NORTHSTAR meetings group

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MEETINGS INDUSTRY PULSE SURVEY

NEW DATA

AUGUST 2023

Executive Summary: Event Spending Will Rise to Offset Costs

Planners report increased budgets to offset costs, their primary concern.

- A plurality of planners (44%) report their **event budgets will increase next year**. Nearly 60% of them say they'll increase by over 10%. The minority who are cutting budgets (16%) are cutting significantly, nearly half by over 15%.
- **Costs and budgets are planners' biggest concerns.** Some organizations are adding staff, but fewer than anticipated when the same question was asked two months ago.
- Nearly one-third of planners are expecting **budget increases without cost-management offsets**.
- Overall, **planners' outlook remains optimistic.** Only 11% of planners say they are less optimistic than they were two months ago.
- As you'd expect, the mid-summer months have seen a **reduction in new event booking activity** compared to two months ago and to August 2022, which was immediately post-Covid and at the height of recovery.
- Time horizons for new bookings are beginning to distribute more evenly. **The crush to book new events less than one-year out appears to be moderating**.
- Many planners have used AI tools, but fewer planners expect to use them in their work. Nevertheless, **more than half expect to be trained on how to use new AI tools**.

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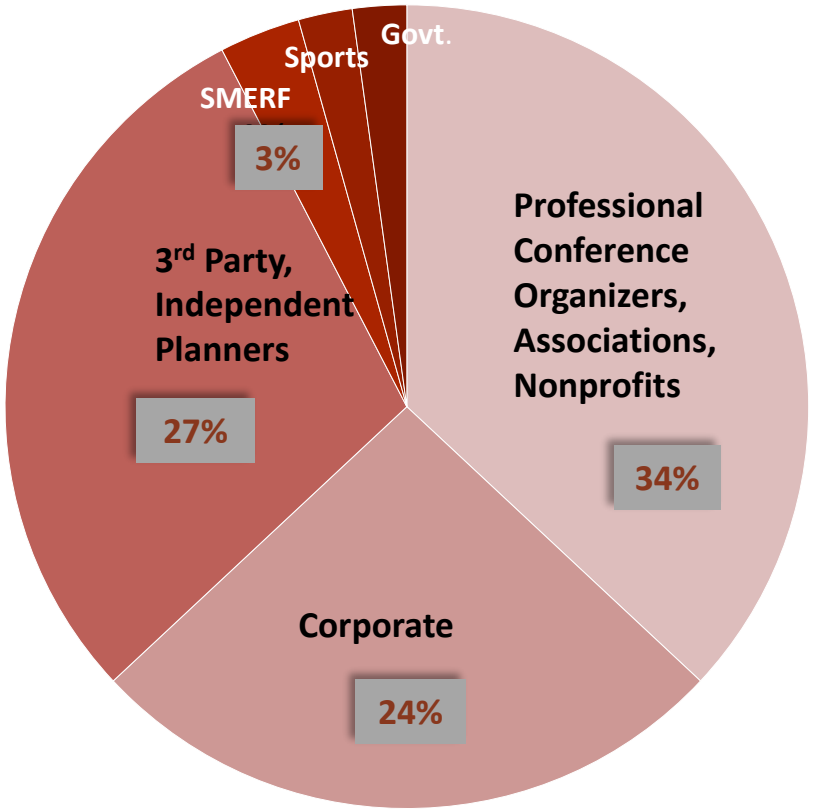
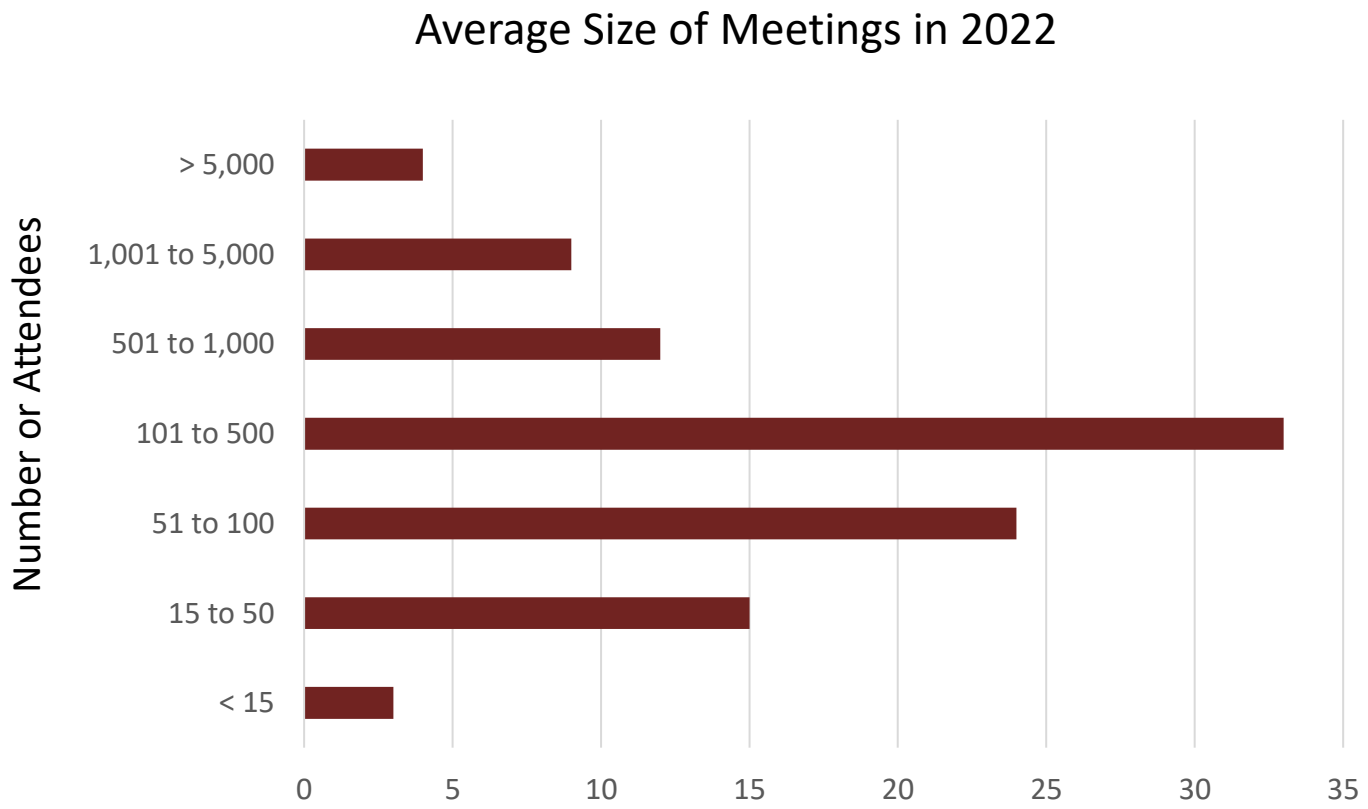
533 Valid Planner Responses as of August 30, 2023



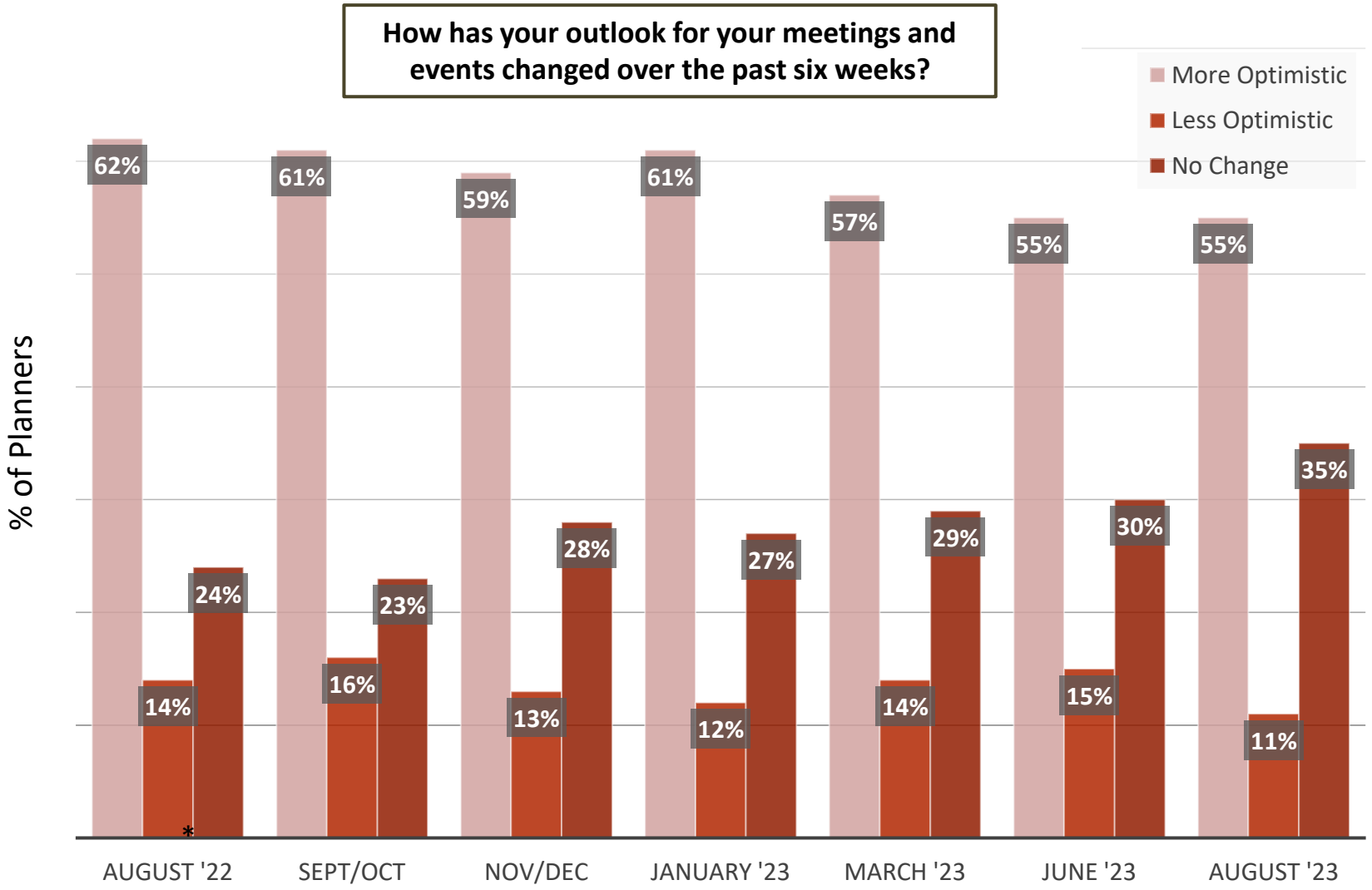
Planner Type



% of Total Respondents

Challenges Notwithstanding, Planners Remain Optimistic

Only 11% of planners say they are less optimistic today than they were two months ago.



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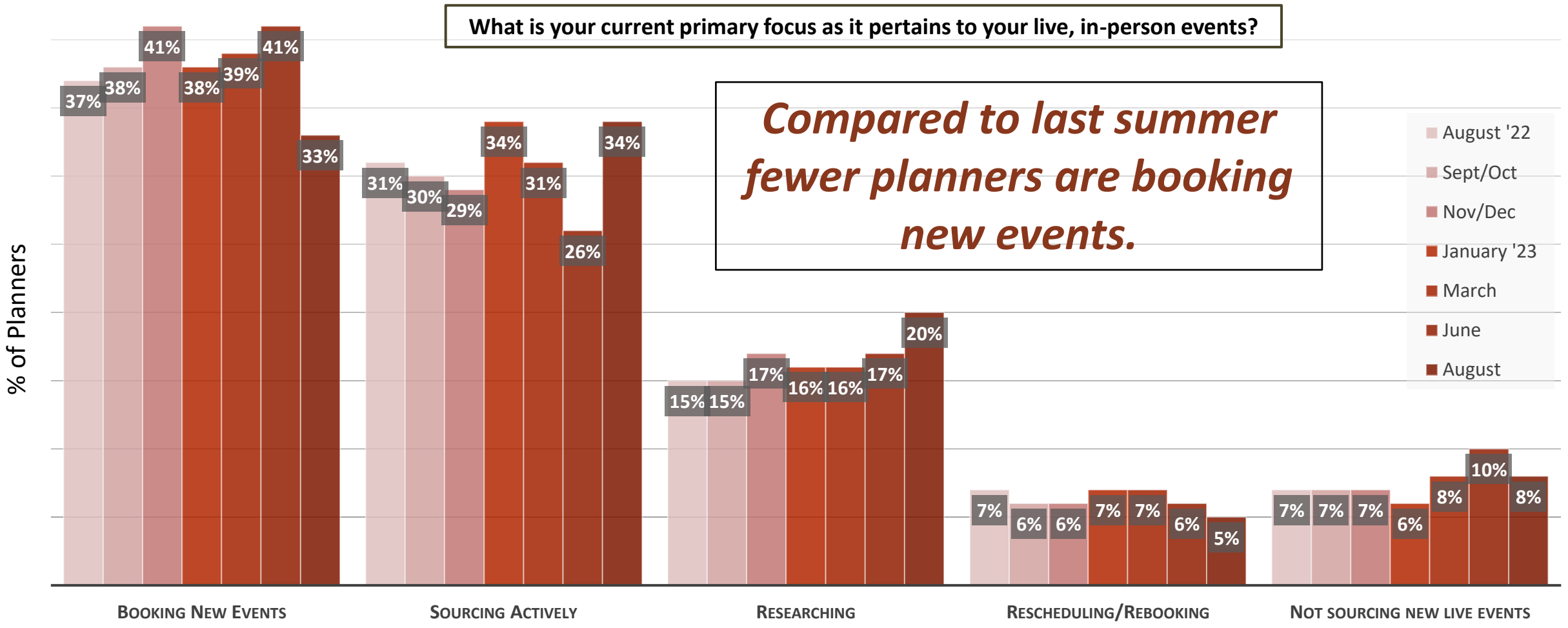
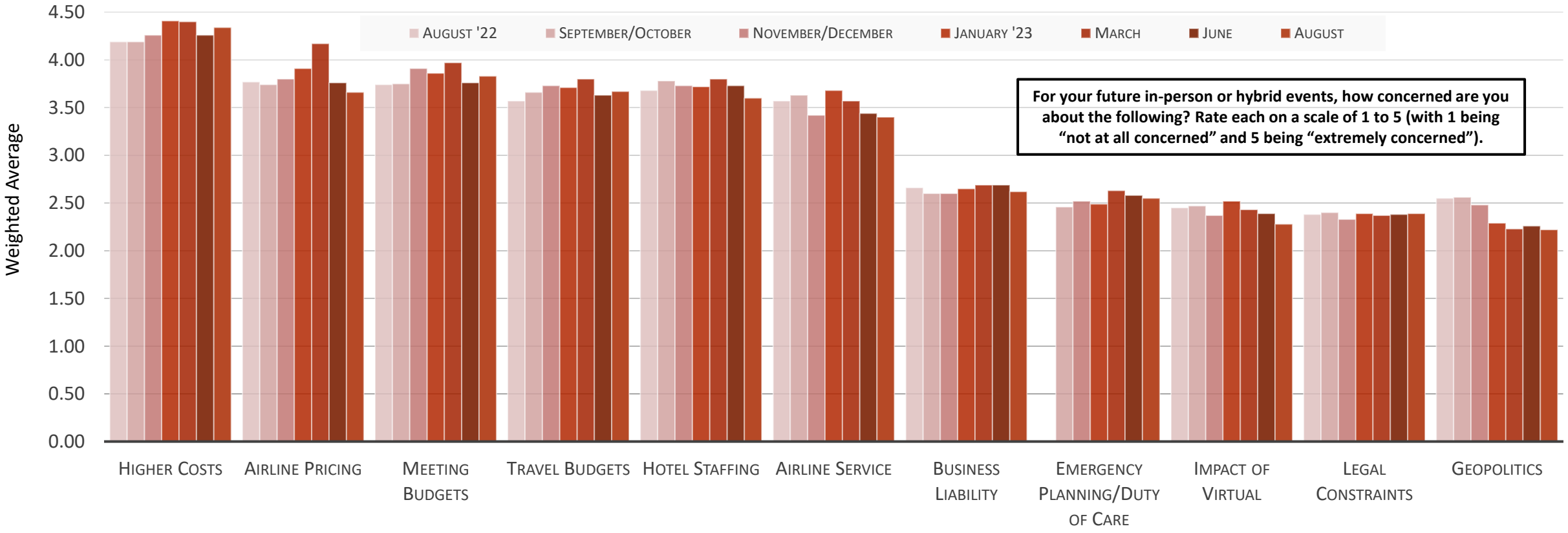
Booking Activity Slows During Summer Months



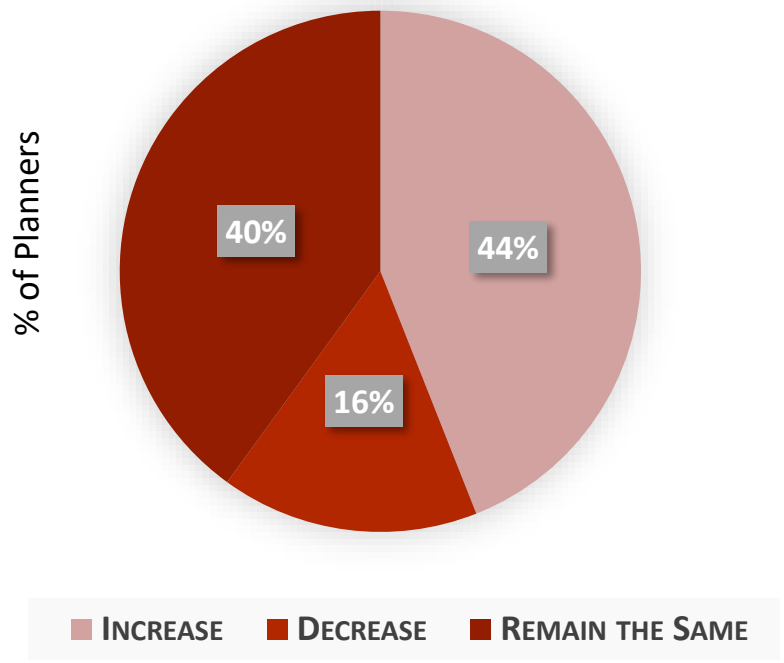
Concerns Over Costs, Budgets Tick Up Slightly

While concerns for airline pricing, airline service levels and hotel staffing have lessened.

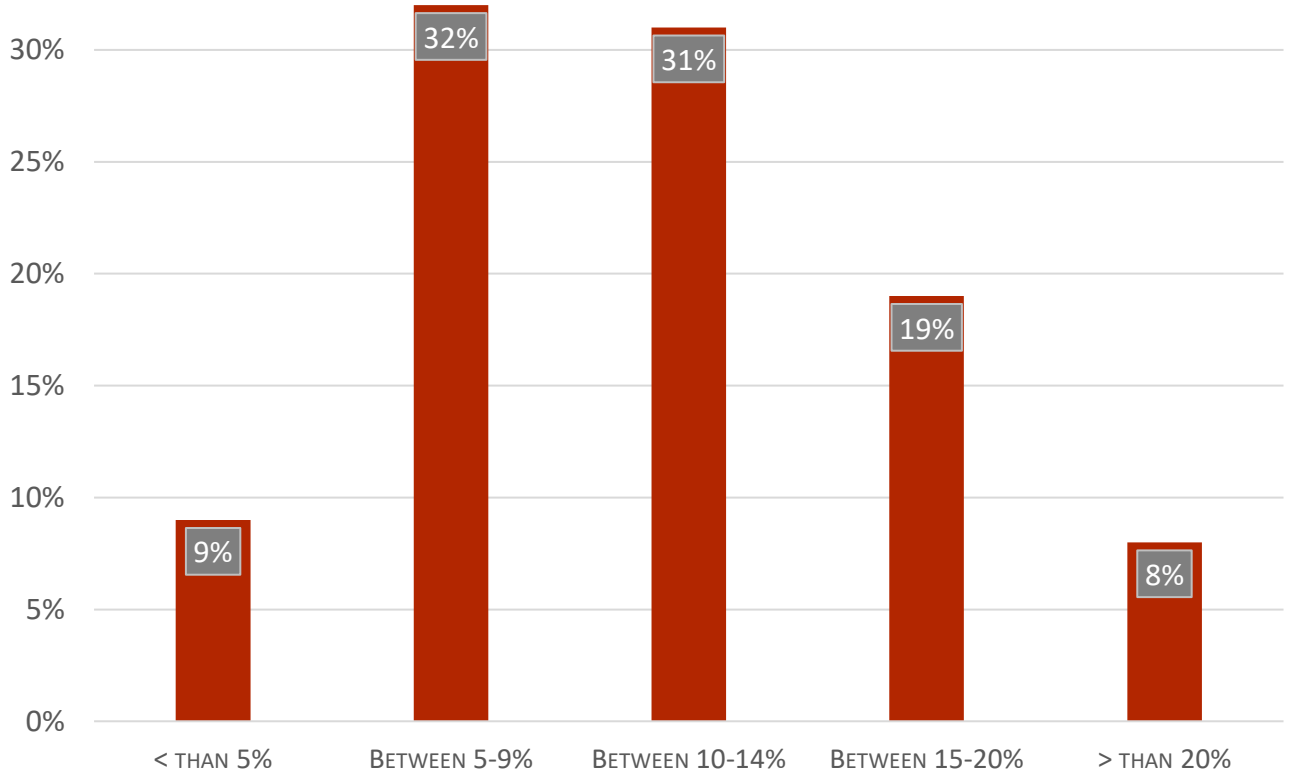


Event Budgets Are Most Likely To Increase Next Year

How do you anticipate your meetings/events budget will change from this year to next year?

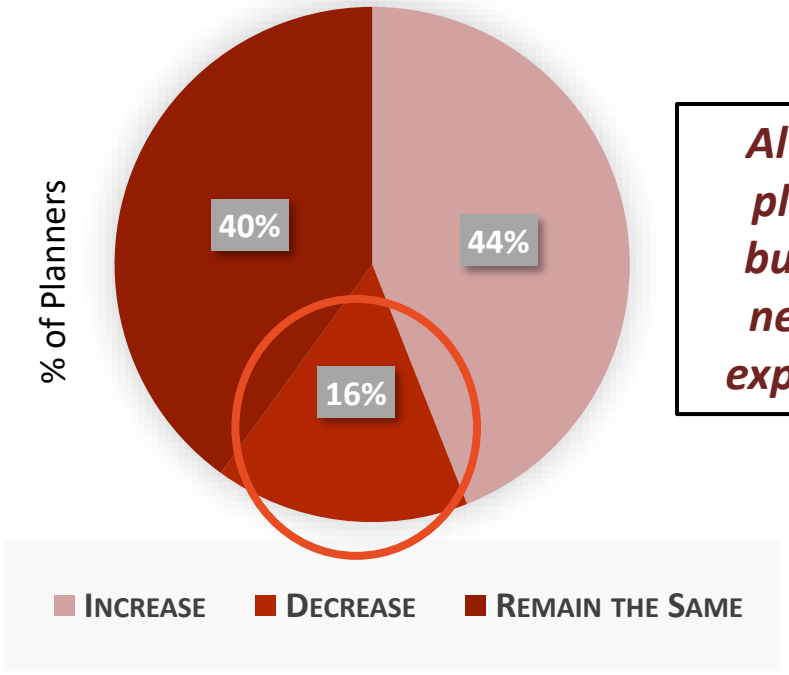


By what percent do you anticipate your meetings/event budget will increase?



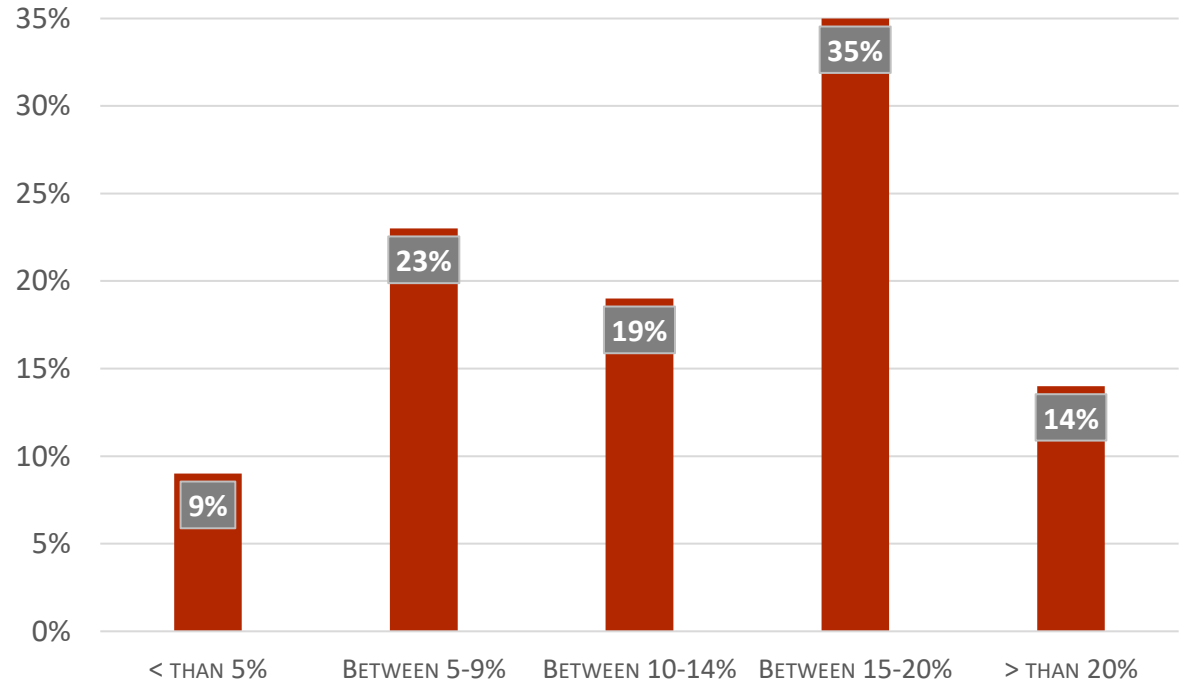
But Budget Cutters are Cutting Back Significantly

How do you anticipate your meetings/events budget will change from this year to next year?



Although only 16% of planners report their budgets will decrease next year, nearly half expect cuts of over 15%

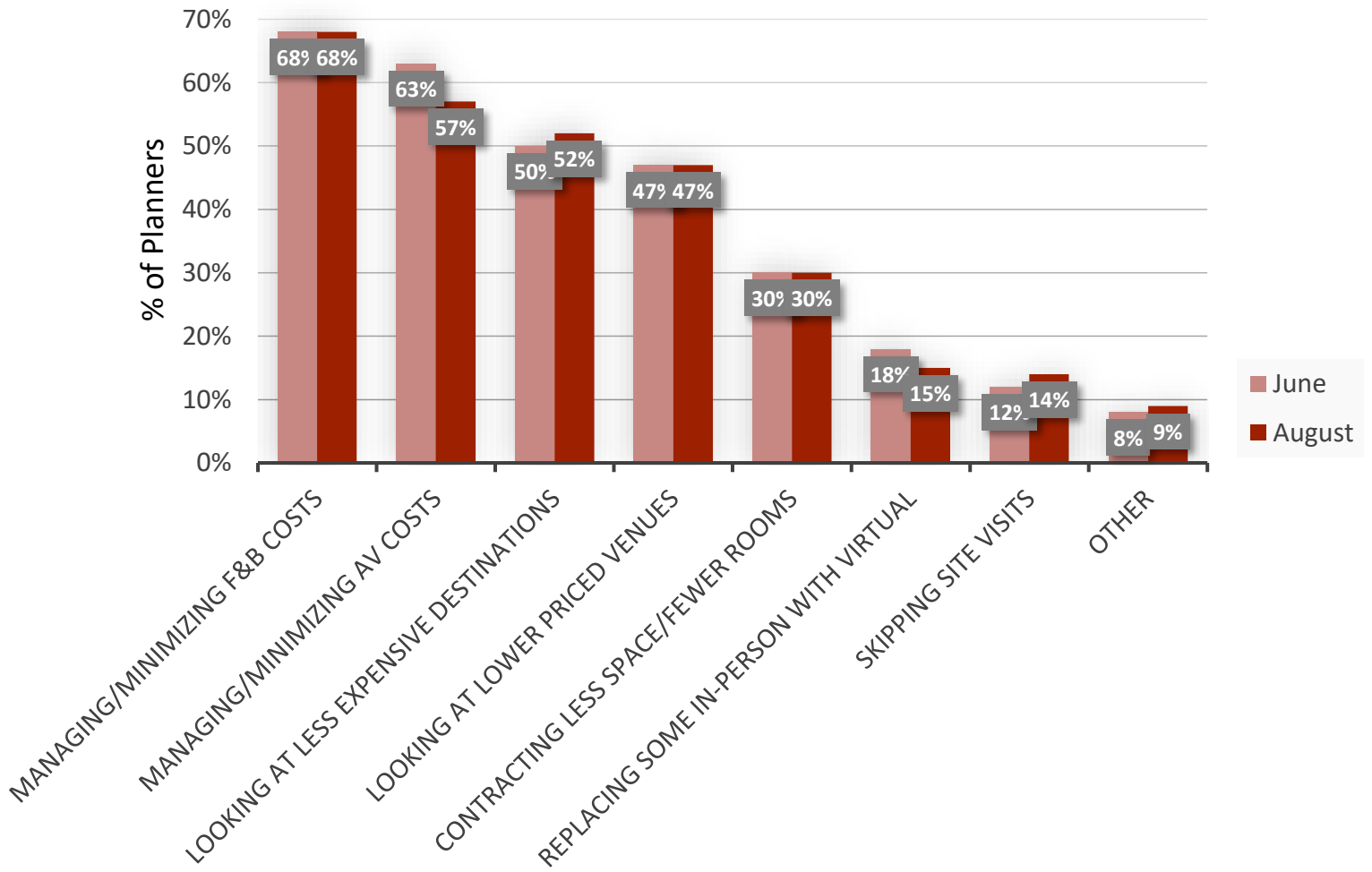
By what percent do you anticipate your meetings/event budget will decrease?



Cost Management Strategies Vary

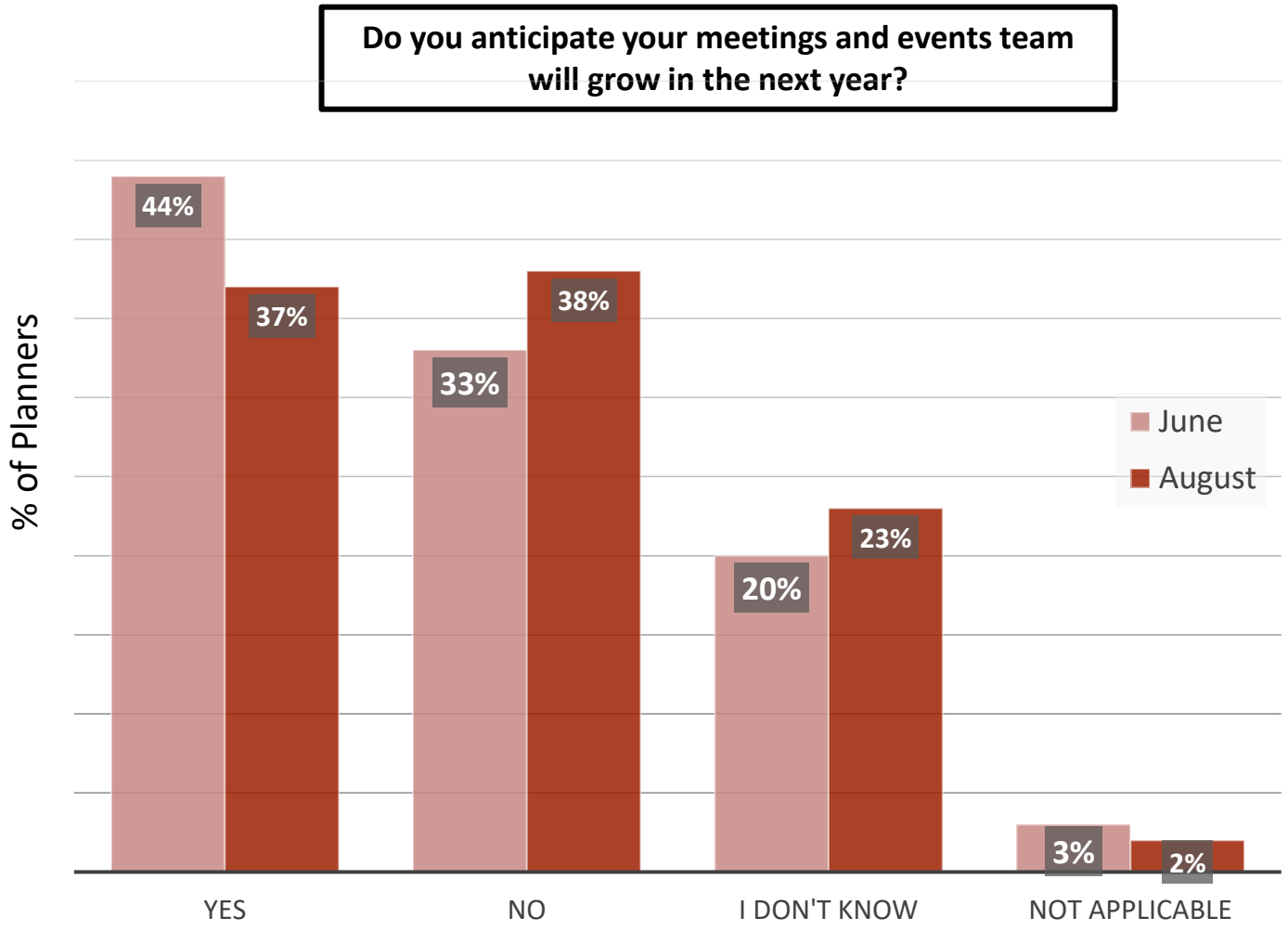
What's most interesting is that many planners (32%) aren't using any of these strategies, indicating budgets that are being increased to account for rising costs aren't requiring cost-cutting offsets.

What strategies are you using to alleviate event budget concerns?



Fewer Planners Expect to Add New Positions Next Year

16% fewer planners now anticipate new positions will be added to their events teams, compared to two months ago. Nevertheless, 37% expect their organizations will add staff.



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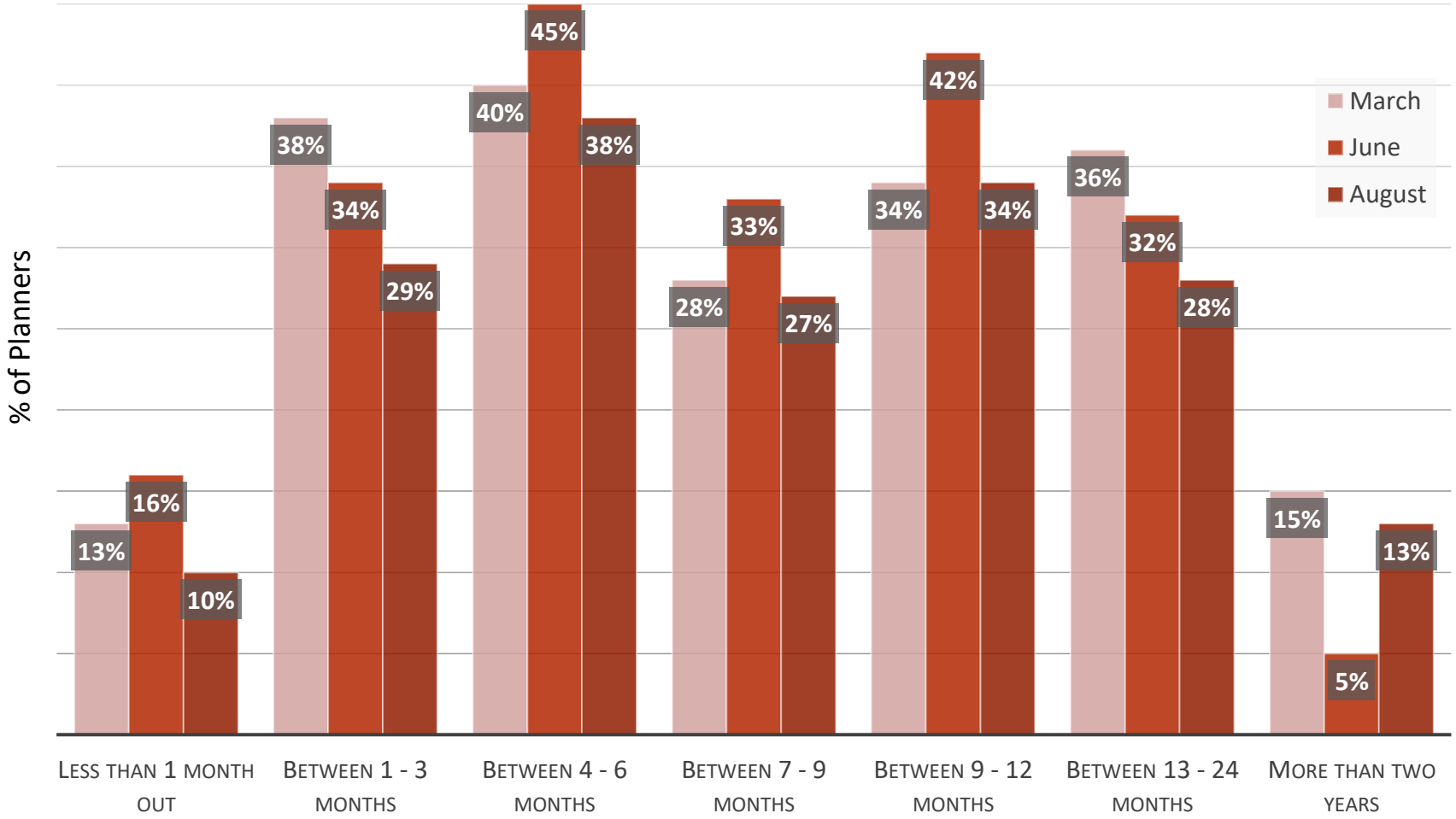
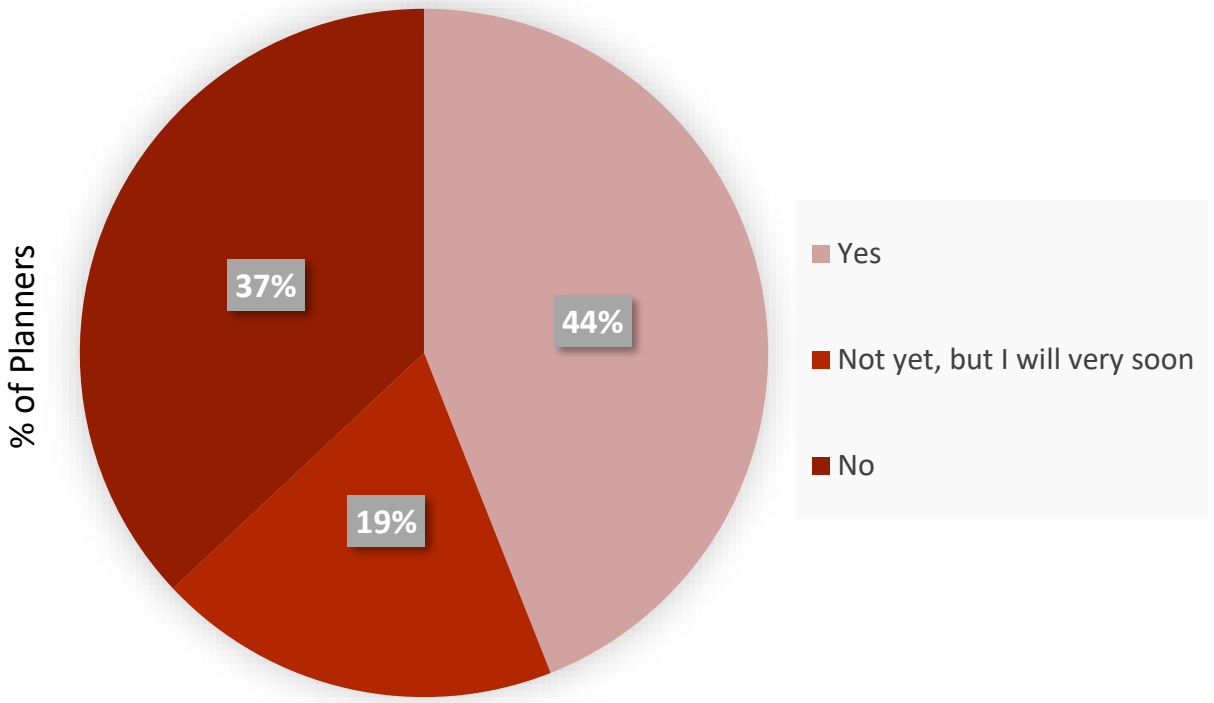
With Start Dates More Evenly Distributed, Fewer Planners are Seeking Dates Less Than One Year Out.

For current events that you are now booking or actively sourcing, when is the expected start date (months out)? (Please select all that apply.)

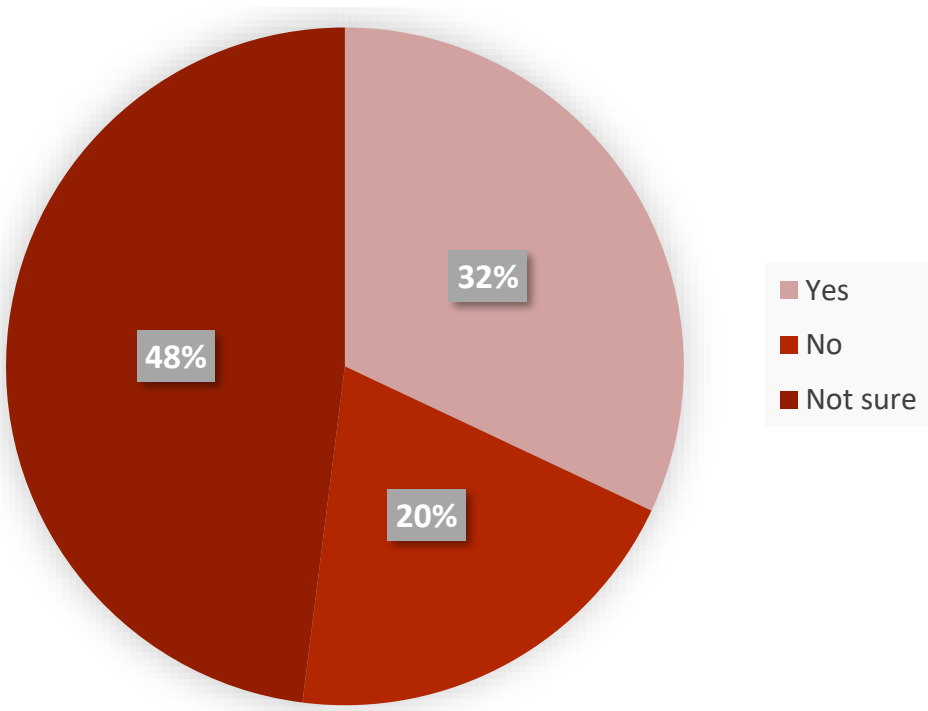


Early Adopters of AI Are Uncertain of Its Usefulness for Planning

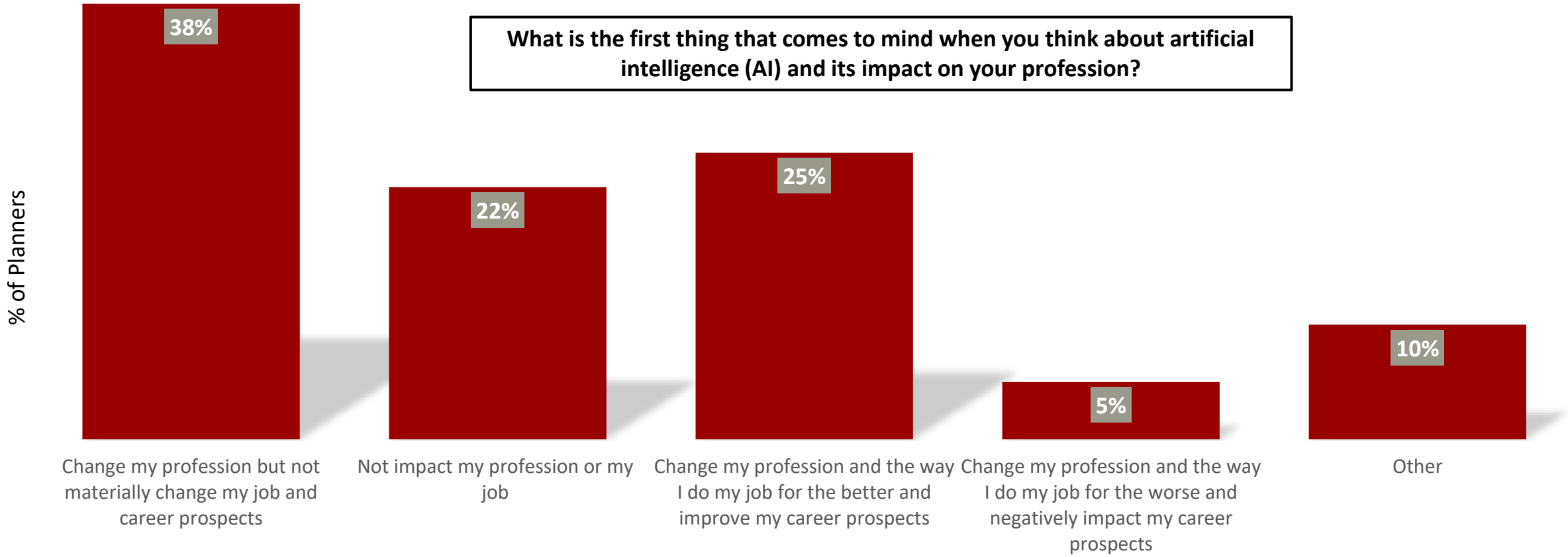
Have you or your organization experimented with any of the new generative AI platforms (such as ChatGPT, Bing, Bard, Azure, Claude, Project Spark, etc.)?



Do you expect to use these new AI tools for assistance in planning and producing events?

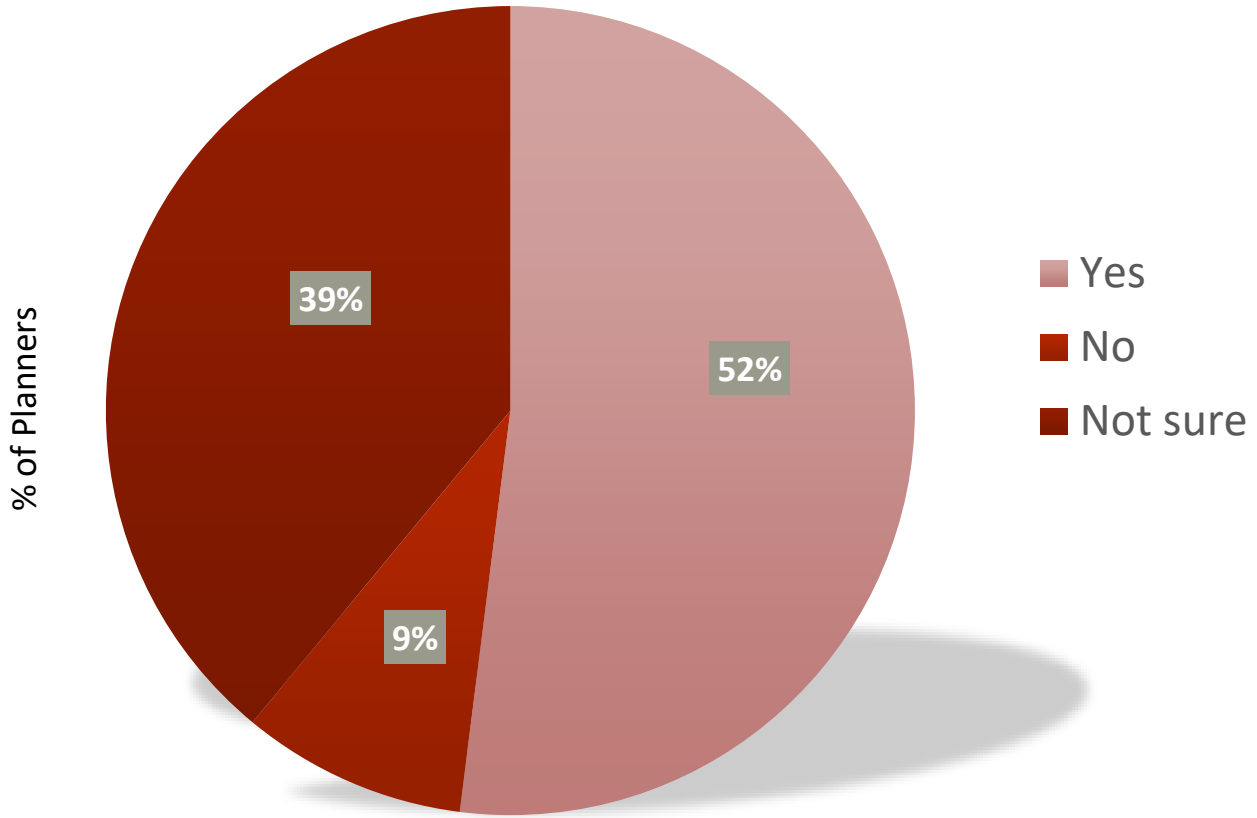


Planners are Skeptical of the Benefits of AI for Their Jobs and Careers



Planners Expect to Be Trained to Use AI Tools

Whether you use AI now or not, do you expect you and your organization will pursue training opportunities so you can learn more about how to use AI in planning and producing events?



Selected Verbatim Comments:

- “I am very concerned with the huge increases in prices of all aspects of accommodations, services, a/v, catering, transportation, all of the "destination" fees, etc. Most of our clients cannot triple their meeting budgets from one year to the next, so we’re between a "rock and a hard place" with future meeting sourcing, negotiations and contracting.”
- “We are seeing improvements in hotel service levels. However, costs and cuts to travel budgets are increasingly challenging.”
- “We’re paying way too much for venues that are understaffed or staffed with inexperienced people and subpar service. There’s a big opportunity for venues that can get this right.”
- “I'm hoping that we get an increase in our budget next year as this year's budget was reduced as we had assumed that the return to in-person events wouldn't be as quick as it’s been.”
- “I think attendees for meetings/events are starting to rebel against technology and models of service that are more self-serve rather than hospitality driven. Travel will be impacted if we move too far away from "in-person" hospitality throughout the travel ecosystem.”
- “AI will play a big role in the future and those that embrace it early can leverage it for competitive advantage.”
- “The post-COVID recovery path for our return to in-person is unclear. While we saw nice growth from ‘22 to ‘23 our industry (health care) has some constraints and challenges that could impact travel budgets. It’s very hard to predict what growth is possible. We’re trying to get a better grasp on that.”
- “Hotels and airlines’ pricing along with the constant negative drumbeat surrounding travel from the media creates hesitancy at minimum and discontinued programs at the maximum. Inexpensive destinations are winning the battle versus established destinations with traditional services.”