



CVENT PLANNER LOYALTY STUDY

cvent | *Hospitality Cloud*



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INTRODUCTION

According to American Express Meetings & Events, over 85% of respondents indicated having similar or increased levels of meeting activity at their venue in 2016. Venues are reaping the benefits of increased meeting growth, new construction, and rates – and for the first time since 1981, occupancy rates are at an all-time high.

A study by Bain & Company also found that a 5% increase in customer retention can increase a company's profitability by 75%. According to *Marketing Metrics: The Definitive Guide to Measuring Marketing Performance*, it's also roughly 50% easier to sell to existing customers than it is to brand new prospects. This is why many hospitality professionals are striving to maintain planner loyalty and attract repeat group business more than ever.

Repeat business is defined as a planner who returns to the same venue for multiple events. When executed correctly, repeat business typically requires minimal additional marketing efforts and leads to greater overall satisfaction. This study looks at why meeting and event planners return to venues, compared with the factors hospitality professionals believe influence those decisions. Using this first-hand data, hospitality professionals get an inside look at the planner perspective and have the opportunity to improve group business sales and marketing from the inside out.

For a better idea of the overall meeting and event climate, we turned to industry experts for the numbers. Below are the trends reported by meeting planners in the beginning of 2016.



2016 MEETING & EVENT INDUSTRY TRENDS

Top Factors for Choosing a Meeting Location

Survey results found these five factors were most influential in planners' initial destination decisions:

- 28% said overall budget.
- 19% stated it met the specific needs of the meeting and its participants.
- 18% shared the ease of air travel and other transportation.
- 10% said the client's directive based on past experience.
- **7% stated repeat destination for meeting.**

Number of Meetings

There is an expectation of double-digit growth within the following meeting segments:

- 16% growth in training sessions.
- 15% growth in internal team meetings.
- 12% growth in sales and marketing meetings.

Since the meeting and event economy has continued to develop and expand, many organizations are choosing face-to-face training, employee and sales meetings (vs. webinars), hybrid meetings, and conference calls to come together.

It is also estimated that 70% of all U.S. meetings contain 20 people or less. This is encouraging news for venues with smaller conference space, since they still have an opportunity for group business and loyal customer relationships.

Number of Attendees

The number of attendees is expected to increase across all meeting segments. The meetings with the largest attendee populations are:

- Conferences and tradeshow, averaging 455 attendees.
- Incentive meetings or special events, averaging 210 attendees.
- Product launches, averaging 198 participants.

With the increase of attendees, venues will have higher occupancy rates, and there will be an additional need for more group space.

Length of Meetings

The length of each meeting directly impacts the venue, conference center, and local economy. Therefore, hosting multi-day events is even more beneficial for all parties. Here are three types of meetings that usually last the longest:

- Incentive meetings or special events: 3 days.
- Conferences and tradeshow: 3 days.
- Training sessions: 2 days.

Meeting Budget

Since meeting budgets are the number one driver of meeting locations, it is important to understand the trends associated with planner sourcing

patterns. Here are five trends across the industry of which to take note:

- Overall meeting spend is expected to increase 2% in 2016 from 2015.
- Group venue rates will rise 4% in 2016 with an overall increase of 9% in the past two years.
- Attrition rates are decreasing in Tier 1 cities to 10-15% from the traditional 20-25% rates.
- Food and beverage rates are expected to increase 3% in 2016.

Hotel Trends

According to AMEX, mid-tier venues are consistently in higher demand than any other type over the last four years. But meeting planners are still looking for unique hotels that will offer attendees new experiences that fit into modest budgets.

Examples of mid-tier brands are Choice Hotels, Holiday Inn Express, Hampton Inn, and Wingate by Wyndam. Mid-tier hotels follow brand standards and provide some luxuries such as small meeting spaces, hot breakfast, happy hour, and exercise facilities. Many attendees are familiar with these venue brands and know what service and experience to expect.

Hotel Rankings

The top U.S. cities for hotel openings in 2015:

- New York City: 26 new hotels.
- Miami: 20 new hotels.
- Houston: 13 new hotels.

The top 10 cities for meetings and events in 2015:

1. Orlando
2. Chicago
3. Las Vegas
4. San Diego
5. Atlanta
6. Washington, D.C.
7. New York City
8. Dallas
9. Nashville
10. Phoenix

Key Takeaways

Conferences, tradeshow, and incentive programs attract many attendees and are local economy boosters, especially if they last multiple days.

According to the Convention Industry Council, 1.83M corporate and business meetings, tradeshow, conventions, congresses, incentive events, and other meetings take place in the U.S. annually, resulting in:

- \$280B in direct spending.
- 1.78M U.S. jobs.
- \$115B contribution to GDP.
- \$28B in federal, state, and local tax revenue.
- \$66.8B in U.S. labor income.

A possible disconnect between planners and venues is the struggle planners face when running on shorter approval cycles, while venues seek signed contracts before reserving space.

When selecting a meeting location, loyalty is a factor 17% of the time, especially if the clients enjoyed their previous experience and have a positive relationship with the venue.

Budget is still an area of concern regarding group rates, attrition clauses, and food and beverage costs. If group rates and F&B costs rise too much or attrition clauses are too rigid, planners may be forced to seek a different location to stay on track.

However, lower planner budgets are not impossible to work with. Mid-tier hotels fit naturally into many budgets without sacrificing the event experience.

Sources

*American Express Meetings & Events
2016 Global Forecast Report*

*CWT Meetings & Events 2016 Meetings
and Events Forecast*

Cvent's Top 10 Meeting Locations in the U.S.



PLANNER LOYALTY SURVEY DATA

In order to determine why some venues are more successful at retaining group business, we asked planners what keeps them coming back. The survey compares perceived motivations with planners' actual motivations for returning to venues. By highlighting the discrepancies between planners' and venues' responses, hospitality professionals can better target existing clients and future prospects.

- We asked 500 planners and 500 venues (n=1000) a series of similar closed and open-ended questions outlining what factors result in repeat group business.
- The results were categorized by overall and generational responses.

In this study, we surveyed 1,000 planners and venue representatives about their group business practices and expectations. We asked 500 planners about the logic behind their sourcing patterns, and 500 venue representatives to predict how our planners responded. By surveying both groups using the same questions, we found some interesting similarities and noteworthy discrepancies.

On the next page are the outlines of each question and response percentages, along with key takeaways, direct quotes, data-driven insights, and our advice for improving venues' overall group business strategy.



GENERATIONS

Millennials or Gen Y

Millennials are between 19 and 35 years old. According to the U.S. Census Bureau, they are the largest living generation in the U.S. today with 83.1 million individuals.

- According to Jason Dorsey with The Center for Generational Kinetics, millennials will outspend baby boomers on hotel expenditures by 2017.
- This generation is known for being tech savvy, and many venues and businesses strive to keep up with new technology advancements.
- They are as loyal to hotel brands as Gen X and baby boomers, according to Anna Blount with MMGY Global. However, the study notes that millennials would rather be rewarded quarterly with smaller valuable incentives than wait for long term rewards.
- They want hotels, even chains, to have their own unique look and feel. While baby boomers are comfortable with hotel franchises looking similar, millennials want them to avoid the cookie-cutter approach.
- According to Expedia, millennials travel an average of 4.7 times per year on business.

Gen X

Generation X includes people between 36 and 51 years old. This is the smallest demographic with only 65.8 million living in the U.S. today.

- Venues may need to work harder to

win loyalty from this skeptical group. It's necessary to show them that group rate is worth the investment.

- Securing loyalty from Gen Xers requires brands to be genuine with their marketing initiatives and provide relevant loyalty rewards and offers, according to CrowdTwist.
- For example, if a room costs 10,000 points, they don't want blackout dates or reasons why they can't receive an earned perk.
- This generation travels 3.6 times per year on business.

Baby Boomers

Baby Boomers are between 52 and 70 years old. They make up the second largest living generation with 75.4 million in the U.S.

- It's important to remember that the standard hotel experience was designed for boomers, with in-person check-in and the ability to call the front desk for assistance.
- This generation values face-to-face interaction more than any other generation, according to e-Marketing Associates.
- Boomers are more comfortable with brand continuity and prefer this experience rather than staying in boutique hotels or experimenting with Airbnb, especially for business or group travel.
- This generation travels an average of 4.2 times per year on business.

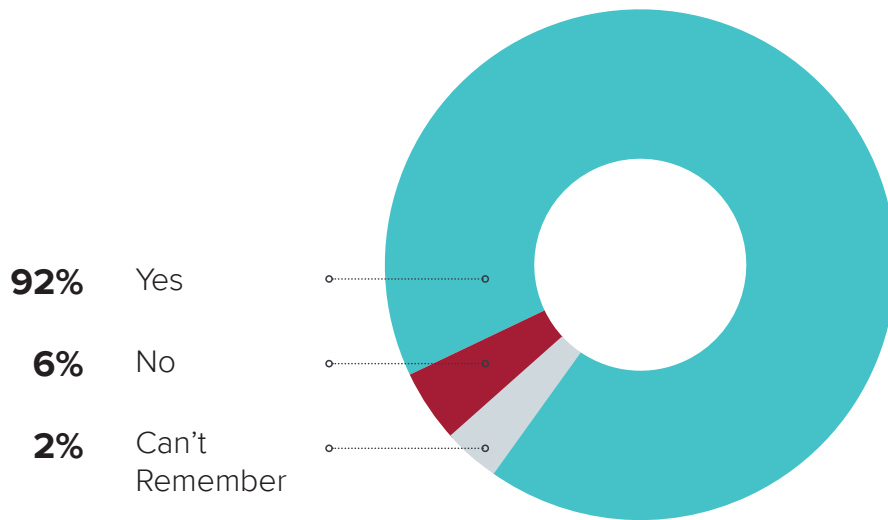
QUESTION 1: RETURNING TO THE VENUE

For this question, we compared the answers of meeting planners and venues.

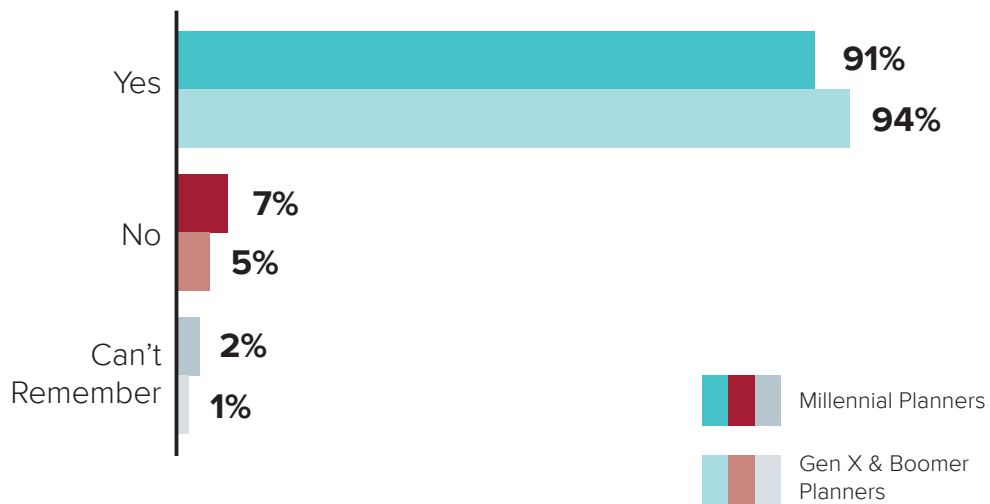


Have you returned to a trusted venue you used for a past event?

All Planners

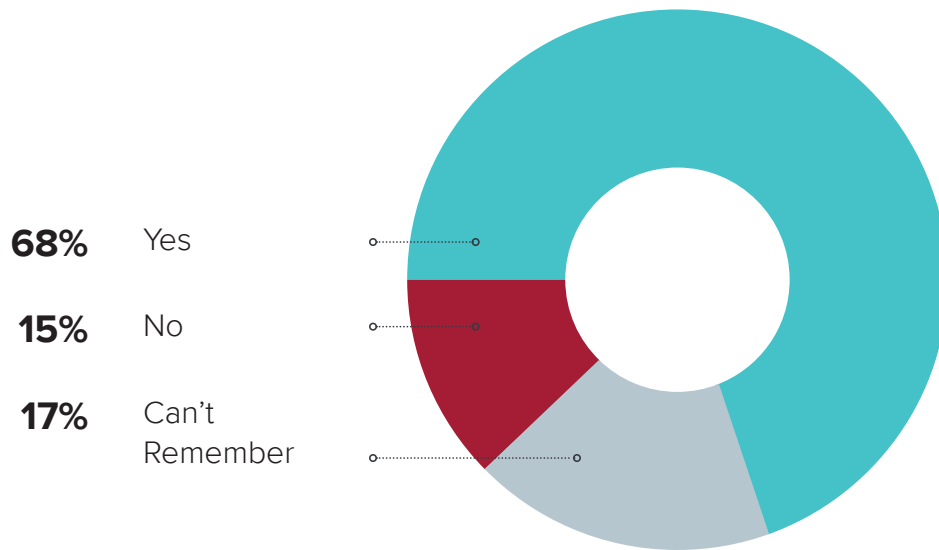


Millennial Planners **vs.** Gen X and Baby Boomer Planners





Do you think planners have returned to a trusted venue they used for a past event?



KEY TAKEAWAYS

Planners are much more likely to return to a trusted venue than hospitality professionals initially thought – by a margin of 24 percent.

While only a small percentage of planners said they either haven't returned or can't remember if they've returned to a venue, it is much lower than what venues expected. For this reason, hospitality marketers should pay attention to the impressions they're leaving on planners, since the probability of their return is higher than expected.

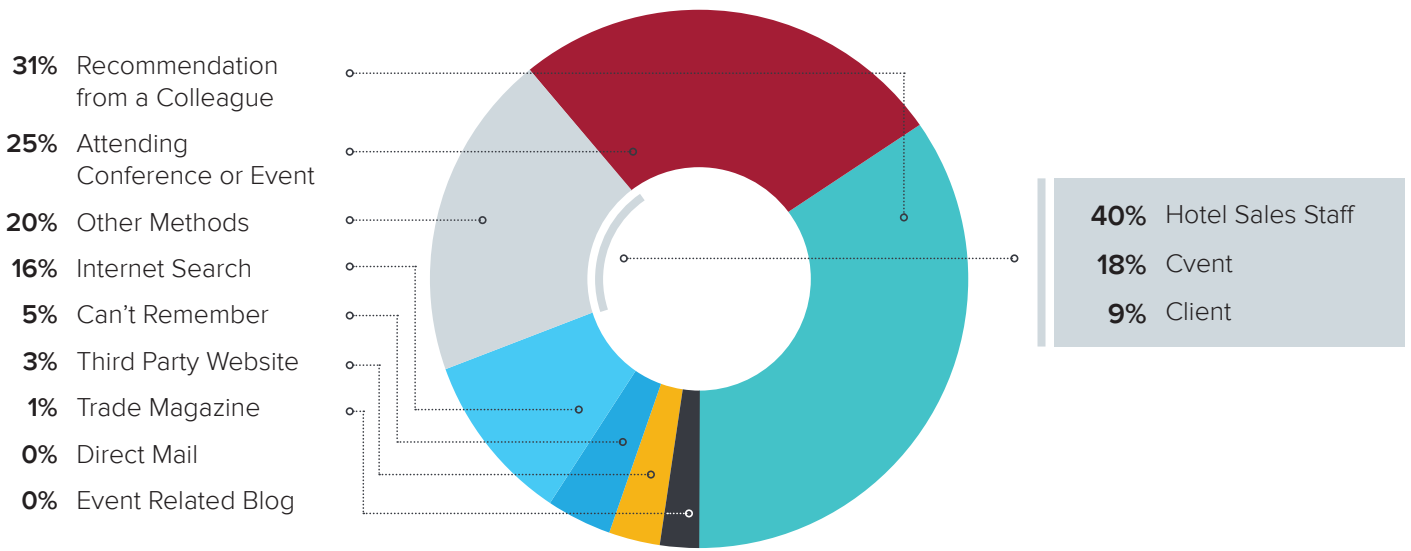
Millennial planners' return factor is almost as high as the next two generations, which means loyalty for trusted venues is very high among all planners surveyed.

QUESTION 2: LEARNING ABOUT THE VENUE

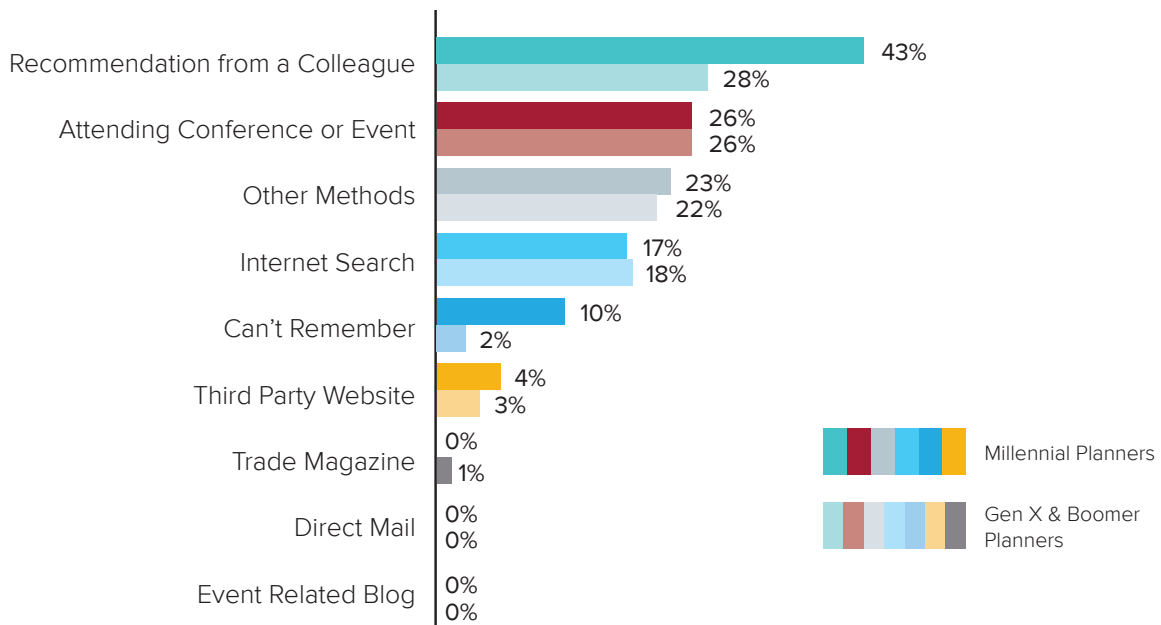
For this question, we compared the answers of meeting planners and venues.



How did you first learn about the venue you returned to?

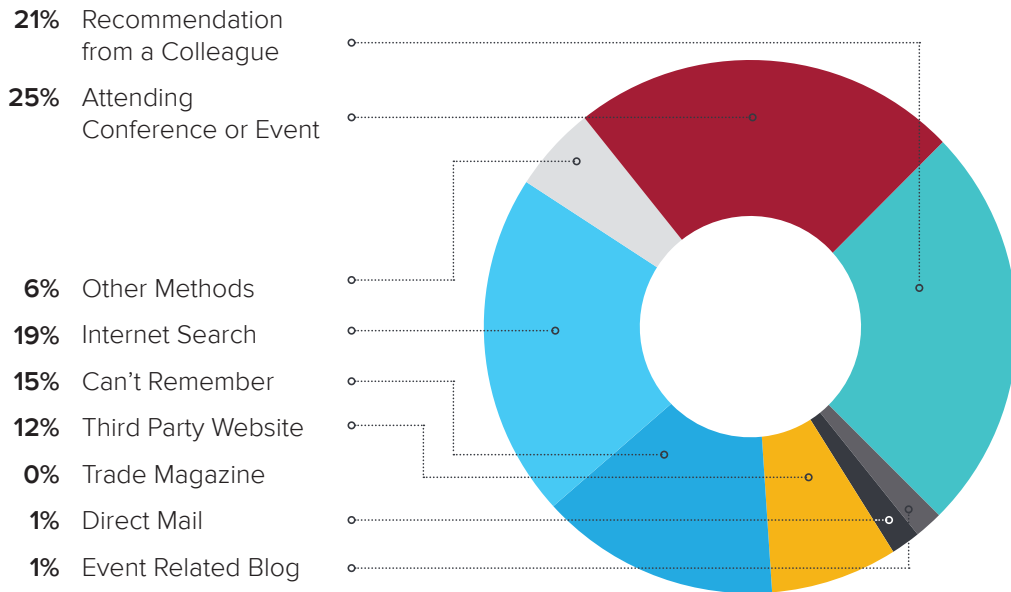


Millennial Planners vs. Gen X and Baby Boomer Planners





How do you think planners first learned about the venue they returned to?



KEY TAKEAWAYS

Planners rely heavily on recommendations and attending a conference or event at the specific venue to influence their decision to plan a meeting there. While venues expected that recommendations from fellow planners would influence return business greatly, the power of word-of-mouth was rated more influential than they thought.

Millennial planners rely more heavily on recommendations than Gen X or boomer planners. Word-of-mouth and attending a conference or event account for 69% of their awareness quotient.

Planners use many methods other than traditional digital and print marketing to learn about venues, but an instrumental component is the hotel sales staff. This includes exceptional customer support, helpful onsite service, or accommodations before or after an event.

Venues believe the Internet and third-party websites are valuable methods in a planner's search, when in fact, they are not as influential as personal stamps of approval.

Venues underestimated the influence of peer recommendations on a planner's buying decision, which shows the importance of strong planner relationships with venues.

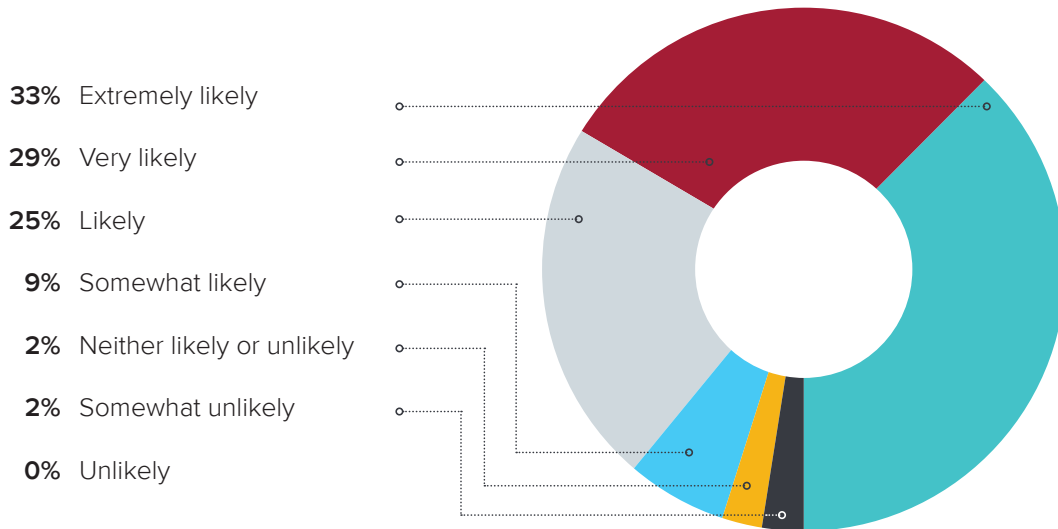
QUESTION 3: FACTORS INFLUENCING RETURN

For this question, we compared the answers of meeting planners and venues.

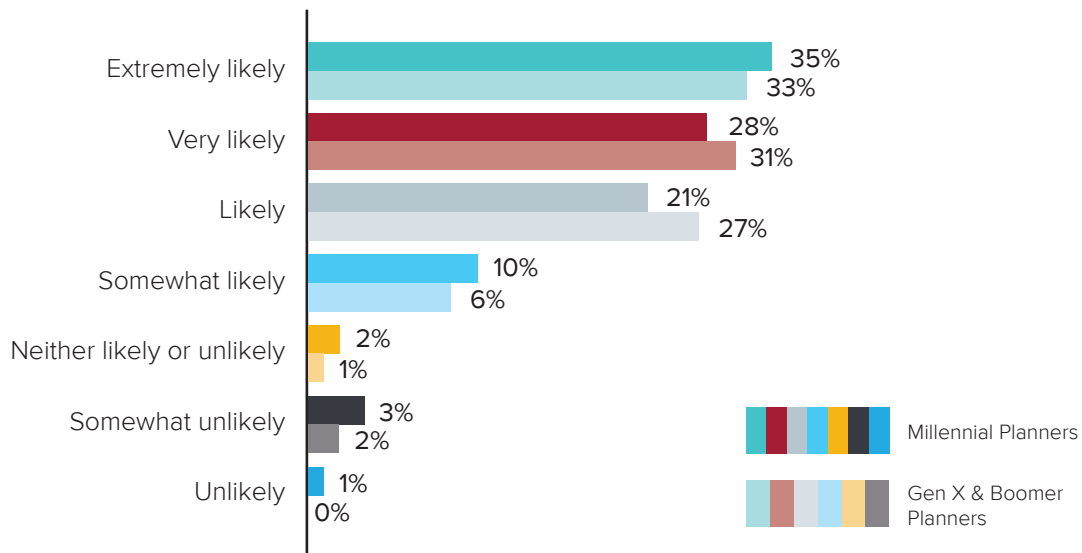


If a venue effectively delivers on the factors you deemed important (listed below), how likely are you to return?

- Planner reward incentives
- Professionalism of staff
- Location
- Guest room availability
- Meeting space availability
- Food and beverage quality
- Prompt response to RFP



Millennial Planners **vs.** Gen X and Baby Boomer Planners





How likely do you think it is that planners will return to your venue if the factors they rated as important (listed below) are effectively delivered?

- Planner reward incentives
- Professionalism of staff
- Location
- Guest room availability
- Meeting space availability
- Food and beverage quality
- Prompt response to RFP

34% Extremely likely

27% Very likely

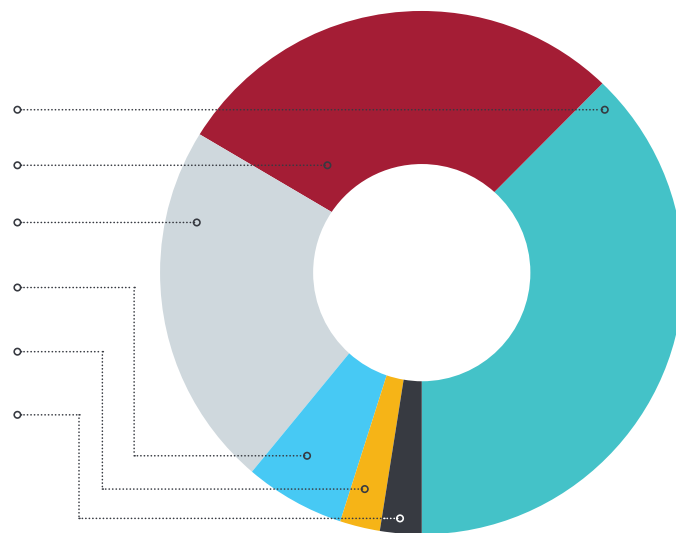
22% Likely

10% Somewhat likely

4% Neither likely or unlikely

3% Somewhat unlikely

0% Unlikely



KEY TAKEAWAYS

If the seven factors listed above are met, there is an 87% chance planners will return to the property.

Venues accurately predicted the likelihood of repeat business if the staff delivers on planners' requirements.

Although the percentage is low, up to 5% of planners will not return even if they are extremely satisfied with the venue. While this isn't terribly surprising, hospitality professionals should keep it in mind when marketing to planners and maintaining long term relationships.

Hospitality professionals surveyed overestimated that certain factors effecting planners' experiences were beyond their control, like location and date availability. While planners agree that these factors are a consideration, they are not a driving force.

Gen X and boomer planners are slightly more likely to return to a venue than millennials, which may suggest more overall brand loyalty.

QUESTION 4: THE FACTORS

For this question, we compared the answers of meeting planners and venues.

Rank the importance of the following factors, from highest to lowest, when influencing your decision to return to a venue.



Rank what factors you believe are important to planners, from the highest to lowest, when influencing their decision to return to a venue.

| | |
|---|-----------------------------|
| 1 | Location |
| 2 | Meeting Space Availability |
| 3 | Guest Room Availability |
| 4 | Venue Staff Professionalism |
| 5 | F&B Quality |
| 6 | Prompt RFP Response |
| 7 | Planner Rewards Incentives |

| | |
|---|-----------------------------|
| 1 | Location |
| 2 | Meeting Space Availability |
| 3 | Guest Room Availability |
| 4 | Venue Staff Professionalism |
| 5 | Prompt RFP Response |
| 6 | F&B Quality |
| 7 | Planner Rewards Incentives |

Both Millennial and GenX & Boomer planners agreed in level of importance

KEY TAKEAWAYS

Venues and planners were aligned on the importance of their top four influencers.

Planners valued “F&B Quality” one rank higher than “Prompt RFP Response,” while venues reversed these responses. Even though venue staff must respond quickly to RFPs, especially for returning groups, the other five factors listed above it rank higher. As long as the top four priorities are satisfied, both F&B and prompt responses have less pressure to impress.

One planner added, “Cost and willingness to work within my budget are key.”

Planners in all three generations ranked the same top four factors that influence their return to a venue, so hospitality professionals can market to them accordingly. Consider adding that extra touch, like “Onsite AV Tech and other inclusions such as photographer, flowers, etc.” suggests one participant.

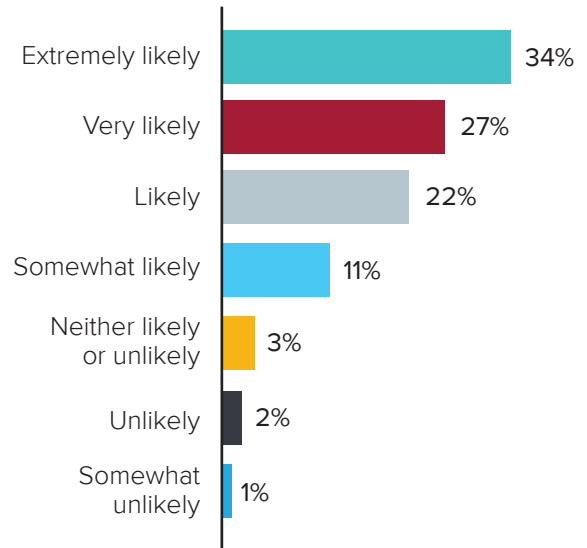
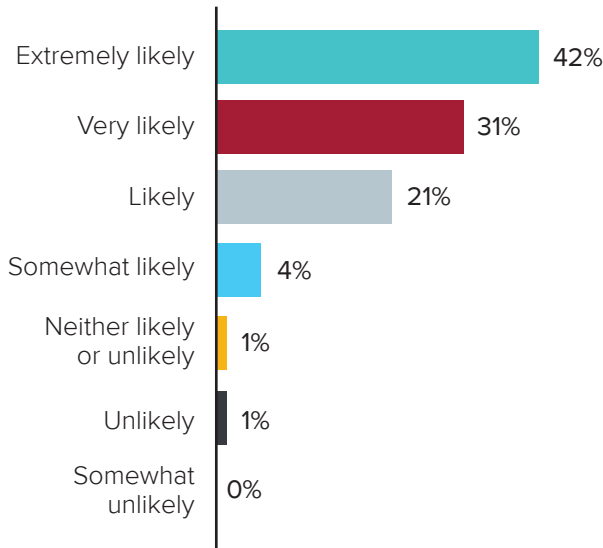
QUESTION 5: LIKELIHOOD TO PROMOTE

For this question, we compared the answers of meeting planners and venues.

If a venue effectively delivers on the factors you rated as important, how likely are you to recommend that venue to colleagues?



How likely do you think it is that planners will recommend your venue if the factors they rated as important are effectively delivered?



KEY TAKEAWAYS

Planners and venues gave similar responses about the likelihood of recommending a venue that satisfies all expectations. However, venues still have room for improvement since 58% of planner responses were less than “Extremely likely” to recommend.

There were no generational differences in this area, but 98% of all planners were at least somewhat likely to promote a satisfactory venue.

Although the percentage is low, 2% of planners may not promote the venue even if they are very satisfied with their meeting. Many planners’ and their clients seek venue variety, which could influence their lack of recommendations.



CONCLUSION

Venues, meeting budget, location, and meeting space availability are among the top factors that influence planners' repeat business to venues. Since venues accurately predicted planners' priorities when sourcing a venue, they're already in tune with the planner perspective throughout the event lifecycle.

Location ranked as the most influential factor for all generations and for venues, so it is crucial that hospitality professionals position their destination as the go-to place for meetings and events. Through targeted online and in-person marketing efforts, venues can create more group business demand while building the foundation for a loyal customer base.

Venues also underestimated the power of addressing factors like "word-of-mouth" advertising with other planners, since most planners surveyed are likely to recommend a venue to a colleague if all their top requirements are met. However, attending a conference at a specific venue also ranks high among all the generations. Venues, however, overestimated planners' use of search engines and third-party websites to find a venue.

Thankfully, even if all important factors are met, there is only about a 2% chance that the meeting planner will not return to a venue. Offering "extras" may improve venues' chances of attracting repeat business. Satisfy planners of all generations with unforgettable experiences built with attention to detail, streamlined processes, and knowing their expectations ahead of time. Develop relationships and offer great initial impressions with the planners visiting for the first time. Venues will deliver successful events, ensuring happy guests who are likely to return, ultimately reducing marketing time and costs while improving overall planner relationships and satisfaction.



ABOUT CVENT

Cvent is a leading event management technology company that offers software solutions to event planners for online event registration, venue selection, event management, mobile apps for events, e-mail marketing, and web surveys.

We also provide venues with an integrated platform, enabling properties to increase group business demand through targeted advertising and improve conversion through proprietary demand management and business intelligence solutions.

Cvent solutions optimize the entire event management value chain and have enabled clients around the world to manage more than a million meetings and events.

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