



MPI Business Barometer

February 2009





Why the MPI Business Barometer Exists:

The MPI Business Barometer, sponsored by the MPI Foundation and American Express, was created in April 2008 to monitor our industry's most immediate needs in relation to economic concerns and opportunities. We all want to know, more than ever before, how perceptions, reality and predictions about the future of the economy are affecting decision-makers.

Members of the Chairman's Advisory Council, made up of top level executive members of MPI, urged MPI management to begin this more near term study to communicate, as clearly as possible, what our members and industry leaders are experiencing and planning based on actual and anticipated economic conditions.

Survey Approach

Every two months we survey 1,000 senior level meeting professionals from our global community of 24,500 and a sampling of non-members, asking a short series of quantitative questions related to the economy, and a qualitative question regarding their professional outlook. The survey provides a bi-monthly tracking of actual current business conditions to the actual business conditions of a year ago, as well as a comparison of the current business outlook compared to the business outlook of a year ago.

We developed the survey questions with guidance from the Chairman's Advisory Council, the International Board of Directors of MPI, the MPI management team and Association Insights, an independent research company based in Atlanta, Georgia.

The Business Barometer has allowed MPI to better gauge and communicate immediate business and economic conditions and trends to our members as we prioritize resources in a changing world.

Featured Survey Analysis and Findings:

Findings may be inaccurate due to very small sample size.

- 26% of surveyed respondents indicated that the weakening public perception of meetings and events, resulting from recent news media coverage and claims, is the most influential trend in the meetings and events industry, up from 6% in December.
- As organizations have adjusted to the strained global economy in broad terms, more specific trends have been increasingly identified such as budget cuts and freezes, travel restrictions and lower attendance.

- Never an issue on previous Business Barometers, 11% of respondents are now concerned about direct U.S. government intervention in the meetings and events industry.
- Overall recent business levels are down 6% in February 2009, compared to a 5% decline in December 2008, and a 4% decline in October 2008.
- Projected business levels in the coming months are 6% lower than a year ago. In October and December 2008, business levels were projected to be down 4% and 5%, respectively in the coming 6 months.
- Lower attendance at meetings and events and budget reductions and freezes continue to be a trend but are believed to be excessive or exaggerated as organizations wait to see the effect of economic recovery programs on profitability, and the longer-term public and political sentiment toward meetings and events.
- Many meetings and events continue to be recast in smaller, closer venues, or in-house, and many organizations are evaluating virtual alternatives to specific face-to-face meetings.
- Increased travel costs continue to cause a large number of meeting and events industry leaders (18%) to "significantly change" their business operations to adapt, representing a hidden cost to companies that are forced to consider possibly unprecedented practices in order to adjust.
- 20% of respondents indicate that the government sector is now the business sector showing the largest net increase in activity in the meetings and events industry.
- A net 16% surveyed indicate domestic associations continue to demonstrate good relative strength in terms of activity growth while the domestic corporate market segment currently remains the weakest, according to 43% of the respondents.



Quantitative Survey Responses at a Glance

1. Please identify which segment of the meeting and event industry best describes your current primary career focus.

Meeting and Event Industry Planner	55%
Meeting and Event Industry Supplier	45%
Total	100%

2. How does your organization's current overall meetings and events business conditions compare to last year at this time?

More than 10% better	1%
6 to 10% better	1%
1 to 5% better	4%
Flat (no overall change)	15%
1 to 5% worse	22%
6 to 10% worse	19%
More than 10% worse	37%
Total	100%

3. Compared to one year ago, describe your organization's predictions of meeting and event-related business conditions over the next few months.

More than 10% better	1%
6 to 10% better	1%
1 to 5% better	6%
Flat (no overall change)	15%
1 to 5% worse	22%
6 to 10% worse	21%
More than 10% worse	34%
Total	100%

4. To what extent have rising travel costs forced you or caused you to change the way your business operates?

To a Significant Extent	18%
To a Moderate Extent	51%
To No Extent	30%
Total	100%

5. Compared to one year ago, which client segment of your organization's meeting and event-related business has seen the greatest *increase* in activity?

Domestic association	27%
International association	8%
Domestic corporate	15%
International corporate	8%
Government	23%
Other, please specify	17%
Total	100%

6. Compared to one year ago, which client segment of your organization's meeting and event-related business has seen the greatest *decrease* in activity?

Domestic association	11%
International association	5%
Domestic corporate	58%
International corporate	17%
Government	3%
Other, please specify	6%
Total	100%

7. How has attendance to the meetings and events which you either planned, produced, hosted or served, changed since this time last year?

Greater than 10% increase	2%
6 to 10% increase	4%
1 to 5% increase	3%
Flat (no overall change)	16%
1 to 5% decrease	25%
6 to 10% decrease	18%
Greater than 10% decrease	33%
Total	100%

8. How has your spending changed on meetings and events, compared to a year ago this time?

Greater than 10% increase	0%
6 to 10% increase	2%
1 to 5% increase	4%
Flat (no overall change)	16%
1 to 5% decrease	21%
6 to 10% decrease	19%
Greater than 10% decrease	37%
Total	100%

Business Barometer

MPI's *Business Barometer* reflects a trend in decreased favorable prior business conditions (Chart A) and increasing anxiety about business conditions in the coming six months (Chart B) from surveyed respondents.

Chart A



Chart B





When Asked “What One Trend Do You See Most Affecting Meetings and Events Business Over the Next Sixth Months”, Top 10 Trends Cited Included:

1. Poor Perceptions/Coverage of Meetings	26%
2. Budget Cuts	15%
3. Poor Economy	13%
4. Government Involvement	11%
5. Lower Attendance	9%
6. Cancellations	7%
7. Indecision Due to Economic Worries	7%
8. Travel Restrictions	7%
9. Corporate Meetings	5%
10. More Web/Virtual Meetings	5%

Some Observations Offered by Survey Participants Regarding the Industry:

“Short term corporate business (small programs) are booking. Larger corporate programs are hesitant to sign in 2009 (looking for added value). 2010 booking pace is positive.”

“The government’s comments and negative press coverage of the events space and hotel market - this is bad for the industry which brings billions to the US economy each year.”

“We expect more competitive pricing which will allow us to enhance our events.”

“We see continued cancellations in spite of heavy cancellations fees. In some instances, the corporation could have the meeting for the approximate equivalent of the cancellations fee.”

“We are concerned about potential government intervention in our industry.”

“My clients are “consolidating” their meeting objectives with the end result being fewer, shorter meetings.”

“Expect an increase of conference calls and web conferences due to increase in restricted travel policy and a savings to be generated in meetings spend.”

“As a supplier, most events we have in our calendar have downsized. Less attendance, less f & b, less hotel rooms, less budget.”

“We are seeing many corporate and some association cancellations, so expect we will see more of this same trend throughout 2009, but are hopeful 2010 will start to see a break in the economy and the meetings industry.”

“The economy and political messaging related to TARP is making our corporation fearful, though we are not a TARP or government bailout recipient.”

About MPI

Meeting Professionals International (MPI), the meeting and event industry’s largest and most vibrant global community, helps our members thrive by providing human connections to knowledge and ideas, relationships, and marketplaces. MPI membership is comprised of more than 24,000 members belonging to 70 chapters and clubs worldwide.

For additional information, visit mpiweb.org.

About American Express

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