meeting types suggests overall growth in meetings and events activity in this region.

While conferences and tradeshows typically bring together hundreds of attendees, training meetings are often smaller, internally focused meetings. A meeting planner in the region notes that, "Training meetings are up and coming with quite a few meetings expected in 2018 as companies try to grow". Conferences and tradeshows appear equally as important and more of these types of meetings suggest renewed effort on the part of companies to bring people together to promote growth.

Unique to Canada. Activity levels within meeting types tend to be similar across the US and Canada, with the exception of advisory and incentive meetings. While each of these categories is predicted to account for nearly 10% of meetings activity in the US, they are each expected to account for 20% of meetings activity in Canada in 2018.

Larger meetings. Results of this year's survey suggest that meetings will be larger in 2018, particularly in the US, where training, conferences and tradeshows, and incentive meetings are predicted to grow the most. While conferences and tradeshows in Canada are expected to increase, the majority of other meeting types are expected to remain the same, with training and product launches predicted to decrease slightly.

Meetings Activity by Type

| | Percent of total meetings | | |
|---------------------------------|---------------------------|-----|--------|
| | NORTH AMERICA | US | CANADA |
| Sales/Marketing | 13% | 13% | 12% |
| Training | 20% | 20% | 14% |
| Internal Team Meeting | 12% | 12% | 13% |
| Product Launch | 6% | 6% | 7% |
| Conference/Tradeshaw | 23% | 23% | 19% |
| Senior Leadership Board Meeting | 12% | 13% | 10% |
| Advisory | 8% | 7% | 21% |
| Incentives | 11% | 11% | 20% |

(Source: American Express Meetings & Events North American Survey, August 2017)

Meetings Activity Levels

| | 2018 vs. 2017 | | |
|------------------------------------|---------------|------|--------|
| | NORTH AMERICA | US | CANADA |
| — Indicates no significant change. | | | |
| Sales/Marketing | — | — | — |
| Training | 0.6% | 0.7% | — |
| Internal Team Meeting | — | — | -0.5% |
| Product Launch | — | — | — |
| Conference/Tradeshaw | 0.8% | 0.9% | — |
| Senior Leadership Board Meeting | — | — | — |
| Advisory | — | — | — |
| Incentives | — | — | -0.5% |

(Source: American Express Meetings & Events North American Survey, August 2017)

Number of Attendees

| | 2018 vs. 2017 | | |
|------------------------------------|---------------|------|--------|
| | NORTH AMERICA | US | CANADA |
| — Indicates no significant change. | | | |
| Sales/Marketing | 0.9% | 1.0% | — |
| Training | 1.4% | 1.5% | -1.0% |
| Internal Team Meeting | 0.6% | 0.6% | — |
| Product Launch | 0.8% | 0.9% | -0.8% |
| Conference/Tradeshaw | 1.8% | 1.8% | 1.3% |
| Senior Leadership Board Meeting | 0.7% | 0.7% | — |
| Advisory | — | — | — |
| Incentives | 1.3% | 1.4% | — |

(Source: American Express Meetings & Events North American Survey, August 2017)

Days per Meeting

✓ SURVEY RESULTS

| | 2018 vs. 2017 | | |
|------------------------------------|---------------|----|--------|
| | NORTH AMERICA | US | CANADA |
| — Indicates no significant change. | | | |
| Sales/Marketing | — | — | -0.8% |
| Training | — | — | -1.5% |
| Internal Team Meeting | — | — | -1.1% |
| Product Launch | — | — | -1.8% |
| Conference/Tradeshaw | — | — | 0.8% |
| Senior Leadership Board Meeting | — | — | -1.6% |
| Advisory | — | — | -0.5% |
| Incentives | — | — | — |

(Source: American Express Meetings & Events North American Survey, August 2017)

Days remain the same. In the US, days per meeting are expected to remain the same across all meeting types. This suggests a view to the general sustainability of meeting length, regardless of meeting type. Meetings in Canada, however, are expected to shrink by 1–2%, a small change, but one that suggests tightening of meeting schedules. One survey respondent explains the priority companies in the region are placing on the balance between length of meeting and the implications for day-to-day business activity. He suggests three important considerations for meeting planning: “Meeting results are number one. Time is number two. Total days away from primary responsibilities is number three. The question is how do we accomplish meetings and positively impact results for attendees without missing important daily business activity requirements”.

Meetings Budgets and Planning

Overall Meeting Spend and Cost per Attendee

Increasing spend. Respondents in North America see meeting budgets growing overall in 2018. Predictions for the US stand out when compared with those for other regions, as meeting spend is expected to increase in this country by 1% in 2018. The increase in spend, however, is still below the anticipated increase in hotel rates, indicating there will be continued pressure on meeting budgets in the US. Meeting spend in Canada is expected to see a decline of 1.5%. This predicted decrease fits with shorter expected meetings in Canada and stable or decreasing meeting size.

Overall spend and cost per attendee. Expected increases in meeting spend in the US may be partly related to the expected increases in cost per attendee. Cost per attendee (excluding air) for most meeting types, and the larger meeting types in particular, is forecasted to increase by 0.5–1.0% in 2018.

Overall Meeting Spend within Organizations 2018 vs. 2017

| | NORTH AMERICA | US | CANADA |
|--|---------------|------|--------|
| | 1.0% | 1.1% | -1.5% |

(Source: American Express Meetings & Events North American Survey, August 2017)

Cost per Attendee

(excluding air cost)

| | NORTH AMERICA | US | CANADA |
|---------------------------------|---------------|-------|--------|
| Sales/Marketing | \$517 | \$518 | \$506 |
| Training | \$417 | \$427 | \$206 |
| Internal Team Meeting | \$320 | \$323 | \$286 |
| Product Launch | \$488 | \$490 | \$450 |
| Conference/Tradeshow | \$560 | \$562 | \$525 |
| Senior Leadership Board Meeting | \$552 | \$559 | \$400 |
| Advisory | \$525 | \$542 | \$250 |
| Incentives | \$629 | \$635 | \$513 |

(Source: American Express Meetings & Events North American Survey, August 2017)

Change in Cost per Attendee 2018 vs. 2017

(excluding air cost)

| | NORTH AMERICA | US | CANADA |
|------------------------------------|---------------|------|--------|
| — Indicates no significant change. | | | |
| Sales/Marketing | 0.7% | 0.8% | — |
| Training | 0.5% | 0.6% | -1.0% |
| Internal Team Meeting | — | — | — |
| Product Launch | — | 0.5% | -1.1% |
| Conference/Tradeshow | 0.8% | 0.9% | -1.8% |
| Senior Leadership Board Meeting | 0.6% | 0.6% | — |
| Advisory | — | — | — |
| Incentives | 1.0% | 1.1% | -1.3% |

(Source: American Express Meetings & Events North American Survey, August 2017)

At the same time, decreasing spend in Canada may also be tied to decreasing cost per attendee. As meetings become shorter and companies expect to pay less per attendee, overall meeting spend is expected to decrease as well.

Preferred spending. As one meeting planner explains, “navigating spend is ongoing”. Increasing cost per attendee, she explains, “puts constraints on meeting owners, forcing them to decide what meetings to keep versus which to cancel, or which meetings to consolidate”.

Survey participants throughout the region were asked where they would cut costs first and still maintain customer experience: 21% indicate they would cut off-site optional activities; 18% identify off-site evening events as their first target. Number of nights, along with food and beverage, are the next spend categories that respondents would be willing to reduce. Communication, registration and audiovisual are the least likely to be cut, which speaks to their importance to the success of meetings and events.

When asked where they would invest if overall meetings budgets increased by 10%, one-fifth of respondents identify increasing the number of attendees as a priority, while one-quarter of respondents would increase the spend on meeting content and production. Increasing the number of days for meetings emerges as the least preferred area of investment. These responses speak to the importance survey respondents and interview participants have placed on attendee engagement and experience for 2018.

Meeting Location

Primary Locations for Meetings

Large cities. Similar to last year’s predictions, 72% of respondents predict large cities to be the primary locations for meetings. Second-tier cities are expected to attract 23% of meetings, while other locations will attract 5%.

The top cities. The top three cities for meetings and events in North America continue to be Orlando, Las Vegas, and Chicago. Phoenix returns to the top 10 this year, replacing New Orleans, and Nashville rises from ninth place to seventh. Meetings professionals point to the meetings and events capacity of these cities and the ease of airlift as reasons for their popularity. They also suggest new construction is ongoing or on the rise in these cities.

Building the location. Respondents around the world agree that a city’s or region’s efforts to build capacity for meetings and events has a direct effect on the popularity of that city. Nashville, for instance, is considered a second-tier city but is referred to by meetings planners, suppliers and other meetings professionals as one of the most popular destinations. They suggest that local efforts to promote the city have paid off and we are likely to see this city continue to rise in the top 10.

Cost Area Cut First in Meeting Budget

(and still maintain customer experience)

| NORTH AMERICA | |
|---|-----|
| Number of nights | 16% |
| Registration site | 1% |
| Ground transportation | 4% |
| Communication | 1% |
| Off site evening events | 18% |
| Off site optional activities | 21% |
| Audio visual | 2% |
| Food/beverage | 16% |
| Onsite travel staff | 5% |
| Room drops | 7% |
| Use of Destination Management Company (DMC) | 9% |

(Source: American Express Meetings & Events North American Survey, August 2017)

Preferred Area of Investment

(if overall meetings budget increased 10%)

| NORTH AMERICA | |
|--|-----|
| Increase number of meetings | 16% |
| Increase number of attendees at meetings | 20% |
| Increase number of days for meetings | 3% |
| Increase activities | 11% |
| Increase F&B budget | 16% |
| Cover additional travel costs for attendees (air, transfers, upgrades, etc.) | 8% |
| Increase budget for meeting content and production | 24% |
| Other | 3% |

(Source: American Express Meetings & Events North American Survey, August 2017)

Primary Locations for Meetings

2018 vs. 2017

| NORTH AMERICA | |
|----------------------------|-----|
| Large city locations | 72% |
| Second-tier city locations | 23% |
| Other | 5% |

(Source: American Express Meetings & Events North American Survey, August 2017)

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

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

(Source: Cvent, 2017)

Pricing Trends

Sellers' market. Respondents in North America predict the greatest increase in group hotel rates across the survey regions, at 3.5% in the US and 3.0% in Canada for 2018. Milton Rivera, Vice President, Global Business Development and Strategy, American Express Meetings & Events, explains that it is “currently a ‘sellers’ market’. The dynamic that happens when there is too little or just enough inventory while demand continues to rise is a continued increase in rates”.

Challenging approvals tighten lead time. Meetings and events planners in North America point to a continued shortening of the planning window. One explains, “With shorter lead times for 2018, meetings approval is much more challenging for larger meetings. It seems people can no longer predict as far out what meetings they will have year after year”. Another agrees and adds, “Space is moving faster so we encourage people to book further out so they get the rates and availability they require”.

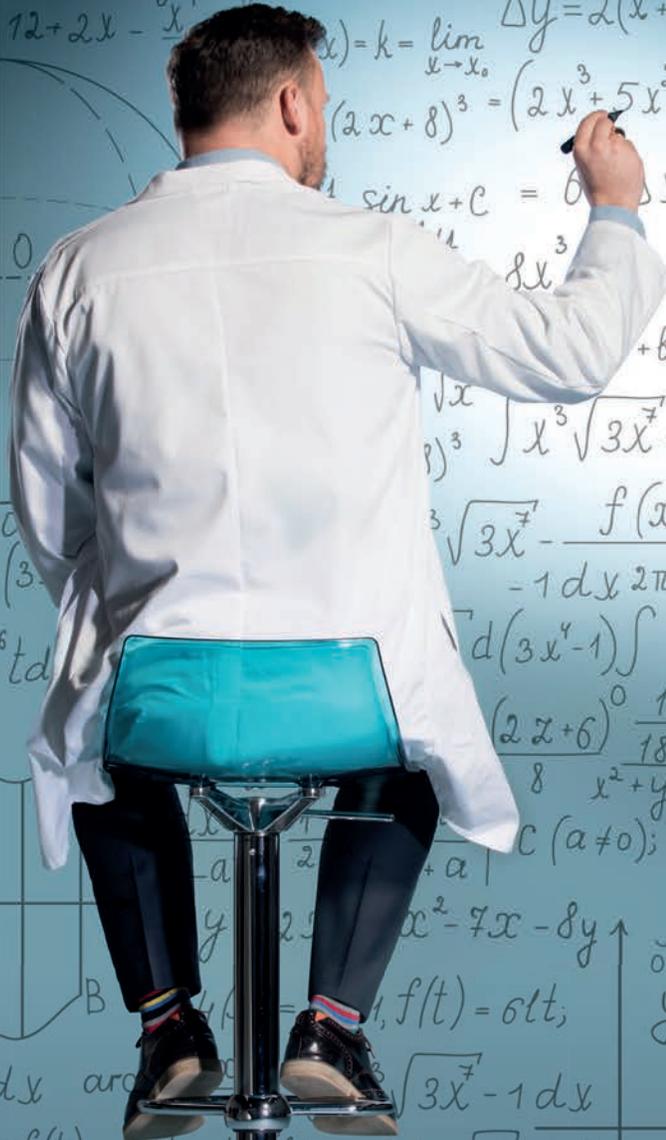
Events on property. While meeting owners look to enhance the creative and engaging elements of their meetings while keeping costs within budget, hotel suppliers are responding by “collaborating with clients to come up with creative, personalized and locally inspired meetings,” explains Christine Lawson of Loews Hotels & Resorts. Yma Sherry, Vice President, North America, American Express Meetings & Events, suggests that “working to find ways to reduce off-site meetings or activities is a great trend, keeping money at the venue while providing for more efficiency, and reducing the need for ground transportation, for example”.

Group Hotel Rates

| | 2018 vs. 2017 | |
|---------------|---------------|--------|
| NORTH AMERICA | US | CANADA |
| 3.5% | 3.5% | 3.0% |

(Source: American Express Meetings & Events North American Survey, August 2017)

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Europe

Meetings Activity

Meetings Activity and Characteristics

Country dependent. Respondents in Europe predict that meeting numbers will stay relatively flat in 2018, with possible increases of less than one percent in training meetings and product launches. When we break out regional numbers to look at specific survey countries and meeting types, we see much greater variation in activity levels. In more than half of the countries surveyed, respondents expect more product launches in 2018, as well as increases in training meetings. Most meeting types are expected to grow in number in the UK, with growth ranging from 0.5% for internal team meetings and 0.6% for advisory meetings to 1.5% for training meetings and 2.2% for conferences and tradeshow and product launches. Training meetings are expected to increase in Switzerland by up to 5.5% in 2018. These are significant increases for the UK and Switzerland, where this meeting type comprises 21% and 42% of total meetings, respectively. Meeting types vary across countries in terms of their percentage of total meetings; conferences and tradeshow, specifically, account for at least one-fifth of meetings activity in most surveyed countries in Europe.

Respondents in Belgium and the Netherlands predict increases across most meeting types, from a 0.5% increase in incentives to a 4.2% increase in advisory meetings. One meeting planner in Belgium says, “We are seeing more and more events taking place in Europe. This is exciting and it means a busy time as we look at every element to ensure the best experiences”. At the same time, respondents in Switzerland, Spain and Poland see a leveling off or decrease in some meeting types, including conferences and tradeshow, and incentive meetings in 2018.

Meeting size. When looking at Europe as a whole, the number of attendees is expected to remain flat in 2018, with sales and marketing meetings, internal team meetings and senior leadership and board meetings predicted to decrease by less than 1%.

Several countries may see small decreases in the number of attendees for some meeting types. Respondents in Spain, France and Switzerland predict meeting size for at least half of their meeting types to decrease slightly. Switzerland, in fact, has the largest predicted decreases, ranging from product launches, which are expected to shrink by 1.2%, to conferences and tradeshow, which may decrease by 5.8%. Denmark, Sweden, Germany, and the UK are most optimistic with attendee numbers remaining flat or increasing slightly.

Meetings Activity by Type

| | Percent of total meetings | | | | | | | | |
|---------------------------------|---------------------------|-----|---------|--------|-------------------------|-------|--------------------|--------|-------------|
| | EUROPE | UK | GERMANY | FRANCE | BELGIUM/ NETHERLANDS | SPAIN | DENMARK/ SWEDEN | POLAND | SWITZERLAND |
| Sales/Marketing | 17% | 10% | 20% | 19% | 13% | 24% | 14% | 12% | 6% |
| Training | 17% | 21% | 15% | 19% | 18% | 8% | 15% | 21% | 42% |
| Internal Team Meeting | 14% | 15% | 19% | 11% | 13% | 15% | 17% | 8% | 7% |
| Product Launch | 9% | 7% | 11% | 8% | 6% | 8% | 13% | 14% | 4% |
| Conference/Tradeshaw | 20% | 22% | 16% | 24% | 26% | 19% | 15% | 20% | 23% |
| Senior Leadership Board Meeting | 11% | 12% | 8% | 11% | 6% | 14% | 11% | 12% | 6% |
| Advisory | 11% | 11% | 14% | 10% | 11% | 10% | 8% | 19% | 22% |
| Incentives | 9% | 4% | 7% | 9% | 8% | 12% | 11% | 5% | 3% |

(Source: American Express Meetings & Events European Survey, August 2017)

Meetings Activity Levels

| | 2018 vs. 2017 | | | | | | | | |
|------------------------------------|---------------|-------|---------|--------|-------------------------|-------|--------------------|--------|-------------|
| — Indicates no significant change. | EUROPE | UK | GERMANY | FRANCE | BELGIUM/ NETHERLANDS | SPAIN | DENMARK/ SWEDEN | POLAND | SWITZERLAND |
| Sales/Marketing | — | -0.5% | — | -0.8% | — | — | — | — | -0.8% |
| Training | 0.9% | 1.5% | — | — | 3.7% | -0.5% | 0.7% | 2.8% | 5.5% |
| Internal Team Meeting | — | 0.5% | — | — | 1.2% | — | -0.6% | 1.0% | -1.4% |
| Product Launch | 0.7% | 2.2% | 1.3% | 0.6% | 2.3% | -0.6% | 1.2% | 2.4% | — |
| Conference/Tradeshaw | -0.8% | 2.2% | — | -1.2% | 1.0% | — | — | -2.2% | -5.0% |
| Senior Leadership Board Meeting | — | — | — | — | -0.5% | -1.3% | 0.5% | -1.2% | -1.8% |
| Advisory | — | 0.6% | 0.8% | 0.5% | 4.2% | -1.2% | — | -1.0% | 0.5% |
| Incentives | — | — | — | — | 0.5% | -1.4% | — | -1.0% | -3.8% |

(Source: American Express Meetings & Events European Survey, August 2017)

Number of Attendees

| | 2018 vs. 2017 | | | | | | | | |
|------------------------------------|---------------|-------|---------|--------|-------------------------|-------|--------------------|--------|-------------|
| — Indicates no significant change. | EUROPE | UK | GERMANY | FRANCE | BELGIUM/ NETHERLANDS | SPAIN | DENMARK/ SWEDEN | POLAND | SWITZERLAND |
| Sales/Marketing | -0.6% | -1.0% | 0.6% | -1.1% | -2.0% | — | — | -1.5% | -4.8% |
| Training | — | 1.8% | — | -0.7% | 3.2% | -1.2% | — | 2.7% | 0.5% |
| Internal Team Meeting | -0.6% | — | — | — | 0.8% | -1.1% | — | — | -3.2% |
| Product Launch | — | — | 0.7% | — | — | -0.7% | 0.9% | — | -1.2% |
| Conference/Tradeshaw | — | 1.0% | — | -0.8% | 2.8% | — | — | -1.0% | -5.8% |
| Senior Leadership Board Meeting | -0.8% | — | — | -0.7% | -1.0% | -1.4% | 0.6% | -1.2% | -3.4% |
| Advisory | — | 1.0% | — | — | 6.0% | -1.9% | 0.8% | — | — |
| Incentives | — | — | — | -0.8% | — | — | — | — | -2.4% |

(Source: American Express Meetings & Events European Survey, August 2017)

Days per Meeting

✓ SURVEY RESULTS

Days per Meeting

2018 vs. 2017

| — Indicates no significant change. | EUROPE | UK | GERMANY | FRANCE | BELGIUM/ NETHERLANDS | SPAIN | DENMARK/ SWEDEN | POLAND | SWITZERLAND |
|------------------------------------|--------|-------|---------|--------|-------------------------|-------|--------------------|--------|-------------|
| Sales/Marketing | -0.9% | -3.8% | — | — | -0.8% | -0.9% | — | -1.5% | -4.8% |
| Training | -0.8% | -1.8% | — | -1.0% | 1.6% | -1.3% | -0.6% | — | -2.3% |
| Internal Team Meeting | -0.9% | 1.3% | — | -0.9% | 1.0% | -1.6% | -0.8% | — | -4.8% |
| Product Launch | — | -1.3% | — | — | -1.0% | -1.5% | — | 0.6% | -1.8% |
| Conference/Tradeshaw | -0.6% | -2.4% | — | — | -0.6% | -1.1% | — | — | -3.0% |
| Senior Leadership Board Meeting | -0.7% | -1.2% | — | — | -1.0% | -1.3% | — | -0.6% | -2.4% |
| Advisory | -0.5% | -1.6% | — | — | 2.7% | -1.6% | — | — | -1.3% |
| Incentives | — | -1.5% | — | 1.1% | -0.8% | -0.8% | — | — | -1.8% |

(Source: American Express Meetings & Events European Survey, August 2017)

Shorter meetings across the region. Europe stands out among other regions with respondents predicting decreases in days per meeting for most meeting types. This trend toward shorter meetings that emerged last year is evident across most survey countries in the region. One meeting planner in Europe explains, “While meeting mix has been pretty stable, clients are willing to spend a bit more per day with short stays. Even for incentives here in Germany, we’re finding clients are looking for shorter trips, possibly an overnight”. Incentives occupy a smaller proportion of meetings activity in Germany, at 7%, than the European average of 9%. Respondents in Spain and Switzerland see shorter meetings of all types in 2018. Those in the UK similarly predict shorter meetings except in the case of internal team meetings, which may grow in length by 1.3%.

Days per meeting are not expected to change for any meeting types in Germany. This suggests that respondents see meeting length is currently at a sustainable number of days. France, Denmark, and Sweden expect very little change in meeting length as well.

Meetings Budgets and Planning

Overall Meeting Spend and Cost per Attendee

Relatively flat. Overall meeting spend is not expected to fluctuate significantly throughout Europe. While respondents in the UK see a possible 0.6% increase in spend, those in France see a tightening of budgets with a decrease of 1.3%. Again, Switzerland stands out with a predicted 1.8% decrease. With meeting numbers, length and size all expected to decrease in Switzerland, a decrease in meeting budgets is not surprising. It is unclear whether it is smaller budgets driving these reductions or a desire for shorter, smaller meetings. Both factors emerge as relevant through interviews and survey results.

Overall Meeting Spend within Organizations

2018 vs. 2017

| — Indicates no significant change. | EUROPE | UK | GERMANY | FRANCE | BELGIUM/ NETHERLANDS | SPAIN | DENMARK/ SWEDEN | POLAND | SWITZERLAND |
|------------------------------------|--------|------|---------|--------|-------------------------|-------|--------------------|--------|-------------|
| | — | 0.6% | — | -1.3% | -0.8% | — | — | 1.0% | -1.8% |

(Source: American Express Meetings & Events European Survey, August 2017)

Cost per Attendee

(excluding air cost)

| | EUROPE | UK | GERMANY | FRANCE | BELGIUM/ NETHERLANDS | SPAIN | DENMARK/ SWEDEN | POLAND | SWITZERLAND |
|---------------------------------|--------|-------|---------|--------|-------------------------|-------|--------------------|--------|-------------|
| Sales/Marketing | \$345 | \$183 | \$235 | \$350 | \$450 | \$627 | \$250 | \$250 | \$210 |
| Training | \$342 | \$570 | \$207 | \$416 | \$700 | \$400 | \$207 | \$400 | \$183 |
| Internal Team Meeting | \$367 | \$383 | \$265 | \$527 | \$533 | \$350 | \$343 | \$250 | \$170 |
| Product Launch | \$508 | \$383 | \$546 | \$720 | \$975 | \$538 | \$364 | \$400 | \$250 |
| Conference/Tradeshaw | \$609 | \$500 | \$772 | \$708 | \$763 | \$632 | \$532 | \$250 | \$558 |
| Senior Leadership Board Meeting | \$544 | \$330 | \$610 | \$623 | \$975 | \$654 | \$382 | \$550 | \$540 |
| Advisory | \$426 | \$500 | \$370 | \$506 | \$675 | \$627 | \$210 | \$400 | \$283 |
| Incentives | \$720 | \$450 | \$883 | \$865 | \$750 | \$843 | \$478 | \$675 | \$540 |

(Source: American Express Meetings & Events European Survey, August 2017)

Change in Cost per Attendee

(excluding air cost)

2018 vs. 2017

| | EUROPE | UK | GERMANY | FRANCE | BELGIUM/ NETHERLANDS | SPAIN | DENMARK/ SWEDEN | POLAND | SWITZERLAND |
|---------------------------------|--------|------|---------|--------|-------------------------|-------|--------------------|--------|-------------|
| Sales/Marketing | -0.8% | 0.0% | -0.2% | -0.3% | -5.3% | -0.6% | 0.0% | -1.5% | -3.2% |
| Training | -0.7% | 0.6% | -0.4% | -0.7% | -2.0% | -0.8% | -0.2% | 1.0% | -2.5% |
| Internal Team Meeting | -1.0% | 0.0% | -0.6% | -0.5% | -2.7% | -1.2% | -0.6% | 0.0% | -4.0% |
| Product Launch | -0.1% | 0.0% | 0.2% | -0.6% | 2.5% | -0.3% | 0.5% | -0.6% | -2.0% |
| Conference/Tradeshaw | -0.8% | 0.0% | -0.6% | -0.2% | -2.8% | -1.1% | 0.2% | -2.2% | -3.8% |
| Senior Leadership Board Meeting | -0.9% | 0.0% | -0.3% | -1.1% | -1.5% | -1.4% | 0.0% | -1.2% | -3.4% |
| Advisory | -0.9% | 0.0% | -0.3% | -0.8% | -1.5% | -1.8% | 0.0% | -1.2% | -1.3% |
| Incentives | -0.2% | 0.0% | 0.0% | 0.7% | -1.5% | 0.9% | -0.3% | -1.5% | -2.2% |

(Source: American Express Meetings & Events European Survey, August 2017)

Less spend on attendees. For the region overall, cost per attendee (excluding air) is expected to decrease by less than 1% for most meeting types. As one meetings professional in Europe explains, “We are seeing spending per attendee decreasing and looking at how we can do more with less”. Respondents in Switzerland, Belgium, and the Netherlands predict the greatest decreases in cost per attendee. Those in Belgium and the Netherlands see a possible decrease of 5.3% for sales and marketing meetings, and those in Switzerland suggest a decrease of 4% for internal team meetings. Respondents in the UK, Germany, Denmark, and Sweden expect the least change in cost per attendee, with numbers remaining flat for most meeting types in 2018.

Respondents in all survey countries, except Poland, predict a large cost per attendee for conferences and tradeshows, with those in Germany expecting cost per attendee to be 772 USD and those in Belgium and the Netherlands predicting 763 USD. Poland stands out with a low 250 USD cost per attendee for conferences and tradeshows as well as sales and marketing meetings and internal team meetings. Incentive meetings and product launches are also expected to have a high cost per attendee in most regions, with those in France predicting 720 USD per attendee for product launches and 865 USD for incentive meetings.

While incentive meetings, product launches, and conferences and tradeshows are predicted to have a higher cost per attendee, they are also expected to decrease in length for many regions, suggesting more investment in the attendee experience.

Preferred spending. When asked where they would cut costs in meeting budgets and still maintain customer experience, one-quarter of respondents in Europe identify off-site optional activities as the first area they would cut; 18% indicate that number of nights would be the area they would cut first. Echoing a global theme of more value in condensed time, meeting planners suggest that clients are more willing to limit days per meeting and consider alternatives to traditional meeting formats. One meetings professional in the region notes, “The first area my clients would cut is the number of nights, followed by food and beverage—considering a less formal meal, for example, rather than a three course meal”.

If overall budgets were to increase by 10%, nearly one-quarter of respondents in this region suggest they would increase budget for meeting content and production, 17% would increase the number of meetings, and another 17% would increase the number of attendees at meetings. Increased budgets do not mean longer meetings or additional events within a meeting. A meeting planner in Sweden points out, “As a whole for the Nordics, we have a strong financial growth and low unemployment rate. At the same time, clients are looking for more efficient, value-packed meeting formats. We are getting more requests for virtual one-to-one meetings. Face-to-face meetings are becoming more and more important but clients are looking for formats that make sense for the intent of the meeting”.

Cost Area Cut First in Meeting Budget

(and still maintain customer experience)

| | EUROPE |
|---|--------|
| Number of nights | 18% |
| Registration site | 1% |
| Ground transportation | 2% |
| Communication | 3% |
| Off site evening events | 11% |
| Off site optional activities | 24% |
| Audio visual | 2% |
| Food/beverage | 8% |
| Onsite travel staff | 11% |
| Room drops | 11% |
| Use of Destination Management Company (DMC) | 10% |

(Source: American Express Meetings & Events European Survey, August 2017)

Preferred Area of Investment

(if overall meetings budget increased 10%)

| | EUROPE |
|--|--------|
| Increase number of meetings | 17% |
| Increase number of attendees at meetings | 17% |
| Increase number of days for meetings | 9% |
| Increase activities | 16% |
| Increase F&B budget | 5% |
| Cover additional travel costs for attendees (air, transfers, upgrades, etc.) | 7% |
| Increase budget for meeting content and production | 23% |
| Other | 7% |

(Source: American Express Meetings & Events European Survey, August 2017)

Meeting Location

Primary Locations for Meetings

Second-tier cities on the rise. While 82% of respondents predict large cities as the primary locations for meetings in 2018, 12% identify second-tier cities as the primary location, up from 10% last year. Just 5% suggest that locations other than large and second-tier cities will be primary locations in the coming year.

✔ SURVEY RESULTS

Primary Locations for Meetings

2018 vs. 2017

| | EUROPE |
|----------------------------|--------|
| Large city locations | 82% |
| Second-tier city locations | 12% |
| Other | 5% |

(Source: American Express Meetings & Events European Survey, August 2017)

The top cities. London and Barcelona maintain their top two positions in the top 10 European cities based on meetings and events activity. Berlin moves to third from fifth, and Amsterdam and Paris move down to fourth and fifth. Munich makes the top 10 list in ninth place, replacing Brussels on the list. It is noteworthy that three German cities make the top 10 list this year, suggesting that the country is positioning itself well for meetings and events activity.

Top 10 European Cities based on Meetings/Events Activity

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

(Source: Cvent, 2017)

Security considerations. As in all regions, survey respondents in Europe identify attendee safety and security as important considerations in location selection. While questions of political and economic change and emergencies do arise throughout the region, one meeting planner joins other meetings professionals in suggesting that “safety is a top priority for all meetings and events stakeholders, as is accessibility in terms of easy airlift and transportation”.

Pricing Trends

Increasing rates. While group rates in Europe are not expected to increase as much as they are in North America, respondents predict that they will increase by 1.3% across the region and by at least 1.1% in all survey countries except France. The UK, Poland, and Switzerland respondents see the greatest increases of 2.6%, 2.5% and 2.4%, respectively.

Managing spend. The need for effective negotiation will be particularly important in the region as rates increase. Consolidating spend is also on the radar of meeting planners as more clients look to centralize their meeting spend. A meeting planner in the UK suggests, “We are seeing quite a bit more consolidated spend and an effort to centralize spend through agencies such as ours”.

Electronic sourcing. Electronic sourcing emerges as an important theme among individuals interviewed throughout Europe. Many argue it will be central to a shift in meetings and events planning in this region. One meeting professional explains, “Over the long term we will see a lot of changes around budgets and the control of expenses. Electronic sourcing tools will become more and more important. Some clients are already using these for smaller meetings in particular”. A planner in the region agrees, calling electronic sourcing “a main trend in the industry with more and more companies proposing digital solutions”. And another predicts significant growth in electronic sourcing in the region through 2018 and 2019. He suggests, “In Europe there is more and more access to small meeting tools and web-based solutions, where you can book a one-day meeting in a hotel with breakfast and lunch, for example. These appeal to small companies in particular but I am convinced we will see these emerge for large companies as well”. At the same time, he cautions that while there are growing numbers of small meeting solutions in the industry, “it is still early days for these tools and people need to be careful that they are selecting carefully”.

✔ SURVEY RESULTS

Group Hotel Rates

— Indicates no significant change.

2018 vs. 2017

| EUROPE | UK | GERMANY | FRANCE | BELGIUM/ NETHERLANDS | SPAIN | DENMARK/ SWEDEN | POLAND | SWITZERLAND |
|--------|------|---------|--------|-------------------------|-------|--------------------|--------|-------------|
| 1.3% | 2.6% | 2.0% | — | 1.1% | 1.4% | 1.3% | 2.5% | 2.4% |

(Source: American Express Meetings & Events European Survey, August 2017)



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Asia Pacific

Meetings Activity

Meetings Activity and Characteristics

Stable numbers. Meetings activity is expected to remain stable in 2018 within Asia Pacific, with small decreases of 0.8% to 1.2% in numbers of senior leadership and board meetings as well as advisory and incentive meetings. China and Hong Kong reflect the broader regional numbers, while Singapore stands out with predicted decreases of 1.4% to 2.2% for most meeting types.

Sales and marketing meetings comprise the greatest portion of expected meetings activity in the region at 20%, with even higher numbers in Australia at 27%. Product launches, advisory meetings, and incentives happen less frequently across the region, with incentives comprising 4% of meetings activity in Australia and advisory meetings at 4% in China and Hong Kong and 5% in Singapore. While conferences and tradeshows are predicted to account for less than 20% of meetings activity in the region, they represent one-third of planned activity in Singapore.

Meeting size. Half of the meeting types are expected to remain stable in terms of number of attendees in Asia Pacific. Sales and marketing meetings are expected to increase slightly in size, with respondents in Australia suggesting that this increase might be as big as 2.4%. Respondents expect that all meeting types, except training meetings, in Australia will grow in size in 2018, while most meetings types in Singapore are expected to be smaller.

Days per Meeting

✔ SURVEY RESULTS

| Days per Meeting | 2018 vs. 2017 | | | |
|------------------------------------|---------------|-----------|-----------------|-----------|
| | ASIA PACIFIC | AUSTRALIA | CHINA/HONG KONG | SINGAPORE |
| — Indicates no significant change. | | | | |
| Sales/Marketing | — | -0.7% | — | — |
| Training | — | — | 0.7% | -0.7% |
| Internal Team Meeting | — | — | — | -0.6% |
| Product Launch | — | — | 0.5% | — |
| Conference/Tradeshow | — | — | — | — |
| Senior Leadership Board Meeting | -0.5% | — | -0.5% | -0.7% |
| Advisory | — | — | — | — |
| Incentives | — | — | — | -0.5% |

(Source: American Express Meetings & Events Asia Pacific Survey, August 2017)

Meetings Activity by Type

| | Percent of total meetings | | | |
|---------------------------------|---------------------------|-----------|-----------------|-----------|
| | ASIA PACIFIC | AUSTRALIA | CHINA/HONG KONG | SINGAPORE |
| Sales/Marketing | 20% | 27% | 20% | 18% |
| Training | 16% | 12% | 18% | 14% |
| Internal Team Meeting | 13% | 13% | 12% | 12% |
| Product Launch | 9% | 5% | 13% | 5% |
| Conference/Tradeshaw | 17% | 16% | 13% | 32% |
| Senior Leadership Board Meeting | 13% | 11% | 16% | 10% |
| Advisory | 7% | 16% | 4% | 5% |
| Incentives | 10% | 4% | 12% | 9% |

(Source: American Express Meetings & Events Asia Pacific Survey, August 2017)

Meetings Activity Levels

| | 2018 vs. 2017 | | | |
|------------------------------------|---------------|-----------|-----------------|-----------|
| | ASIA PACIFIC | AUSTRALIA | CHINA/HONG KONG | SINGAPORE |
| — Indicates no significant change. | | | | |
| Sales/Marketing | — | — | — | -1.4% |
| Training | — | — | — | -1.7% |
| Internal Team Meeting | — | 0.5% | — | -2.0% |
| Product Launch | — | — | — | -1.7% |
| Conference/Tradeshaw | — | — | — | — |
| Senior Leadership Board Meeting | -0.8% | — | -0.8% | -1.4% |
| Advisory | -1.1% | — | -1.6% | -2.2% |
| Incentives | -1.2% | -0.9% | -0.7% | -2.2% |

(Source: American Express Meetings & Events Asia Pacific Survey, August 2017)

Number of Attendees

| | 2018 vs. 2017 | | | |
|------------------------------------|---------------|-----------|-----------------|-----------|
| | ASIA PACIFIC | AUSTRALIA | CHINA/HONG KONG | SINGAPORE |
| — Indicates no significant change. | | | | |
| Sales/Marketing | 0.7% | 2.4% | 0.5% | — |
| Training | — | — | 0.6% | -0.7% |
| Internal Team Meeting | — | 1.1% | — | -0.9% |
| Product Launch | 1.0% | 2.2% | 1.4% | — |
| Conference/Tradeshaw | — | 1.3% | — | 0.6% |
| Senior Leadership Board Meeting | -0.6% | 0.8% | -0.9% | -1.3% |
| Advisory | — | 1.4% | — | -1.1% |
| Incentives | -0.7% | 1.5% | -0.7% | -2.3% |

(Source: American Express Meetings & Events Asia Pacific Survey, August 2017)

Holding steady. Meeting length is predicted to remain essentially unchanged throughout the region overall. Respondents in China do, however, anticipate minor increases in the length of training meetings and product launches. In line with predicted attendee declines in the country, Singapore is expected to see small decreases of less than 1% in days per meeting for several meeting types as well.

Meetings Budgets and Planning

Overall Meeting Spend and Cost per Attendee

Budget. Predictions suggest that meeting spend in Asia Pacific will decrease by 1%. Within the region, Singapore may see the largest decreases of up to 3.7%; Australia is the exception with expected budget increases of 1.9%. With hotel rates expected to increase this is likely to create pressure on individual event budgets.

Spend visibility and cutting costs. One planner in the region explains that while cutting costs is a priority for clients, it is often difficult to achieve comprehensive visibility on spending. She suggests that, “Meeting spend is definitely decreasing in the region but tracking spend can often be challenging. Price per person is something everyone wants to cut but in terms of what the meeting is trying to accomplish this might not be the best route. Planning an alternative meeting or combining two meetings into one might be the most effective choice. The first step, however, is to get that visibility into spend”.

✔ SURVEY RESULTS

| Overall Meeting Spend within Organizations | 2018 vs. 2017 | | | |
|--|---------------|-----------|-----------------|-----------|
| | ASIA PACIFIC | AUSTRALIA | CHINA/HONG KONG | SINGAPORE |
| | -1.0% | 1.9% | -1.1% | -3.7% |

(Source: American Express Meetings & Events Asia Pacific Survey, August 2017)

Relatively flat. Cost per attendee is expected to remain relatively flat in 2018 across the region. Within the region there is a marked difference, however, between Australia and Singapore. While respondents in Australia expect cost per attendee to increase by nearly 1% for half of meeting types, and up to 3% for incentives, respondents in Singapore expect cost per attendee to decrease across all meeting types, from 2.4% for conferences and tradeshows up to 4% for incentive meetings.

Product launches, conferences and tradeshows, and senior leadership and board meetings are expected to have the higher costs per attendee in the region. According to respondents, cost per attendee in China and Hong Kong tend to be higher across all meeting types than cost per attendee in Australia and Singapore. Expected cost per attendee in Singapore is lower across most meeting types than cost per attendee in other countries.

Cost per Attendee

(excluding air cost)

| | ASIA PACIFIC | AUSTRALIA | CHINA/HONG KONG | SINGAPORE |
|---------------------------------|--------------|-----------|-----------------|-----------|
| Sales/Marketing | \$427 | \$356 | \$495 | \$256 |
| Training | \$346 | \$217 | \$463 | \$139 |
| Internal Team Meeting | \$411 | \$317 | \$534 | \$210 |
| Product Launch | \$516 | \$200 | \$681 | \$164 |
| Conference/Tradeshaw | \$585 | \$317 | \$788 | \$335 |
| Senior Leadership Board Meeting | \$565 | \$421 | \$766 | \$256 |
| Advisory | \$363 | \$221 | \$580 | \$150 |
| Incentives | \$496 | \$250 | \$656 | \$117 |

(Source: American Express Meetings & Events Asia Pacific Survey, August 2017)

Change in Cost per Attendee

(excluding air cost)

2018 vs. 2017

| — Indicates no significant change. | ASIA PACIFIC | AUSTRALIA | CHINA/HONG KONG | SINGAPORE |
|------------------------------------|--------------|-----------|-----------------|-----------|
| Sales/Marketing | — | 0.9% | 1.0% | -3.0% |
| Training | — | — | — | -3.3% |
| Internal Team Meeting | -0.6% | — | — | -2.7% |
| Product Launch | — | 0.8% | 0.9% | -3.0% |
| Conference/Tradeshaw | — | 1.2% | 1.6% | -2.4% |
| Senior Leadership Board Meeting | -0.5% | 1.0% | — | -3.3% |
| Advisory | -0.8% | 0.5% | — | -3.4% |
| Incentives | -0.5% | 3.0% | — | -4.0% |

(Source: American Express Meetings & Events Asia Pacific Survey, August 2017)

Preferred spending. When asked where they would cut costs in meeting budgets and still maintain the customer experience, one-third of respondents reflect those in other regions in suggesting off-site optional activities as the first to be cut. Thirteen percent each suggest that reducing the number of nights and room drops would be their first choice.

When asked if overall meetings budget increased 10% where they would make changes, one-fifth of respondents suggest that the preferred area of investment would be to increase the number of meetings and another fifth selected number of attendees at meetings. Nearly one-third stated that they would increase the budget for meeting content and production. These priorities reflect the emphasis we are seeing globally on more attendee-focused meetings with enhanced value.

Cost Area Cut First in Meeting Budget

(and still maintain customer experience)

| | ASIA PACIFIC |
|---|--------------|
| Number of nights | 13% |
| Registration site | 2% |
| Ground transportation | 3% |
| Communication | 0% |
| Off site evening events | 11% |
| Off site optional activities | 32% |
| Audio visual | 5% |
| Food/beverage | 3% |
| Onsite travel staff | 11% |
| Room drops | 13% |
| Use of Destination Management Company (DMC) | 8% |

(Source: American Express Meetings & Events Asia Pacific Survey, August 2017)

Preferred Area of Investment

(if overall meetings budget increased 10%)

| | ASIA PACIFIC |
|--|--------------|
| Increase number of meetings | 22% |
| Increase number of attendees at meetings | 21% |
| Increase number of days for meetings | 6% |
| Increase activities | 10% |
| Increase F&B budget | 5% |
| Cover additional travel costs for attendees (air, transfers, upgrades, etc.) | 8% |
| Increase budget for meeting content and production | 29% |
| Other | 0% |

(Source: American Express Meetings & Events Asia Pacific Survey, August 2017)

Meeting Location

Primary Locations for Meetings

Large cities lead. Unlike other regions, nearly all respondents in Asia Pacific indicate that the primary locations for meetings are large cities. Only 3% identified second-tier city locations as primary for meetings. One survey respondent in Australia suggests that while large cities continue to be top of the list, there may be a need to look beyond them going forward. She explains, “I foresee availability as a challenge in the next 3-5 years. In the past there were clear peak and off-peak periods; now there is consistently high capacity through the entire year”.

✔ SURVEY RESULTS

Primary Locations for Meetings

2018 vs. 2017

| | ASIA PACIFIC |
|----------------------------|--------------|
| Large city locations | 97% |
| Second-tier city locations | 3% |
| Other | 0% |

(Source: American Express Meetings & Events Asia Pacific Survey, August 2017)

The top cities. The top 10 cities in Asia Pacific based on meetings and events activity remain largely the same as last year, with Bangkok moving into third and pushing Kuala Lumpur into fourth. Mumbai makes an entrance on the list this year in ninth position, taking Beijing’s place.

Top 10 Asia Pacific Cities based on Meetings/Events Activity

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

(Source: Cvent, 2017)

Location choice is complex. One planner in Australia explains that clients look at destinations outside of Asia Pacific but they are often uneconomical. She states, “In the past we’ve looked mainly at countries in Asia. We are increasingly seeing a desire to go beyond the region, more for smaller meetings and incentive meetings. Attractive destinations out of Australia include South Africa, a few locations in the US, Italy, and France. But those destinations are often unattainable from the Australia region, especially for larger meetings”. She and others indicate that location choices are always complex. One planner in Hong Kong explains that location choices are very much tied to corporate policy, whether in regard to spend, preferred suppliers, or duty of care. “Clients are being more conscious about the locations they are choosing and paying close attention to how specific locations fit with their meetings policies”.

Pricing Trends

Increasing rates. Respondents suggest that 2018 group hotel rates will increase slightly by 1.4% across the region. Those in Australia expect increases up to 5.7%, setting Australia apart across the region.

Property types. As with other regions, meetings professionals point to the growing range of possibilities to meet the increasing demand for unique venues. One survey respondent points out that “new options for non-traditional venues allow for greater flexibility and creativity in planning meetings and events”.

The Asia Pacific region stands out once again as a more frequent user of luxury properties. One planner in the region speaks to this: “The growing trend is unique venues and high end luxury properties, often with all suites. And meeting owners are more and more considering a range of venues to satisfy the desire for something different”.

Partnership and negotiation. Meeting planners in the region indicate that a growing trend toward building relationships among planners, suppliers, and owners is a positive development going forward. One explains, “It is exciting to see new relationships with suppliers in the region and being able to play a greater role in terms of negotiation for our clients”.

✔ SURVEY RESULTS

| Group Hotel Rates | | | | 2018 vs. 2017 |
|-------------------|-----------------|-----------|-----------|---------------|
| ASIA PACIFIC | CHINA/HONG KONG | SINGAPORE | AUSTRALIA | |
| 1.4% | 1.0% | – | 5.7% | |

– Indicates no significant change.

(Source: American Express Meetings & Events Asia Pacific Survey, August 2017)

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Central and South America

Meetings Activity

Meetings Activity and Characteristics

Meetings diversity. Meetings activity in Central and South America is expected to be fairly evenly distributed across all meeting types, with sales and marketing meetings and training meetings comprising 20% and 17% of total activity, respectively. Respondents predict little change in the numbers of meetings in 2018 but suggest small increases in sales and marketing, senior leadership and advisory meetings.

Bigger meetings. According to survey respondents, the region will see bigger meetings of nearly all types in 2018. Those in Mexico see attendee increases in conferences and tradeshows as well as product launches. Argentina will see the greatest increases in all meeting types, from a 1.3% increase in senior leadership meetings to a 2.9% increase in conferences and tradeshows and internal team meetings. One meeting planner in the region explains, “The presence of Central and South American countries in meetings and events is growing such that we are seeing much more activity. Local governments, as well as companies, are spending more to promote the region and have a presence in the meetings and events industry. They are driving change and from a revenue perspective that is attractive. We will see more growth and activity in the region in 2018”.

The growth of meetings. Meeting planners in Central and South America explain that they are most excited about the growth of the meetings and events industry as they look ahead to 2018 and beyond. One survey respondent in the region explains she is looking forward to “meetings and events evolving in this region to more mature structure, as well as promoting the use of technology for meetings management and the creation of specific policy for meetings”.

Meetings Activity by Type

| | Percent of total meetings | | |
|---------------------------------|---------------------------|--------|-----------|
| | CENTRAL/S. AMERICA | MEXICO | ARGENTINA |
| Sales/Marketing | 20% | 22% | 16% |
| Training | 17% | 18% | 16% |
| Internal Team Meeting | 13% | 13% | 15% |
| Product Launch | 11% | 10% | 12% |
| Conference/Tradeshow | 10% | 8% | 12% |
| Senior Leadership Board Meeting | 10% | 10% | 12% |
| Advisory | 9% | 9% | 9% |
| Incentives | 12% | 11% | 11% |

(Source: American Express Meetings & Events Central/South American Survey, August 2017)

Meetings Activity Levels

| | 2018 vs. 2017 | | |
|------------------------------------|--------------------|--------|-----------|
| | CENTRAL/S. AMERICA | MEXICO | ARGENTINA |
| — Indicates no significant change. | | | |
| Sales/Marketing | 1.1% | 0.9% | 2.1% |
| Training | — | — | — |
| Internal Team Meeting | — | — | -1.2% |
| Product Launch | — | — | — |
| Conference/Tradeshow | -0.6% | -0.6% | — |
| Senior Leadership Board Meeting | 0.8% | 1.1% | — |
| Advisory | 0.6% | 0.8% | — |
| Incentives | — | — | 1.0% |

(Source: American Express Meetings & Events Central/South American Survey, August 2017)

Number of Attendees

| | 2018 vs. 2017 | | |
|------------------------------------|--------------------|--------|-----------|
| | CENTRAL/S. AMERICA | MEXICO | ARGENTINA |
| — Indicates no significant change. | | | |
| Sales/Marketing | 0.9% | — | 2.6% |
| Training | 0.6% | — | 2.6% |
| Internal Team Meeting | — | — | 2.9% |
| Product Launch | 0.8% | 0.6% | 1.5% |
| Conference/Tradeshow | 1.4% | 1.0% | 2.9% |
| Senior Leadership Board Meeting | — | — | 1.3% |
| Advisory | 0.7% | — | 1.7% |
| Incentives | 0.8% | — | 2.1% |

(Source: American Express Meetings & Events Central/South American Survey, August 2017)

Days per Meeting

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| Days per Meeting | 2018 vs. 2017 | | |
|------------------------------------|--------------------|--------|-----------|
| | CENTRAL/S. AMERICA | MEXICO | ARGENTINA |
| — Indicates no significant change. | | | |
| Sales/Marketing | — | 0.6% | -0.5% |
| Training | — | — | 0.6% |
| Internal Team Meeting | — | — | 1.1% |
| Product Launch | — | — | 1.0% |
| Conference/Tradeshaw | — | — | 0.8% |
| Senior Leadership Board Meeting | — | — | 0.7% |
| Advisory | 1.0% | 0.6% | 2.3% |
| Incentives | 0.9% | 1.0% | 0.6% |

(Source: American Express Meetings & Events Central/South American Survey, August 2017)

Holding steady. As with other regions, meeting length is predicted to remain unchanged throughout the region, with the exception of small increases in the length of incentive meetings and advisory meetings. Again, Argentina stands out with predicted increases for all meeting types except sales and marketing, where a small decrease (0.5%) in days per meeting may occur.

Meetings Budgets and Planning

Overall Meeting Spend and Cost per Attendee

Variations within the region. While predictions suggest that meeting spend will remain unchanged in 2018, changes in cost per attendee are expected to vary by meeting type in Central and South America. Advisory, senior leadership, and incentive meeting types may see slight increases in cost per attendee, while training and internal meetings are expected to see a small decrease in cost per attendee. Mexico should expect slight decreases across several meeting types and an increase of 0.7% for incentive meetings. Argentina is once again the exception with a predicted increase in overall meeting spend of 1.4% and of over 2% in cost per attendee for all meeting types.

Incentive meetings and product launches tend to have the greater cost per attendee. Sales and marketing and training meetings, which occupy the largest proportion of meetings activity in the region, have relatively lower costs per attendee.

Budget conscious. When faced with cutting costs, respondents in the region indicate that they would be most likely to reduce off-site optional (19%) and evening events (17%). Communication, registration sites, and ground transportation are areas where respondents would be least likely to cut costs.

Overall Meeting Spend within Organizations

2018 vs. 2017

| — Indicates no significant change. | CENTRAL/S. AMERICA | MEXICO | ARGENTINA |
|------------------------------------|--------------------|--------|-----------|
| | — | — | 1.4% |

(Source: American Express Meetings & Events Central/South American Survey, August 2017)

Cost per Attendee

(excluding air cost)

| | CENTRAL/S. AMERICA | MEXICO | ARGENTINA |
|---------------------------------|--------------------|--------|-----------|
| Sales/Marketing | \$464 | \$447 | \$592 |
| Training | \$319 | \$308 | \$392 |
| Internal Team Meeting | \$305 | \$303 | \$330 |
| Product Launch | \$560 | \$586 | \$490 |
| Conference/Tradeshaw | \$467 | \$446 | \$490 |
| Senior Leadership Board Meeting | \$516 | \$492 | \$660 |
| Advisory | \$521 | \$492 | \$660 |
| Incentives | \$702 | \$688 | \$733 |

(Source: American Express Meetings & Events Central/South American Survey, August 2017)

Change in Cost per Attendee

(excluding air cost)

2018 vs. 2017

| — Indicates no significant change. | CENTRAL/S. AMERICA | MEXICO | ARGENTINA |
|------------------------------------|--------------------|--------|-----------|
| Sales/Marketing | — | -0.8% | 2.0% |
| Training | -0.5% | -1.1% | 2.0% |
| Internal Team Meeting | -0.9% | -1.6% | 2.3% |
| Product Launch | — | -0.8% | 2.0% |
| Conference/Tradeshaw | — | -1.1% | 2.2% |
| Senior Leadership Board Meeting | 0.7% | — | 2.7% |
| Advisory | 0.7% | — | 2.7% |
| Incentives | 1.0% | 0.7% | 2.7% |

(Source: American Express Meetings & Events Central/South American Survey, August 2017)

Cost Area Cut First in Meeting Budget

(and still maintain customer experience)

| | CENTRAL/S. AMERICA |
|---|--------------------|
| Number of nights | 10% |
| Registration site | 4% |
| Ground transportation | 4% |
| Communication | 2% |
| Off site evening events | 17% |
| Off site optional activities | 19% |
| Audio visual | 8% |
| Food/beverage | 14% |
| Onsite travel staff | 10% |
| Room drops | 6% |
| Use of Destination Management Company (DMC) | 8% |

(Source: American Express Meetings & Events Central/South American Survey, August 2017)

Preferred Area of Investment

(if overall meetings budget increased 10%)

| | CENTRAL/S. AMERICA |
|--|--------------------|
| Increase number of meetings | 25% |
| Increase number of attendees at meetings | 33% |
| Increase number of days for meetings | 6% |
| Increase activities | 14% |
| Increase F&B budget | 4% |
| Cover additional travel costs for attendees (air, transfers, upgrades, etc.) | 4% |
| Increase budget for meeting content and production | 14% |
| Other | 2% |

(Source: American Express Meetings & Events Central/South American Survey, August 2017)

If budgets increased by 10%, one-third of respondents in this region would increase the number of attendees and one-quarter the number of meetings, echoing the growing demand in this region, and globally, for meetings and events. Similar to responses in the other three regions, only 6% suggest they would increase the number of days per meeting. While the demand for meetings and events grows, respondents point to attendee-focused, content-rich meetings, without adding to length or costs, as the goal.

Meeting Location

Primary Locations for Meetings

Large cities are king. 89% of respondents in the region identify large cities as the primary locations for meetings, while 8% identified second-tier cities.

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Primary Locations for Meetings

2018 vs. 2017

| CENTRAL/S. AMERICA | |
|----------------------------|-----|
| Large city locations | 89% |
| Second-tier city locations | 8% |
| Other | 4% |

(Source: American Express Meetings & Events Central/South American Survey, August 2017)

The top cities. Central and South America's top 10 cities based on meetings and events activity remain essentially the same as last year, with Mexico City moving into third and Panama City moving down to sixth. Rio de Janeiro and Cancun/Riviera Maya hold on to the top two positions in the region. San Jose, Costa Rica, makes the top 10 for the region this year, tied for tenth place with Santiago, Chile, reflecting the growing attention Costa Rica is receiving from within and beyond the region.

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

1. Rio de Janeiro, Brazil
2. Cancun/Riviera Maya, Mexico
3. Mexico City, Mexico
4. São Paulo, Brazil
5. Cartagena, Colombia
6. Panama City, Panama
7. Punta Cana, Dominican Republic
8. Buenos Aires, Argentina
9. Lima, Peru
- 10/11. Santiago, Chile / San José, Costa Rica

(Source: American Express Meetings & Events Destination Analysis, August 2017)

Security and the region. Some respondents indicate that local and global economic and political concerns influence both the popularity of certain parts of the region and the region in general. One planner suggests, “The impact of political and economic shifts in countries outside of our region are influencing more meeting owners to choose locations in this region. And countries such as Mexico and Colombia are becoming hot destinations in the region”.

Pricing Trends

Increasing rates. Respondents suggest that hotel rates will increase slightly by 2.6% in the region. Mexico is expected to see increases as high as 3.1%, while Argentina may only see increases as high as 0.8%. As explained above, spending in Argentina may see increases across all meeting types in terms of cost per attendee, days per meeting, and number of meetings, but increased spending in this country will be less tied to rising rates than in other regions.

Growth and space. As meetings and events grow in the region, experts suggest that meeting owners and planners plan further in advance to ensure space and to negotiate rates. One planner in the region explains, “The year-round popularity of the region for groups is growing and finding spaces will become more of a challenge. And this will affect lead time for Latin American clients because they will not be able to book two to three weeks ahead and still get what they want”.

Meeting focused resorts. Meeting planners point to the growing interest in meetings and events throughout the region, particularly in resort locations. One suggests that, “Costa Rica, the Caribbean, and Dominican Republic, for instance, are putting huge investments and infrastructure and connecting capital with resort destinations to grow meetings and events in their countries”.

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| Group Hotel Rates | | 2018 vs. 2017 |
|--------------------|--------|---------------|
| CENTRAL/S. AMERICA | MEXICO | ARGENTINA |
| 2.6% | 3.1% | 0.8% |

(Source: American Express Meetings & Events Central/South American Survey, August 2017)

Top 10 Cities Per Region



North America

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

Central/South American

1. Rio de Janeiro, Brazil
2. Cancun/Riviera Maya, Mexico
3. Mexico City, Mexico
4. São Paulo, Brazil
5. Cartagena, Colombia
6. Panama City, Panama
7. Punta Cana, Dominican Republic
8. Buenos Aires, Argentina
9. Lima, Peru
- 10/11. Santiago, Chile / San José, Costa Rica

Europe

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



Asia Pacific

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

Methodology

To develop this 2018 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 and 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. Data was collected based on US Dollars across all regions and dollar amounts in tables throughout this forecast indicate amounts in US Dollars.

Contributors

In addition to the meetings and events professionals from around the world who completed an American Express Meetings & Events August 2017 Survey, the following contributors provided their expertise and perspective for this forecast:

Cvent

Peter Birkett, American Airlines
Lawrence Coburn, DoubleDutch
Norma Dean, Delta Air Lines
John Gaca, DMI Hotels
Marion Gauthier, Carlson Rezidor Hotel Group
Neil Guerin, American Airlines
Christine Lawson, Loews Hotels & Resorts
Elaine Macy, Preferred Hotels & Resorts
Stefano Mastrantonio, Air Canada
José Miguel Moreno, Meliá Hotels International
Frank Passanante, Hilton Worldwide
Bryan Reid, Altitude Management
Jimmy Romo, Delta Air Lines
Rolf W. Schmidt, TOPHOTELPROJECTS GmbH
Sara Tedford, Altitude Management
Megg Withinton, Intellective Group

American Express Meetings & Events

Adeline Kang
Ana Paula Hernandez
Carolyn VanWay
Carrie Winton
Elizabeth Anderson
Emily Richardson
Gini Beavis
Gwenael Mulin
Harold Spohr
Issa Jouaneh
Jennifer Nelson
Joanne Forsey
Karen Sealock
Kristi Hansman
Kumi Tanabe

Linda McNairy
Lisa Hui
Mathieu Bidamant
Michael Knight
Michelle Thompson
Mikael Ek
Milton Rivera
Oliver Bransch
Ralph Knoblauch
Rex Leung
Robert Ferguson
Sabine Loots
Sam Ming
Saskia Gentil
Shanti Ponappa
Stephanie Harris
Yma Sherry

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Please note that all information stated within the 2018 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 June and July 2017. In some instances, figures from the 2017 Global Meetings and Events Forecast have been included for reference only and noted accordingly.