

Business Events Compass 3.0 Insights and Strategies on the Road to Recovery

Provided through an investment by the PCMA Foundation

UPDATED WITH NEW PARTICIPANT DATA FOR DECEMBER 2020

For the first time in nine months, the global business events industry has reason to feel hopeful about the potential for recovery: Vaccines are being distributed, which will lead to an end of restrictions on gatherings and travel. Still, there remain challenges to a full recovery that will take time and strong business action.

This update maps changes to the business events environment since **PCMA's Business Events Compass** was last published in October and is based on data from global business event participant surveys in December 2020, representing more than 1,700 business event experiences. The update also features the results from surveys taken from October through December of more than 2,000 PCMA members and business events stakeholders.

Here are five key insights as we enter 2021:

- **Recovery is coming.**
Twenty-eight percent of business event participant survey respondents now expect a greater than 10 percent increase in their 2021 face-to-face business event participation, relative to 2019 levels. This compares to 10 percent in October. In Asia-Pacific, 39 percent of participants expect a 10-percent or greater increase in 2021 participation. Comparables for the Americas and EMEA are 23 percent and 24 percent respectively.
- **Significant economic uncertainty remains for business event industry stakeholders.**

While participant intent has rebounded for 2021, significant revenue declines are expected in 2021 relative to 2019 — business event planners anticipate declines of 35 percent and suppliers predict a 65-percent decline. This is a reflection of the “lagging indicator” nature of business events and the impact of economic uncertainty. The variance in revenue expectations between planners and suppliers is the largest since the outset of the pandemic and reflects expected declines in 2021 event budgets.

- **Pent-up face-to-face event demand is growing.**
Fifty-four percent of December participant survey respondents indicated a desire to attend a 2021 regional/global business event even without herd immunity. This compares to 16 percent in October.
- **Digital event preferences are growing.**
As the pandemic continues, participants are becoming more comfortable with digital platforms as a viable option. Thirty percent of participants reported that a key reason for their expected change in face-to-face participation was that they “prefer digital events.” This compares to 18 percent in October and likely reflects continued improvements in digital event technology and provider partners.
- **Hope can be a strategy.**
After nine-plus months of managing through a global pandemic, 43 percent of business events stakeholders are feeling “hopeful” and “inspired” — up from 28 percent in October. This emotional momentum is critical to re-igniting the vital human connections that are at the core of all business event outcomes.

Everything has changed.

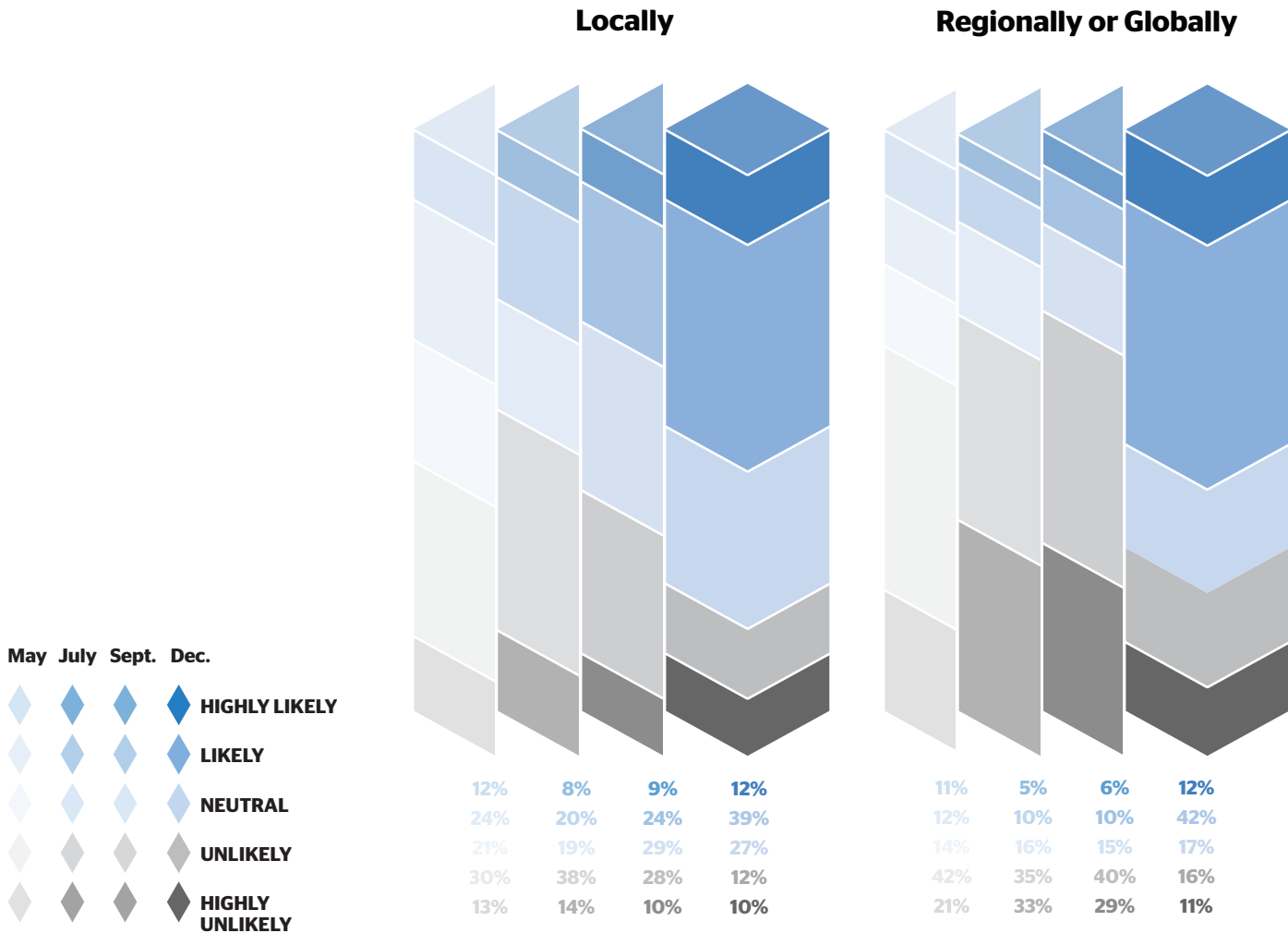
“You could never have prepared me for how the pandemic [has] accelerated our work and taken it to an entirely new level. I would have been fine if I had spent the rest of my life on the conference circuit... But now we’re touching people all over the planet in this direct way.

“We’re never going back to a model where we’re not broadcasting to 75 countries. There’s too much to be gained. There’s no reason why we can’t go to a hybrid model in the future, where we’re bringing audiences together from all over the planet for every session we do.”

Bryan Doerries, founder and artistic director of Theater of War, which stages readings from ancient Greek plays for audiences including medical and government associations.

EVENT PARTICIPANT INSIGHTS

How likely are you to participate in a live business event before there is a vaccine or herd immunity?






54% of participants are **likely or very likely to attend a regional or global business event** in 2021 before herd immunity is attained. This has surged 38 points since October.

51% of participants are **likely or very likely to attend a local business event** in 2021 before herd immunity is attained. This has improved 18 points since October.

Source: Participant surveys from May, July, September, and December 2020.

BUSINESS INSIGHTS

Most likely macroeconomic scenarios and their implications for when events return.

| Scenarios | Outlook | Implications for business events based on surveys and global stakeholder interviews | Broad Implications |
|--|---|--|--|
| <p>A Virus contained, strong rebound</p>  | <p>Temporary shocks. Rapid recovery. 7% drop in global GDP growth in 2020 Economy returns to pre-COVID levels in Q3-2021</p> <p>December 2020 update: Less likely now based on survey of global executives and rocky vaccine rollout.</p> | <p>Pent-up demand drives return of live events regionally and then nationally as virus is contained (currently happening in Asia Pacific) and travel restrictions lifted. Economic implications slowly ebb as economy recovers.</p> <p>Large, at-scale gatherings begin to return late in 2021 (in line with return of international travel).</p> | <p>DIGITAL EVENTS Aggressive deployment of digital events in the wake of COVID-19 will continue and take greater hold the longer it takes for restrictions to be lifted (linked to virus trajectory and resurgence) and for economic recovery to crystallize.</p> |
| <p>B Slow virus containment, near-term growth and recovery constrained. APAC thrives.</p>  | <p>Prolonged recession avoided. 9% drop in global GDP growth in 2020. Growth accelerates in Q2/Q3 2021 Economy returns to pre-COVID levels in Q3-2022</p> <p>December 2020 update: Most likely scenario in Americas/EMEA based on survey of global executives. APAC/ANZ will experience more rapid recovery based on public health response.</p> | <p>Asia Pacific continues to lead. Most live events gradually begin to return at end of 2021 as resurgences are addressed, but limited in size and geography (e.g., regional based meetings, small conferences). International travel restrictions persist with fragmented vaccine rollout. Health and safety restrictions continue.</p> <p>Slow economic recovery impacts budgets and attendance within industries most impacted by downturn.</p> <p>Digital events become increasingly accepted.</p> | <p>SUPPLY CHAIN IMPACT COVID-induced reductions in workforce will result in talent exodus to other industries that will further hamper the speed of industry recovery as demand returns faster than talent can be replaced. Supply chains will consolidate and be further digitized as a way to remove costs and increase flexibility. Scramble for event technology partners takes place.</p> |
| <p>C Virus not contained, multi-year recession</p>  | <p>Multi-year recession. Economy stagnates. 10% drop in global GDP growth in 2020 Economy returns to pre-COVID levels no sooner than Q4 2024</p> <p>December 2020 update: Slightly less likely in a survey of global executives</p> | <p>Few live events return in 2021 due to combination of economic downturn and virus spread. Sustained economic slowdown directly impacts event sponsorship and attendance.</p> <p>Digital events proliferate as a risk management and cost mitigation measure.</p> | <p>FINANCIAL IMPACT The longer restrictions and economic recovery lags, the more that financial impact, a focus on risk management, and a widespread pivot to digital formats will accelerate. Challenges will grow for live event value to be replicated effectively in a digital format. Reskilling opportunity becomes more acute.</p> |

Source: Scenarios including virus epidemiology/public health response and overall economy estimates based on publicly available data from McKinsey (COVID-19 Briefing Materials: Global health and crisis response); global gathering protocols from press and public searches

BUSINESS INSIGHTS

Speed of recovery will vary by geography.

Current as of January 1, 2020

AUSTRALIA International travel is still on hold for visitors. Domestic gatherings have resumed, and rules and restrictions vary by state.

BRAZIL International visitors are permitted, but all air passengers entering Brazil now must show proof of a negative PCR test taken within 72 hours of arrival. For the first time in a century, the Carnival in Rio de Janeiro has been postponed.

CANADA Non-essential travel to Canada is still prohibited for foreigners. For domestic gatherings, reopening guidelines and restrictions vary by province. A new policy starting January 7, 2021 requires all permitted air passengers arriving from another country to submit a negative COVID test and complete a 14-day quarantine.

CHINA After a return to normal, in early January some parts of China have been deemed "danger zones" after new cases were reported. Steps are being taken to mitigate travel during the Lunar New Year holiday.

FRANCE Gatherings are not recommended, but there are currently no specific limits imposed on them. In mid-December, the prime minister enacted curfews in metropolitan areas, and closed cultural establishments (cinemas, theaters, museums, and sports venues) through early January.

GERMANY As of January 5, Germany entered a three-week lockdown. Trade shows, conferences, and meetings are currently banned throughout the country, except in a few German states (Berlin, Hamburg, Saarland, Schleswig-Holstein), where business events with a maximum of 50 participants are permitted under strict guidelines.

ITALY International travelers from some low-risk countries are permitted, though they must quarantine for 14 days. A new lockdown issued in December through mid-January includes curfews and restrictions on activities, which vary by region.

JAPAN Early January reports said the Japanese government may issue a state of emergency for the Tokyo area due to an increase in cases, which would curb nonessential outings after 8 p.m. Most international travelers are still not permitted to travel to Japan.

NEW ZEALAND Currently at an Alert Level 1, there are no restrictions on gatherings. New Zealand's borders are currently closed to most international travelers, except Australians.

SOUTH KOREA A ban of gatherings of four or more people was expanded through mid-January.

SPAIN After a spike in cases, some regions began imposing stricter rules on gatherings in early January, including curfews and restrictions on travel between regions.

UNITED KINGDOM In early January, the United Kingdom imposed strict nationwide lockdowns through the middle of February after new strains of the coronavirus caused cases to spike.

BOSTON The city entered a modified Phase 2, Step 2 of its reopening plan in late December, limiting gatherings in indoor event spaces to 10 people and for outdoor venues, 25 people.

CHICAGO As of early January, the city was in Phase IV – "gradually resume." A travel order issued on December 29 required those entering the city to submit a negative COVID test or quarantine. Indoor gatherings are not permitted.

LAS VEGAS As of November 24, public gatherings, meetings, and live entertainment are limited to 50 people or 25 percent capacity, whichever number is lower. No large gathering are permitted.

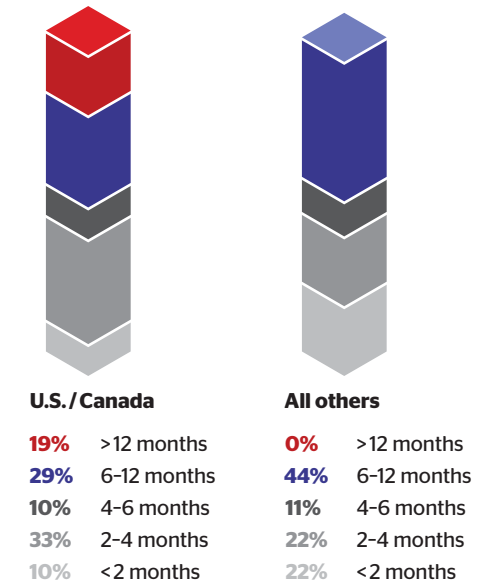
LOS ANGELES Due to a spike in cases, Los Angeles County issued a stay-at-home order in early January as well as an order for any visitors from outside of Southern California to quarantine on arrival for 10 days.

NEW YORK NYC is in the fourth (and final) phase, which permits gatherings of up to 50 people at 33 percent of the venue's capacity. Under these guidelines, several of NYC's venues, including Javits Center, collectively have announced hybrid hosting models.

Potential factors impacting large event restrictions

- Infections, hospitalizations, and fatalities
- Forecasted viral resurgence rates
- Geopolitical climate (e.g., election year, dynamics of economic competition)
- Economic policy interventions (e.g., tax breaks, stimulus policy)

CHROs: How long do you expect restrictions on in-person events to last?



Source: Industry expert interviews, government/public health websites (including, but not limited to, sources available on locality news sites and press research. CHRO survey from May 2020

BUSINESS INSIGHTS

Matching geographic outlook and meeting type demand provides profile of regional demand for 2021-22.

POST-COVID OUTLOOK



Business events industry segmented recovery outlook ¹

| | Asia | Australia / New Zealand | EMEA | LATAM | US / Canada | Key takeaways |
|----------------------------------|--------|-------------------------|--------|--------|-------------|--|
| Business meetings | Great | Medium | Medium | Medium | Medium | <ul style="list-style-type: none"> • Early pandemic response measures in Asia Pacific jump-started business events recovery in the region. Effective vaccine distribution could create a Q2/Q3 2021 demand spike for business meetings in US/Canada and EMEA. • Regional economic recovery rates will have the greatest impact on industry segment outlook. • International travel restrictions will inhibit face-to-face attendance at global events and expos. Regional travel bubbles will thrive. Digital platform deployment will extend global audience reach and engagement for conferences/conventions. |
| Incentives | Medium | Medium | Poor | Poor | Poor | |
| Conferences / conventions | Medium | Medium | Medium | Poor | Medium | |
| Expos / trade shows | Medium | Poor | Poor | Poor | Poor | |

¹ Crosstab built using a weighted composite evaluation of geography and event type outlooks. Geography outlooks based on regional economic forecasts, viral trajectory, qualitative outlooks, and survey response data. Event type outlooks based on expert interviews and survey data.

PUTTING AN OMNICHANNEL STRATEGY TO WORK

Last September, WiT (Web in Travel) Experience Week became the first hybrid event to be held in Singapore following the pandemic, when a live audience of 50 gathered in Marina Bay Sands' new hybrid broadcast studio for four days, joined by a global audience who participated digitally.

Event founder and organizer Yeoh Siew Hoon and her team already were invested in reinventing the conference model, but the hybrid event pushed their skills — and their thinking — even further. Event content and interaction moved across three technology platforms: one served as an overall operating system, another for business matchmaking, and one for Q&A and polls. To engage digital participants, conference content was designed around a four-day-long story arc, as if it were an episodic television series.

Events are another form of content delivery, like blog posts, videos, and social media, Siew Hoon said. They “are just another channel, but in a more dynamic, live ways.”

Conferences that approach their events through the prism of content will have higher

“stickiness,” she said. “As long as you can give your customer stickiness — in terms of whether they actually transact a piece of business, build a relationship that leads to business, or come upon an idea that helps them to build a better business — to me those are the pillars of what creates loyalty.”



Yeoh Siew Hoon, founder of Web in Travel (WiT), a multimedia platform focused on travel, technology, and Asia.

30% of participant survey respondents said they "prefer digital events" to face-to-face participation in December, compared to 18% in October.

Source: December 2020 Event Participant Survey

PEOPLE WILL EXPECT IMPROVED EXPERIENCES

“The minute governments allow events to be held, people will come back,” Siew Hoon said. “The difference is: Customers now have a choice. They can say, ‘Do I need to attend this physically or could I just do it virtually?’ We have to raise our game.”

54% of December participant survey respondents indicated a desire to attend a 2021 regional/global business event, even without herd immunity, compared to 16% in October.

Source: December 2020 Event Participant Survey

MEETING YOUR CUSTOMERS WHERE THEY ARE

When the pandemic prevented members of the Italian Society of Anaesthesia, Analgesia, Intensive Care, and Resuscitation (SIAARTI) from meeting in person, SIAARTI came to them. Event staff traveled with a truck outfitted with a TV studio to eight Italian cities, where they broadcast educational content on hospital grounds and hosted socially distanced meetings in tents. Attendance grew by 20 percent — and SIAARTI is considering how to retain the value that the streamed content brought to its audience when it returns to a central location for the society’s annual meeting in 2021.

Want more insights to chart your path forward? Here's what's included in the full version of the report expected in mid-January 2021. To learn more, visit: pcma.co/compass



THE TOP LINE

Three Major Insights from the Update

Key Insights and Implications **4**



SECTION 1

Event Participant Insights

Updated Data from May, July, September and December 2020. **5-11**



SECTION 2

Business Insights

Current Business Expectations **12-17**



SECTION 3

Bringing Strategies to Life

Overview **18-19**

Bringing Strategies to Life **20**

Participant Engagement **21**

Reskilling **22**

Case Studies **23-29**

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