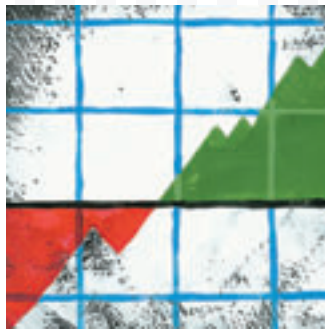


MEETING PROFESSIONALS INTERNATIONAL  
and AMERICAN EXPRESS® present



# FUTURE WATCH

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A Comparative Outlook on the  
Global Business of Meetings



MEETING PROFESSIONALS INTERNATIONAL



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# FUTUREWATCH 2006

The meetings industry is a global economic engine that contributes more than \$122.3 billion\* to the U.S. economy alone. As such, it's important to understand the global health of the industry and the internal and external factors that shape its future direction. In 2006, the global meetings industry is expected to grow for a third consecutive year, signaling a positive economic impact on many facets of the industry including hotels, airlines and convention centers.

With a worldwide membership of more than 19,000 meeting professionals in 60 countries equally representative of planners and suppliers, Meeting Professionals International (MPI) stands alone in its access to critical observations, data and indicators that define the industry. MPI is leading the initiative to prove that meetings mean business and ensure those that produce meetings can articulate strategic, bottom-line value in quantifiable terms to senior decision-making executives.

Capitalizing on the diverse expertise

## A Natural Evolution

MPI has evolved the way it segments respondents. Instead of categorizing respondents as planners and suppliers, *FutureWatch 2006* tracks respondents as client-side planners, intermediaries and suppliers. **Client-side planners** include corporate, association and government/non-profit planners. **Suppliers** include convention/conference centers, convention and visitor bureaus, hotels/resorts, meeting facilities, production companies, onsite meeting support and more. **Intermediaries** represent independent meeting planners, third-party planners, multimanagement companies, destination management companies and association management companies—all of which have both planner and supplier qualities. Due to this dual role, *FutureWatch 2006* treats intermediaries/third-party planners as a separate survey group to enhance the relevancy of the questions asked and generate a more accurate view of the market.



This year's study includes new research exploring the extent to which meetings are recognized as a strategic function within organizations.

of its membership, MPI, in partnership with American Express, initiated a groundbreaking annual research study in 2002 on the business of meetings. Now in its fourth year, *FutureWatch 2006* examines year-over-year comparisons from North America and Europe on key business indicators such as budgets, international travel, and new business activity while revisiting topics including price concessions and attrition, meetings measurement, standardized purchasing policies and buyer/seller relationships. It also takes a more detailed look at the role of meeting planners in the procurement process, analyzing their participation in identifying, evaluating and making final meeting-related purchasing decisions.

Additionally, influenced by MPI's vision to propel members and the meetings they implement to a more strategic level, this year's study includes new research exploring the extent to which meetings are recognized as a strategic function within organizations. It also explores how often meeting professionals are proactively involved in executive-level decision-making about how meetings will drive the business, as opposed to being responsible only for the logistical execution of meetings after executives make the strategy decisions.

An epic transformation of the meetings industry is under way as MPI works to drive the business of meetings to new levels of professionalism, strategic influence and organizational impact. The intelligence gathered from the 1,268 respondents (505 client-side planners, 253 intermediaries and 510 suppliers) is an invaluable benchmark into a profession that drives business and boosts the economy worldwide.

\* Figure provided by the Convention Industry Council

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## SUMMARY OF SIGNIFICANT FINDINGS



The total number of meetings planned, proposal activity, the number of attendees per meeting/event and expenditures per meeting/event are all likely to increase in 2006. Additionally, client-side planners expect to receive a larger share of their organizations' budgets in 2006 than in 2005. Yet, respondents remain cautious due to concerns about the general economy and the rising costs of oil and travel.

**While client-side planners are not anticipating drastic changes in their bargaining position in 2006, they do expect changes that favor suppliers.**

In *FutureWatch 2006*, client-side planners predicted that lead times and hotel rates will increase and that supplier flexibility with regard to attendee attrition and price concessions will remain the same or decrease slightly compared to 2005. While suppliers agreed with planners that hotel rates and lead times will increase, only 20 percent predicted a decrease in their flexibility toward attrition and price concessions.

At a time when most industry participants are talking about their relatively short lead times, the anticipation of longer lead times is an interesting finding. Planners' expectations with regard to lead times, hotel rates and supplier concessions suggests a general trend toward greater demand in 2006, compared to supply. Such a trend might also be impacted by the unusually active hurricane season in 2005.

**Companies are increasingly embracing meeting planning as a strategic function that can positively impact the growth and success of their organizations.**

Meetings are increasingly becoming a valued tool for furthering organizational objectives and success, with a majority of client-side meeting planners indicating that meetings are considered important in their organizations. Additionally, more than half of respondents expected the perceived strategic value of meetings to increase further over the next two to three years. This data reinforces that meeting professionals must become fluent in the language of business and articulate the strategic value of meetings to all stakeholders, ranging from attendees to procurement officers to CEOs.

**While few client-side planner organizations have a vice president-level meeting executive, the majority have a manager or director who is involved in strategic decision-making.**

An indicator of the value a company places on meetings is the level of seniority it gives to personnel in the meetings function. Respondents that worked in organizations with higher-level meeting personnel were more likely to say that their organization considers meetings a strategic function. Most of the client-side planners have a manager or director as the top level meeting professional in their organization, and in the majority of instances these positions are either consulted when their organization is considering a meeting or involved in driving strategy and establishing how meetings are used to support organizational goals, as opposed to simply handling tactical implementation.

**Despite continued implementation of standardized meetings management processes and concerns about commoditization, meeting planners are still by far the most active participants in the buying process for meetings.**

In 2005, commoditization ranked second only to budget concerns as the operational trend expected to have the greatest impact on planners and suppliers alike. And as the industry increasingly adopted standardized meetings management approaches, there was a perceived risk that the meeting function would be reduced to a cost-based purchasing decision increasingly made by procurement departments. In fact, data suggests that meeting planners or meeting department managers lead the charge in identifying, evaluating and making the final buying decision regarding vendors. This reinforces that meeting professionals must not work in silos, but should collaborate with colleagues throughout the organization, including procurement, to drive the business goals of the organization via meetings.



**Meetings are becoming a valued tool for furthering organizational objectives and success, with a majority of client-side meeting planners indicating that meetings are considered important within their organizations.**

**Although Return on Investment (ROI) education has been a recent focus within MPI and the meetings industry, planners report that within their own organizations, the term is generally used in reference to cost savings and efficiencies, rather than the specific techniques and measures associated with the ROI methodology.**

When asked about the term “ROI” specifically, respondents indicated that discussions about ROI within their organizations focused more often on cost savings and efficiencies than the financial impact of achieving the strategic goals of a meeting. Just over one-third of respondents focus on the achievement of strategic goals when discussing ROI.

In addition to ROI, Return on Objectives (ROO) has been a topic of discussion within 60 percent of the respondents’ organizations. These discussions about ROI and ROO signal that organizations are interested in finding a measurement model that captures the organizational contribution of meetings. While there are many methodologies for demonstrating and measuring value or contribution, what matters is that planners know what level of measurement is expected within their organizations, know which methodologies will help them demonstrate the value of their work and that they have the ability to produce the required information.

**Organizations are using intermediaries more often to supplement, rather than replace, internal meeting planning resources.**

While many organizations fully outsource their meetings function to intermediaries, survey indicators show a greater percentage of intermediaries are actually working in concert with an existing meetings function. According to intermediary respondents their main contact is most often within the meetings department, as opposed to within the department conducting the meeting.



## SUMMARY OF SIGNIFICANT FINDINGS

CONTINUED

**The growth in international meetings travel predicted for 2005 is not expected to continue into 2006.**

Survey data suggests that the growth of international meetings travel is flattening as U.S. and European planners project little change in the use of international meeting destinations, and Canadian planners expect a significant decline.

**Across the board, and across the world, workload topped the list of internal factors impacting the meetings function in 2006. External factors such as rising oil costs also weigh on the meetings function.**

Meeting planners identified workload as the internal trend expected to have the greatest impact on how they did their jobs. Meanwhile, commoditization of the planning function, which had been the second-ranked factor in 2005, fell out of the top three. External factors that will affect the meetings industry include the state of the economy, globalization, the rising cost of travel and the increase in oil prices.



## FACTS & FIGURES

### Continued Market Growth

The meetings industry is predicted to grow in a number of ways in 2006, starting with the number of meetings planned. Client-side planners and intermediaries expect the number of meetings their organizations have to grow by **7 percent** and **21 percent**, respectively, over 2005, while suppliers project a **10 percent** increase in the number of meetings supported. The expenditure per meeting is expected to rise, with planners predicting a **7 percent** increase, intermediaries predicting a **14 percent** increase and suppliers expecting a **9 percent** jump over the prior year. All parties also expect more attendees and longer events than in 2005.

In addition to supporting a larger number of events, intermediaries and suppliers expect to be busier on the business development front, anticipating a **28 percent** and **24 percent** increase in the number of proposals delivered, respectively.

	Reported for 2005			Predicted for 2006			Expected Increase (%)		
	Client-Side	Intermediary	Supplier	Client-Side	Intermediary	Supplier	Client-Side	Intermediary	Supplier
Number of meetings personally managed or supported	52	24	NA	57	26	NA	11%	8%	NA
Total number of meetings organization will have	175	131	1791	187	158	1975	7%	21%	10%
Average number of attendees per meeting or event	513	400	290	574	429	346	12%	7%	19%
Average length of each meeting or event (days)	2.6	3	2.7	2.8	3.2	2.9	6%	7%	8%
Average expenditure per meeting or event	\$129,764	\$121,353	\$47,480	\$138,650	\$138,650	\$51,955	7%	14%	9%
Estimated number of facilities/locations considered per meeting/event	9	10	NA	10	10	NA	8%	5%	NA
Number of proposals delivered	NA	107	1637	NA	136	2023	NA	28%	24%



# FACTS & FIGURES

## Continued Market Growth

Finally, planners expect to get a larger share of their organizations' budgets this year. **42 percent** of planners expect their budgets to grow as a percentage of their organizations' total budgets, while only **8 percent** anticipate having a smaller proportion. **Half** expect their share of budget to remain the same.

Expect 2006 budgets to:	All Client-side Organizations	Corporations	Associations/Societies
Use a larger portion of organizational budget	42%	42%	38%
Use the same portion of the organizational budget	50%	46%	56%
Use a smaller portion of the organizational budget	8%	13%	5%

## International Travel Pace Stalls

Growth in international meetings will slow in 2006, as Canadian client-side planners decided to bring more of their meetings back to Canada in 2006. Canadian planners anticipate only 14 percent of all 2006 meetings will be held outside domestic borders, compared to 23 percent in 2005. While the United States remains the top international destination among Canadian planners, only **7 percent** expect to hold their meetings there, down from **16 percent** in 2005. Meetings planned for Europe by Canadian groups will drop by half, from **4 percent** in 2005 to **2 percent** in 2006.

European planners expect a 3 percentage point increase in international meetings, from 26 percent in 2005 to 29 percent in 2006, with the United States and Asia listed at the top destinations at **12 percent** and **8 percent**, respectively. U.S. planners project little change in their use of international meeting locations, with Canada and Europe tied as lead locales at **5 percent** each.

### Expected Facility Usage for 2006 by Respondent Location

(as percentage of total meetings budget)

	US	CAN	EUR
Resort Hotels	31%	16%	15%
City Hotels	28%	38%	32%
Suburban Hotels	11%	7%	7%
Conference Centers/Universities	8%	12%	15%
Restaurants, Country Clubs and Unique Venues	10%	14%	15%
Convention Centers	12%	13%	16%

## Meetings by Geographical Locations: 2005 vs. 2006

US Planners*	United States	Canada	Europe	Central America	South America	Asia	Other
Predicted for 2006	83%	5%	5%	1%	1%	3%	2%
Reported for 2005	84%	4%	6%	1%	1%	2%	2%

Canadian Planners*	United States	Canada	Europe	Central America	South America	Asia	Other
Predicted for 2006	7%	86%	2%	1%	1%	1%	4%
Reported for 2005	16%	77%	4%	0%	0%	0%	2%

European Planners*	United States	Canada	Europe	Central America	South America	Asia	Other
Predicted for 2006	12%	1%	71%	4%	3%	8%	2%
Reported for 2005	10%	1%	74%	2%	2%	6%	4%

\*Client-Side Planners Only



## FACTS & FIGURES

### Trends Impacting Meetings

Each year, *Future Watch* asks about the trends expected to have the greatest impact on the meetings industry and job function during the coming year. However, this year, internal/organizational trends were addressed separately from external/environmental trends, with only client-side planners addressing the organizational trends. Workload emerged as a top internal/organizational factor impacting the meetings function, cited by 16.9 percent of client-side planners. Changes in organizational budget, which led the list in 2005, ranked second as the choice of 15.7 percent of respondents, followed closely by shifting organizational goals and strategies at 15.4 percent. Commoditization, a growing concern in *Future Watch 2005*, was cited by only 3.1 percent of respondents this year.

Taking a closer look at the various segments

of respondents, the study found that European respondents expected shorter lead times to impact their business, ranking it equally with focus on ROI and shifting organizational goals at 13.1 percent, just behind workload at 14 percent. Canadians expect organizational growth to be a major factor in 2006, ranking it third after budget changes and workload.

With regard to external or environmental trends, the economy, travel costs and the price of oil were the clear front-runners in 2006 among all respondents with 18.5 percent, 16.1 percent, and 11.3 percent of the responses, respectively. European respondents, seemingly less concerned about travel costs, cited changes in technology and increasing globalization as their second- and third-most-anticipated environmental trends for 2006.

### Top 5 Internal/ Organizational Trends

Workload

Organizational budget changes

Shifting organizational goals/strategies

Organizational growth

### Top 5 Environmental Trends

Economy

Travel Costs

Cost of Oil/Gas

Changes in Technology

Increasing Globalization

### Ranking of Trends Impacting Job and Industry\*

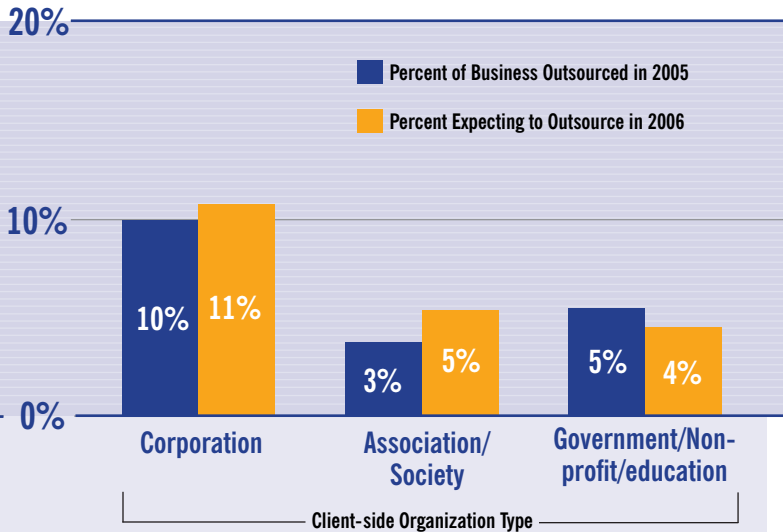
		Ranking - All Respondents	Client-Side	Intermediary	Suppliers	USA	Canada	Europe
Top Internal/Organizational Trends	Workload	#1	#1	#2	NA	#1	#1	#1
	Organizational Budget Changes	#2	#2	#2	NA	#1	#2	
	Shifting Organizational Goals/Strategies	#3	#3		NA	#3		#2
	Shorter Lead Times			#1	NA			#2
	Organizational Growth				NA		#3	
	Focus on ROI				NA			#2
Top Environmental Trends	Economy	#1	#2	#1	#1	#1	#1	#1
	Travel Costs	#2	#1	#2	#2	#2	#2	
	Cost of Oil/Gas	#3	#3	#3	#3	#3	#3	
	Changes in Technology			#3				#2
	Increasing globalization							#3

\*Rankings can be of equal value



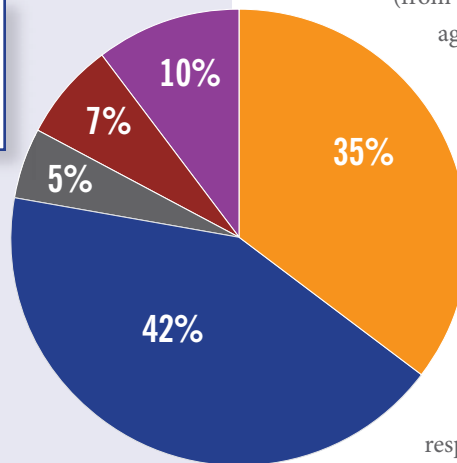
### Percent of Meetings Business Outsourced to Intermediaries: 2005 and 2006

(as a percentage of spend)



### Most Frequent Contact Within a Client Organization - for Intermediary Companies

- Meetings/Events Department
- Department that Owns Meeting
- Procurement/Purchasing
- Intermediary Meetings Vendor
- Other



### The Dual Role of Outsourcing

*FutureWatch 2006* further examines the extent to which companies are outsourcing meeting planning functions and activities. Corporate, association/society and government/non-profit/education sectors all expect very little change in their amount of outsourcing in 2006.

Suppliers indicate that an average of 25 percent of their 2005 meetings were booked through an intermediary company, with expectations of a slight increase to 28 percent in 2006. Both independent planners and third-party/multi-management companies anticipate having more clients in 2006, but they differ in expectations of the amount of business they will do with each client. Independent planners forecast a 19 percent increase in the number of clients they'll have (from 32 to 38) in 2006 versus 2005, but predict an 11 percent decrease in the number of meetings they'll support for each client (from 13 to 12). Third-party/multi-man-

agement companies forecast more aggressively, expecting the number of clients they support to increase 33 percent (from an average of 29 to 38), and the number of meetings per client to grow 15 percent (increasing from an average of 31 to 36).

When asked who typically serves as their main client contact, intermediaries on the whole responded that 42 percent of the time their main contact is within the meetings/events department, while 35 percent of the time it's with the department that "owns" the meeting. Among independent planners specifically, it's more evenly split, with the main contact being within a meetings or events department 39 percent of the time and within the department that owns the meeting 38 percent of the time. This highlights the role of intermediary as a resource for meetings departments, as opposed to just being an alternative to an internal meetings function.



The role of intermediary is a resource for meetings departments, as opposed to just being an alternative to an internal meetings function.

## FACTS & FIGURES

### Meetings: An Emerging Strategic Function

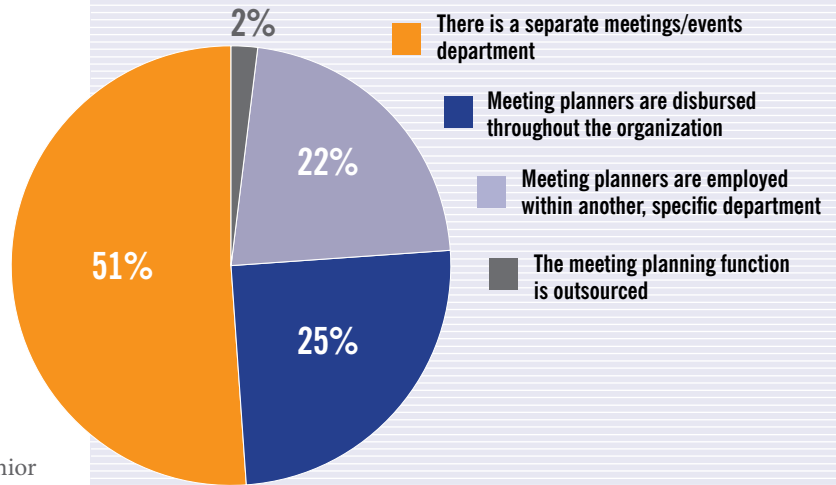
To better understand the extent to which meetings are considered a strategic, operational function, *FutureWatch 2006* first sought to understand how client-side planner organizations are currently structuring their meetings function. According to findings, 51 percent of client-side organizations have a separate meetings/events department, while 25 percent disburse meeting planners throughout the organization. Twenty-two percent indicated that their planners worked within another specific department. Two percent indicated that the meeting planning function is outsourced.

*FutureWatch 2006* then asked these planners to identify the title of the senior ranking meeting professional within their organization and that person's level of involvement in decision-making and strategic planning. Most of the planners, 55 percent, have a manager or director as the senior meeting professional in their organization. Only 9 percent had a vice president level or above as the senior meeting professional.

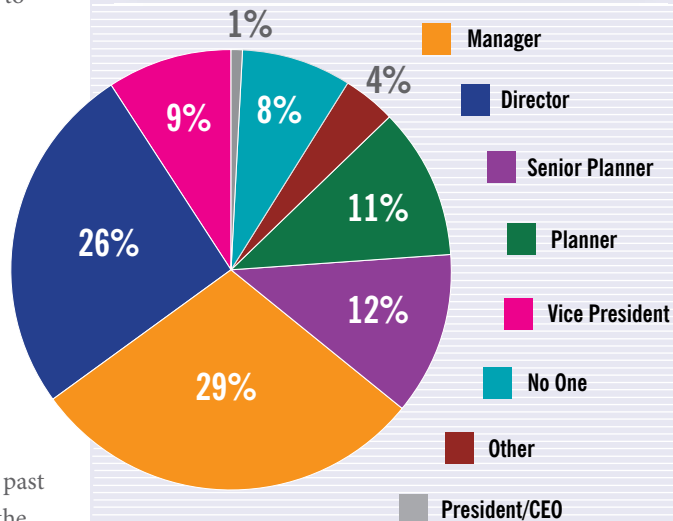
While it's expected that the more senior a professional is, the more strategic involvement they have, the study indicates that 66 percent of managers and 80 percent of directors are either being consulted when their organization is considering a meeting or are involved in driving strategy and establishing how meetings will be used to support organizational goals. This indicates that a significant percentage of meeting professionals are operating beyond the logistical/tactical level and have the opportunity to strategically impact the organizations for which they work. Thirty-four percent of managers and 20 percent of directors still only get involved after the decision to have a meeting is made.

Additionally, 71 percent of client-side planners said meetings are recognized to a great or very great extent as a strategic function important to the growth and success of their organization, an understanding that has gained momentum over the past year. In fact, 49 percent of client-side planners said the perceived value of meetings has increased over the past year, while 62 percent predict it will grow even further in the next two to three years.

**Structure of the Meeting Planning Function or Department Within Client-side Organizations**

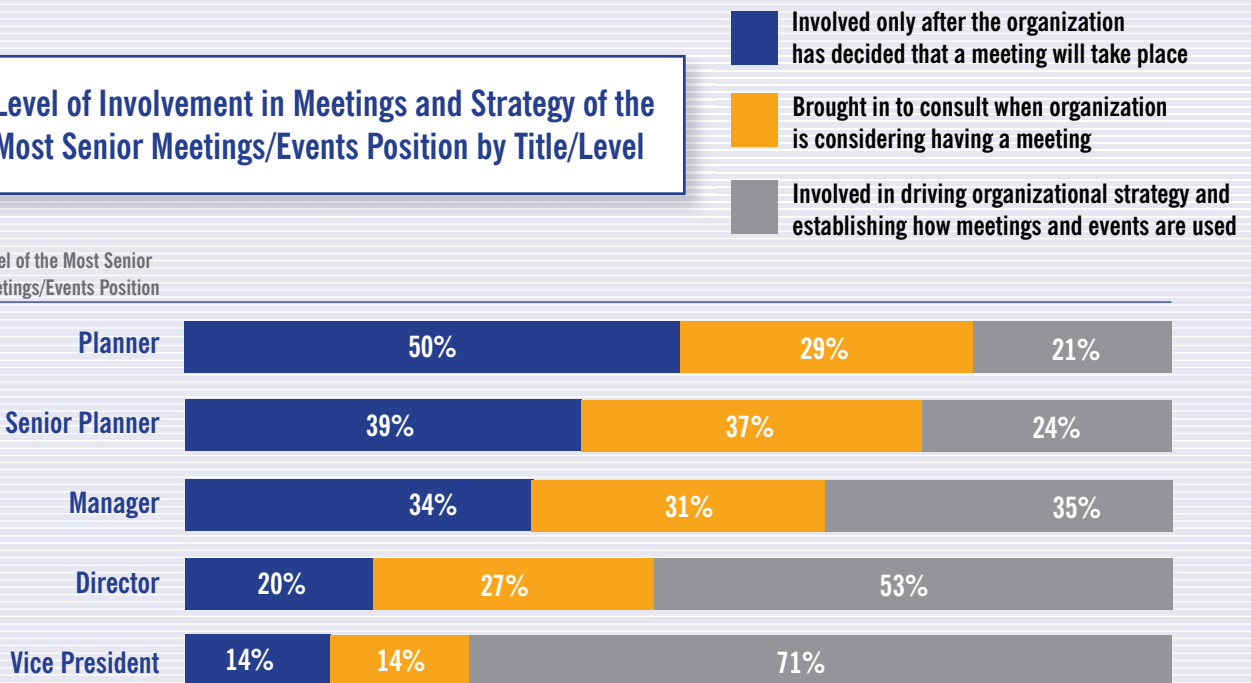


**Title/Level of Most Senior Person Devoted to Meetings**



## Level of Involvement in Meetings and Strategy of the Most Senior Meetings/Events Position by Title/Level

Level of the Most Senior Meetings/Events Position



## Meeting Professionals Still Lead Buying Process

In response to concerns over commoditization and the increasing role of procurement in the business of meetings, *FutureWatch 2006* took a closer look at the involvement of different positions and departments in three distinct phases of the buying process—identifying possible vendors, evaluating and recommending vendors and making the final hiring/buying decision.

In all three phases, meeting professionals dominate the buying process. **Eighty percent** of respondents said meeting planners were always or often involved in the identification and contacting of vendors, **84 percent** said they were always or often involved in the evaluation and recommendation of vendors and **78 percent** said they were always or often involved in the final purchasing decision.



Meeting professionals dominate all three levels of the buying process: identifying possible vendors, evaluating and recommending vendors and making the final hiring/buying decision.



## FACTS & FIGURES

### Meeting Professionals Still Lead Buying Process *(continued)*

Meanwhile, only **13 percent** of respondents cited that procurement was involved in any of the three phases. Still, given that 65 percent of respondents indicated that procurement was involved at least occasionally in the buying process, it is important for planners to establish a dialog and a productive relationship with this business function.

Suppliers report that 48 percent of the time their main contact is within a meetings or events department. Second most frequently, their contact is within an intermediary organization (22 percent), followed by the department that owns the meeting (21 percent).

Incidentally, intermediary companies report that when a meetings client utilizes them, the intermediary selects the suppliers or vendors 70 percent of the time.

### Standardizing the Purchasing Process

Similar to last year's findings, the majority of client-side planners indicate that their organization is considering, or has already implemented, some form of meetings management or consolidated purchasing such as preferred supplier programs, standardized purchasing channels or organization-wide purchasing policies. **Thirty-nine percent** of client-side planners have already fully implemented or plan to implement consolidated purchasing practices, while another **26 percent** are currently evaluating the option. Europeans appear to be the early adopters with higher levels of implementation than the United States and Canada.

Meanwhile, suppliers report little change in the extent to which they conform to standardized purchasing policies. According to supplier respondents, about **38 percent** conform to standardized purchasing policies

### Involvement in Vendor Identification, Evaluation and Final Decision: by Position/Department

(Percent always/often involved at each phase)

	First Contact between Vendor and Client	Vendor Evaluation and Recommendation	Final Vendor/Buying Decision
Meeting Planner	80%	84%	78%
Person managing the meetings, events function/department	75%	73%	71%
Procurement/purchasing department	13%	13%	13%
Top level of organization (President/CEO)	25%	16%	30%
Executive levels of organization	17%	12%	27%
Department that owns the meeting (an internal client)	38%	20%	33%

### Extent to Which Organization Has Moved Toward Meetings Management Consolidation\*

	USA	Canada	Europe	Total
Not considered	33%	39%	9%	32%
Considered, but dismissed	3%	0%	6%	3%
Under consideration, but without a final decision	26%	29%	25%	26%
Planned full implementation more than 2 years from now	1%	0%	3%	1%
Planned full implementation within 2 years	5%	2%	13%	5%
Planned full implementation within 1 year	8%	7%	16%	9%
Already fully implemented	24%	22%	26%	24%

\* Consolidation in areas such as purchasing policies and procedures, purchasing channels, preferred supplier programs and organization-wide technology base for meetings

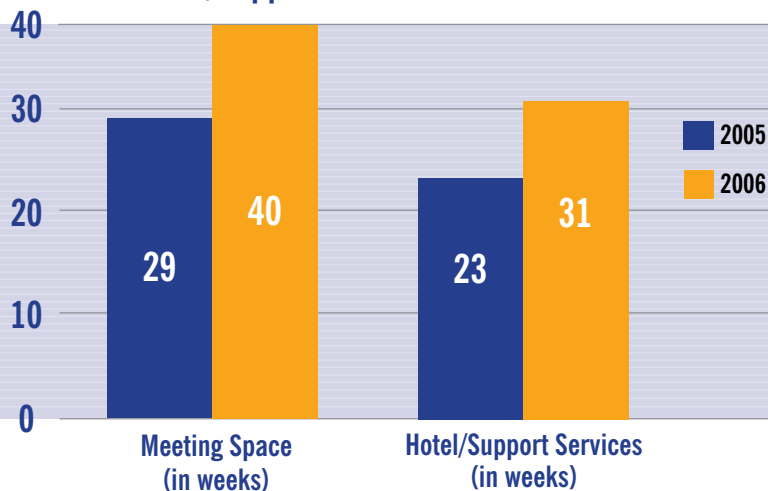
### Frequency of Conforming to Meetings Clients' Standardized Purchasing Policies and Procedures by Company Type and Year

Frequency of Conforming	Intermediary 2006	Supplier 2006	Supplier 2005
More than half the time	49%	38%	36%
Between 25% and 50% of the time	29%	27%	21%
Between 10% and 25% of the time	13%	23%	22%
Less than 10% of the time	10%	12%	20%

### Frequency of Being Required to be a Preferred Supplier for Meetings Client by Company Type and Year

Frequency of Conforming	Intermediary 2006	Supplier 2006	Supplier 2005
More than half the time	25%	11%	13%
Between 25% and 50% of the time	24%	22%	17%
Between 10% and 25% of the time	21%	28%	24%
Less than 10% of the time	30%	39%	46%

### Lead Times for Meeting Space and Hotel/Support Services



the majority of the time, compared to **36 percent** last year. About **49 percent** of intermediaries conform to the purchasing policies of their meeting planner clients the majority of the time. Intermediaries are also more likely to be required to be a preferred vendor than suppliers, with almost **25 percent** of intermediaries required to be a preferred vendor more than half of the time, compared to only **11 percent** of suppliers.

### Lead Times to Increase

On the whole, respondents expect lead times to increase in 2006. Meeting space lead time is projected to increase by 38 percent, from 29 weeks to 40 weeks on average. Meanwhile, lead time for hotel/support services is forecasted to jump 37 percent from 23 weeks in 2005 to 31 weeks in 2006. Lead time for meeting space is predicted to be 29 percent longer in 2006 than lead time for hotel and support services.

As might be expected, projected lead times for larger meetings—those with 50 people or more—are almost double those reported for smaller meetings. Yet, lead times for smaller meetings will grow at a faster rate in 2006, increasing 52 percent for meeting space and 35 percent for hotel/support services, compared to 31 percent and 14 percent, respectively, for larger meetings.

In 2005, client-side planners reported lead times that were an average of 59 percent longer than those reported by suppliers. That variance shrinks to 21 percent in 2006, with planners anticipating much smaller increases in lead times than suppliers.



## FACTS & FIGURES

### Venue Demand on the Rise

Along with longer lead times, client-side planners and suppliers predict a 76 percent and 81 percent rise in hotel rates, respectively. Very few expect rates to decrease.

While, on average, respondents did not predict large shifts in price concessions and attrition flexibility for 2006, decreases were expected more often than increases by planner and intermediary respondents. Suppliers were more evenly split. Specifically, while the majority of each segment

predicts 'no change,' **31 percent** of client-side planners, **28 percent** of intermediaries and **24 percent** of suppliers predict that concessions and flexibility will decrease in 2006. Top strategies identified by planners for reducing attrition remain the same as in 2005—combining conference event registration with housing reservations, creating attendee incentives and ensuring published Internet rates are greater than room block rates.

### Expectations for Changes in Supplier Price Concessions and/or Flexibility for Attrition and Cancellation Clauses in 2006 (compared to 2005)

Expect concessions/flexibility to:	Client-Side Planner	Intermediary	Supplier	Total
<b>Increase</b>	<b>22%</b>	<b>25%</b>	<b>22%</b>	<b>23%</b>
<b>Remain about the same</b>	<b>46%</b>	<b>47%</b>	<b>54%</b>	<b>49%</b>
<b>Decrease</b>	<b>31%</b>	<b>28%</b>	<b>24%</b>	<b>28%</b>

### Measuring Meetings

When discussing Return of Investment (ROI) estimates for meetings within their organization, 61 percent of respondents said that these discussions focused on cost savings and efficiencies. Thirty-five percent of respondents also cited the achievement of strategic goals such as reduced employee turnover, revenue generation or improved loyalty as a focus of these discussions. Only 20 percent of respondents said ROI had not been a topic of discussion in their organization.

Looking at alternative measurement approaches, *Future Watch 2006* asked participants to report whether the concept of measuring Return on Objectives (ROO) had been discussed within their organization. Sixty-one percent of client-side

planners, 71 percent of intermediaries and 55 percent of suppliers said ROO had been discussed to some extent or more within their organization. ROO discussions have been most prevalent in Europe, with almost 70 percent of respondents saying their organization had discussed the topic at least to some extent. The same was true of 60 percent of U.S. and 54 percent of Canadian respondents.

## Still Committed to Partnering

In *FutureWatch 2005* planners and suppliers expressed an equal and overwhelming desire to work as partners, with 71 percent identifying this as a working objective. *FutureWatch 2006* indicates this commitment is still strong and that there was movement in a positive direction during 2005. Roughly half of client-side planners and intermediaries said their relationship with suppliers stayed the same in 2005, while **43 percent** of client-side planners and **45 percent** of intermediaries indicated relationships had improved. At the same time, **79 percent** of suppliers and **60 percent** of intermediaries reported improved working relationships with client planners. All parties expect even more improvement in the next two to three years than they experienced in 2005.

Planner/Supplier Partnerships		Improve(d)	Stay(ed) the Same	Worsen(ed)
Overall, how did your relationships with meeting vendors change in 2005?	Client-Side Planner	43%	51%	7%
	Intermediary	45%	50%	5%
How do you expect your relationships with your meeting vendors to change during the next 2 to 3 years?	Client-Side Planner	48%	46%	6%
	Intermediary	57%	36%	7%
Overall, how did your relationships with your planner clients change in 2005?	Supplier	79%	19%	2%
	Intermediary	60%	38%	2%
How do you expect your relationships with planner clients to change during the next 2 to 3 years?	Supplier	71%	27%	2%
	Intermediary	54%	43%	3%



## BACKGROUND

*FutureWatch* is an annual research study, now in its fourth year, commissioned by Dallas-based Meeting Professionals International (MPI) in partnership with American Express. *FutureWatch 2006* surveyed members of MPI, the world's premier association of professional meeting planners and suppliers, to identify and comment on global meetings industry trends and indicators for 2006.

*Methodology:* The survey was conducted online in October 2005 by Syndics Research, a Dallas-based independent market research firm. A series of three e-mails was sent to approximately 16,900 MPI members worldwide, announcing the study and requesting participation. Member respondents were asked to provide their expectations of 2006 on a range of topics, such as their organizational influence and role, buying processes, projected business, internal organizational trends and challenges, use of standardized purchasing processes, meetings measurement and more.

*Participation:* The survey garnered 1,268 responses, 40 percent (505) from MPI client-side planners, 20 percent (253) from MPI intermediaries and 40 percent (510) from MPI suppliers. Approximately 7.5 percent of the total MPI membership participated.

## About Meeting Professionals International

Established in 1972, Meeting Professionals International is the largest association for the meetings profession with more than 19,000 members in 66 chapters and clubs across the USA, Canada, Europe and other countries throughout the world. As the global authority and resource for the \$122.3 billion meetings and events industry, MPI empowers meeting professionals to increase their strategic organizational value through education and networking opportunities. Its strategic plan, *Pathways to Excellence*, is designed to elevate the role of meetings in business via: creating professional development levels to evolve member careers to positions of strategic understanding and influence; influencing executives about the value of meetings; and ensuring MPI is the premier marketplace for planners and suppliers.

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Printed by RR Donnelley & Sons Company  
Senatobia, Mississippi, USA

*FutureWatch 2006* is an official supplement to the January 2006 issue of *The Meeting Professional*, the official publication of Meeting Professionals International, a professional association of meeting planners and suppliers. Members receive *The Meeting Professional* as a membership benefit paid for by membership dues; \$50 of membership is allotted to *The Meeting Professional* and is nondeductible there from. Nonmembers may subscribe to the publication for \$99 annually (\$129 international). For subscription information, deletions and address updates, call (972) 702-3035 or e-mail [publications@mpiweb.org](mailto:publications@mpiweb.org). File address changes with the U.S. Postal Service online at [www.moversguide.com](http://www.moversguide.com).

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