

10 COST-CUTTING TACTICS TO PLAN SUCCESSFUL MEETINGS AND EVENTS IN INFLATIONARY TIMES



As demand for meetings and events picks up in an economic environment characterized by steep price increases, meeting planners are rising to the challenge by applying a combination of skill, strategy and, most important of all, creative out-of-the box thinking.

In a recent BTN webinar on “Event Budgeting and Cost-Cutting Tactics in Inflationary Times,” sponsored by [Cvent](#), three industry professionals shared their perspectives on how to successfully navigate today’s inflationary marketplace. This report provides an overview of their insights, including data on pricing trends for 2023 and an array of practical tips and strategies planners can implement to offset steep pricing increases without eroding the attendee experience.





THE MARKETPLACE: Costs are escalating while meeting volume is rebounding

While the demand for new meetings and events remains strong, with 68% of planners surveyed in the most recent [Northstar/Cvent Meetings Industry Pulse Survey](#) booking or actively sourcing new events for the fourth quarter and into 2023, on the economic front the data are stark.

The U.S. Bureau of Labor Statistics [Consumer Price Index](#) shows U.S. airfares rose 42.9% from September 2021 to September 2022—five times the overall U.S. inflation rate of 8.2%. The average daily (ADR) rate for hotels has also shot up, by 21.4% [as calculated by STR](#) in comparing ADR for the last week in October 2022 with a similar time period in 2019.

Every sector in the meetings industry is feeling the pressure of those rising prices, along with the effects of a very tight labor market. Meeting planners are no exception, although significantly more planners are concerned with higher prices than with service levels at hotels and event venues.

In the Northstar/Cvent Pulse data, 86% of more than 400 meeting planners surveyed said rising costs are having a material impact on their meetings. A majority (70%) of planners who are currently working with hotels and venues for future meetings and events are experiencing difficulties due to higher-than-expected rates and F&B costs. That compares with just over half of meeting planners who said they are experiencing difficulties planning meetings and events due to staffing shortages.

Looking ahead, it's unlikely there will be any pricing relief for the industry in the coming year, according to the [2023 Global Business Travel Forecast](#) by the Global Business Travel Association (GBTA) and CWT. The GBTA/CWT forecast additional price increases of 8.45% for airfares, 8.2% for hotel rates, and 6.8% for car rental rates.

THE PULSE: How meeting planners and organizations are responding

In the current inflationary environment, meeting planners are laser focused on cost savings even as they expect their meetings volume to increase in 2023.

Just over 60% of respondents to the most recent Northstar/Cvent Pulse Survey said they are finding cost savings that will not diminish the attendee experience, and 57% said they are finding cost savings “wherever they can.” Just over one-fifth are planning fewer events and/or eliminating events that are less profitable or less important. About the same amount are shifting to local or regional events to minimize travel costs. Just under 35% are increasing pricing/yield per participant to offset cost increases with revenue increases.

These cost-savings efforts are taking place against an expected increase in the number of meetings and events organizations will conduct in 2023.

Just under 60% of planners who responded to the Pulse Survey said they expect to plan more meetings and events in 2023 than they did in 2022. Planner expectations around larger meetings are especially high: 67% of planners surveyed expected to plan more in-person meetings and events for 5,000 or more participants in 2023 than they did in 2022; 64% expect to plan more for meetings of 101 to 500 participants; and 63% expect to plan more events and meetings for 501 to 1000 participants and for 51 to 100.

WHAT TO DO: Practical strategies and cost-cutting tips

Drawing on many years of experience and perspectives from different positions within the meetings industry, speakers offered an array of practical strategies planners can put into practice to keep costs down while ensuring successful meetings and events.





#1

Educate all stakeholders about what's going on in the industry

"Make sure that your customers, your clients and your internal business partners are aware of everything going on in the industry, because that helps guide more meaningful conversations when you are talking about the economic impact that we are all facing," said Nikki McLain, account director, meeting solutions and venue search, with BCD Meetings and Events.

"Seek to understand what is driving all these costs," said Betsy Bondurant, president of Bondurant Consulting. "There are a lot more conversations that have to take place these days in order to provide the outcome that you want for the attendees."

#2

Focus on your goals and objectives

Planners need to be crystal clear on the goals and objectives for their meeting or event, now more than ever, McLain noted. "What are you really trying to accomplish?" she asked. Whether the event is a product launch, clinical trial, an investor, sales or training meeting or other type of gathering, she added, "If you are still having that meeting, and you know it's going to cost anywhere from 25% to 30% more than the same meeting you had last year, make sure that what you have in place for your attendees is hitting your goals and objectives."

#3

Consider meeting in a second-tier city

Noting that airfares aren't going down any time soon, McLain advised planners to, "Think about having your meeting in more of a tier-two city rather than a tier-one city." For example, for an east coast company with offices in New York or New Jersey, "could you consider Baltimore or somewhere in Connecticut that might be a little bit less expensive? You are still

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— Nikki McLain, BCD Meetings and Events

having a meeting in and around one of your office locations but saving money by not holding the meeting in New York, Chicago or Miami."

Added Bondurant, "Look at locations that are close to your offices so you can fly fewer people to the meeting and more people can either take public transportation or drive to cut down on your overall cost of the meeting."

#4

Consider contracting with different types of properties

Bondurant noted that many of her clients are now looking at using different types of properties that they may not have considered before. "There are a lot of limited-service properties that perhaps are acceptable for some types of meetings and have inclusions, like breakfast, that can really help hold your costs down," she said. Planners may also want to look at independent properties or chains outside preferred partners to find space, dates and rates.

"People really need to think outside-the-box these days and educate their internal stakeholders so they understand that the experience they are having at the grocery store is the same experience they are having at the hotels. The budget they may have seen in 2019 is not going to be the same in 2022 and 2023," she added. "Help them understand what the future looks like. It's not the hotel's fault, and it's not your fault. Let's be realistic so we can design and develop and have good outcomes for the meetings that we are having face-to-face."





#5

Fine tune your food and beverage offerings

Food and beverage is an area where cost-saving opportunities abound.

“Sharpen your pencil to see if there are things you can fine tune in that area,” Bondurant said. Possibilities include working with the hotel chef or food and beverage manager to determine if they have non-dated food inventory they want to move off their shelves that will work with your meal plans. “Be creative in how you can help design menus, and manage to your guarantees,” she said, noting that breakfast is a meal where many planners over deliver. “My experience is that less than 50% of people actually come in and have a full breakfast, so consider if you are offering too much. Maybe all you need is a coffee station.”

In the beverage department, consider “mocktails” to save on skyrocketing costs for alcoholic beverages, or come up with an innovative approach.

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— Betsy Bondurant, Bondurant Consulting



Kathy Kaden, global travel manager with Okta, did just that by creating a signature cocktail to offer at the end of the day, along with plenty of soft drinks. The cocktail was blue, matching the company’s branded signature color. “It was fast, it was easy and elegant, and it went over really well,” Kaden said. “We gave it a really cool name so that created a little bit of fun around it, and we were able to do that at just a fraction of doing just a beer and wine reception. Talk to the hotel and see if they can come up with something for one cocktail. That can lower the budget tremendously.”

#6

Revisit your invite list

Reducing the attendee list, wherever a meeting or event is held, is a sure-fire way to reduce costs. However, “If

you are looking at cutting down on the number of attendees, make sure all the essential folks are there,” Bondurant advised. “People are really scrutinizing meeting participation, and where they might have had 100 people attending in the past, they might be cutting that back to 80 to offset some of the 20% to 25% increase in the cost of the meeting.”

In determining how many participants should be included, and who they should be, McClain said the key questions is, “Are they really contributing to the meeting in a meaningful way, or is there a way we can look at reducing the attendee list and make sure we have the right people there who are driving content and value to your meeting. It’s not that I’m a fan of cutting people off the list. It’s about making sure that the people who are going are contributing in a way that supports your goals and objectives.”

#7

Start internal planning earlier, and give your suppliers more lead time

The limited labor pool and rising wage expectations have led to industry-wide staffing shortages that have tightened the timetable for internal planning, which, in turn, has led to extremely tight lead times for suppliers.

For internal planning, “Give yourself some margin,” Kaden said. “Plan your event as far in advance as possible and start having those conversations internally to change direction and make sure folks understand that they’re going to be better off doing their quarterly reviews two or three quarters in advance, not just for the quarter coming up next.”



On the supplier side, “We’re seeing meeting lead times less than six to eight weeks out,” McLain said. “I think we all know from a procurement perspective that the longer you have to source a hotel or look for venues, the better the deal you might possibly drive for yourself. We’re just not seeing that with a lot of the lead times from clients today, so it’s no wonder that the costs are coming in at a premium.” She added that some suppliers have indicated that discounts might be on the table if they get a longer lead time from a planner.

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— Kathy Kaden, Okta

#8

Incorporate a clause in your contract to protect against hidden fees

“I’m seeing tons of hidden fees. It’s an ‘oh my!’ situation,” said Kaden. “We’re used to resort, parking, and maybe facility fees, but now we are getting cleaning fees, union fees, housekeeping fees—which is different from cleaning fees—portage, gratuity, internet, corkage, energy fees, restocking fees. A lot of these don’t necessarily appear in the contract, so you need to look out for what is actually charged when the guest checks out, and what might be there that is not in your contract.”

To protect against having unexpected charges on final bills, Kaden advised planners to add the following addendum to their contracts:

“All costs must be listed in the contract and BEO. If they are not and the hotel policies change, {Your Company Name} will be excused from paying these additional costs. Also, if the cost of any item on the BEO is not listed, it will be provided at no charge. Additions to the BEO will be in writing and all charges will need to be approved by both parties.”

#9

Know what is taxable, and what is not

Understanding what items are taxable and what are not is another cost-savings opportunity. “A lot of folks think that a service fee is actually a gratuity. It’s really not,” Kaden said. “Most of that is likely not going to the staff, and the part of it that’s a service fee and not a gratuity is taxable. Ask how it breaks down—what percentage of it is a gratuity and what percentage of it is administrative. It’s not always possible, but it’s always worth it to have that conversation in order to save some money, especially on larger events.”

#10

When budgeting for 2023, effective communication with internal stakeholders is key

With no letup in price increases on the horizon, planners working on 2023 budgets need to develop an effective communication plan so internal stakeholders are fully informed about the economic realities of the industry.

“I grew up in the advertising industry so I’m a big fan of communication tools,” McLain said. “Whether it’s infographics, fact sheets or one-pagers, it should be something that’s quick and easy for them to read and digest so they understand that this is the reality. We do not live in 2019 anymore, we are now heading into 2023 and it’s going to look and feel different. Over communicating whenever possible and sharing the knowledge that we as meeting professionals have with the rest of the company is really important.”

Noted Kaden, “For those of us anywhere in the hospitality business, our titles really should be ‘Managers of Expectations’ because that’s what we do all the time and that’s really what this is all about. It’s being a manager of expectations.” ■





ENGAGE ATTENDEES WITHOUT BREAKING YOUR BUDGET

Meetings planner professionals are coming up with creative ways to engage attendees in activities that are fun, easy and inexpensive. Here's a sampling:

○ HAVE PARTICIPANTS CREATE THE EVENT'S MUSIC PLAYLIST

"Bringing attendees into the event is really important," said Kathy Kaden, global travel manager with Okta. "One of the things we did recently was to have all the attendees submit songs and we created a global playlist. That playlist allowed us to have some great music that they were involved in choosing, and we didn't need to hire a DJ. That lowered our cost tremendously and gave us a great component of music that they felt they owned."

○ DEVELOP A BACKGROUND LOGO FOR SELFIES

Kaden invested \$1,700 in a "step-and-repeat" background logo for selfie photos that was not specific to a particular event and could be reused. Noted Kaden, "That step and repeat got so much traction that when you break it down over several events where we used it, it cost about 50 cents per attendee."

○ WORK WITH A PARTNER TO GIVE BACK TO THE LOCAL COMMUNITY

When a client wanted a team-building activity over lunch that was interactive and gave back to the community, BCD Meetings and Events set up a partnership with one of its DMC partners, said Nikki McLain, account

director, meeting solutions and venue search for BCD. She brainstormed with the partner DMC and they came up with the idea for an interactive lunch where attendees worked as a team stocking backpacks with supplies that were sent to schools in need in the Florida area. "It was really fun," McLain said. "We put together 150 backpacks, and gave back to the community. It was an inexpensive way to check all the boxes we were looking for."

Betsy Bondurant, president of Bondurant Consulting, noted that options for attendees to give back to local communities are in the spotlight now as many companies heighten their focus on ESG (environmental, social and governance initiatives). Her clients have included a variety of different opportunities, including organizing and stocking local food banks and revitalizing local parks. "People really feel good after that," she said.

○ PLAY SOME GAMES

On the fun side of things, activities like game nights, trivia contests and cook offs are all interactive and can be woven into the theme of a meeting or event. "You can assign people to groups with people they don't know, or pit teams against each other. Make it fun and make sure it aligns with the culture of the organization," Bondurant said.



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About CVENT, Inc.

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Cvent Holding Corp. (Nasdaq: CVT) is a leading meetings, events, and hospitality technology provider with more than 4,800 employees and over 21,000 customers worldwide as of September 30, 2022. Founded in 1999, the company delivers a comprehensive event marketing and management platform and offers a global marketplace where event professionals collaborate with venues to create engaging, impactful experiences. Cvent is headquartered in Tysons, Virginia, just outside of Washington D.C., and has additional offices around the world to support its growing global customer base. The comprehensive Cvent event marketing and management platform offers software solutions to event organizers and marketers for online event registration, venue selection, event marketing and management, virtual and onsite solutions, and attendee engagement. Cvent's suite of products automate and simplify the event management lifecycle and maximize the impact of in-person, virtual, and hybrid events. Hotels and venues use Cvent's supplier and venue solutions to win more group and corporate travel business through Cvent's sourcing platforms. Cvent solutions optimize the event management value chain and have enabled clients around the world to manage millions of meetings and events.

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