

Insight Report

GLOBAL AGENCY OUTLOOK

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DECEMBER 2020

1

How did 2020 impact your business?

Revenue was hit hard in a year that made organising conferences, meetings and incentives incredibly challenging.

by Mark Williams

Event organisers around the world watched their company revenue drop by an average of 65% year-on-year during 2020 as the coronavirus pandemic made MICE events increasingly difficult, and in some cases, impossible.

That's according to the findings of this *C&IT Global Agency Outlook Report 2020*, which found that agencies went from organising an average of 812 events in 2019 to just 109 in 2020. That's 87% fewer MICE events year-on-year.

Decreasing revenue meant hard decisions had to be made. Where furlough schemes and their equivalents were available, event companies had to furlough an average of 44% of their staff during 2020.

When furloughing wasn't enough or perhaps wasn't a suitable option under the guidelines of that country, redundancies were the next step. On average, event agencies had to let go of 25% of their staff.

There were, however, plenty of agencies taking part in our survey who made no redundancies as a direct result of the coronavirus pandemic. In total, 30% of respondents said there had been no reduction in staff numbers and 20% did not furlough anyone. But that left seven out of 10 event agencies around the world needing to make job cuts, a figure that certainly exceeds typical annual resourcing changes.



The majority of those who had to make half or more of their staff redundant were small-to-medium sized agencies with fewer than 100 staff. This suggests the bigger agencies have been better able to ride out the storm of 2020 in the hope of a better 2021.

Incentive travel plans grounded

With travel bans between countries making so many headlines in the early stages of the pandemic, it was inevitably going to be a difficult year to organise incentive trips. A huge 71% of respondents said their company has organised no incentive trips at all in 2020, although it must be noted that not all event agencies offer incentive travel.

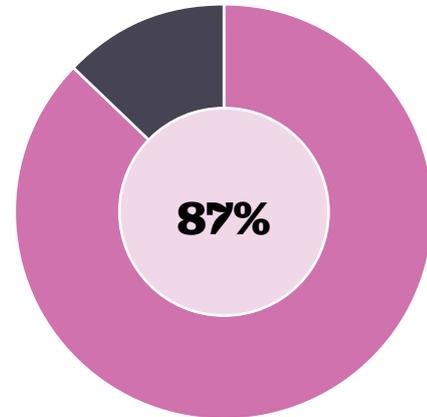
Among those who did organise incentives this year, the total number of trips was largely in single figures. Only a small handful of event agencies organised 10 or more this year.

One event planner whose company had managed five incentives this year suggested that it was important to: “Provide flexible reward solutions such as digital e-codes that still allow recipients to benefit from rewards, despite COVID-19 and lockdown.”

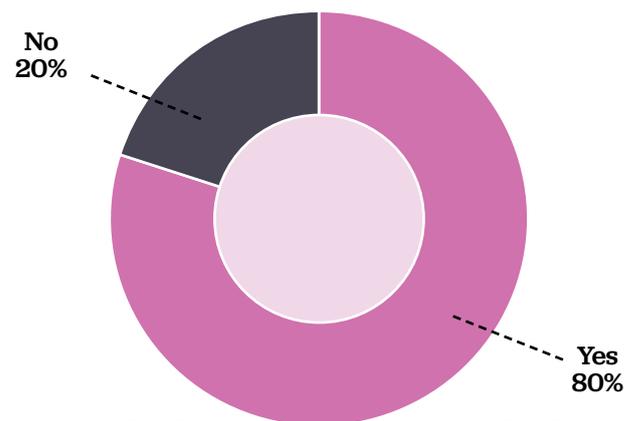
Another event planner said incentives must: “Include outdoor dining, activities and wellbeing in the programme.” And went on to say: “Upscale your offering, be local, sustainable and regenerative.”

A further point made, by one US-based event planner was that it’s important to: “Remember research shows your delegates don’t want the money, they want the experience. Even if you’re forced into digital, remember to give them exclusivity at every step of the journey.”

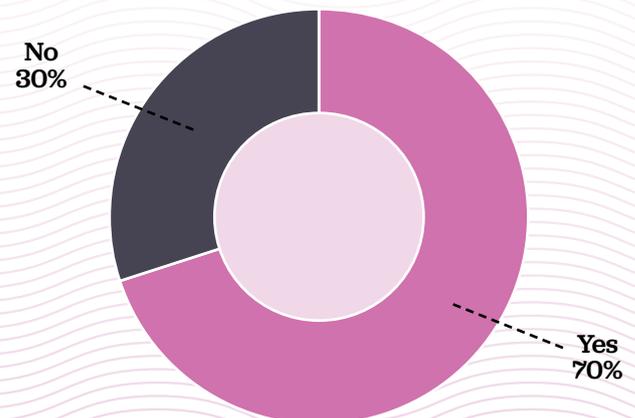
On average, event agencies organised 812 B2B events in 2019. This fell to just 109 in 2020, a drop of 87%



Did your agency furlough any staff in 2020?



Did your agency make any redundancies because of the pandemic in 2020?



2

The rapid growth of digital and hybrid events

We asked event professionals what advice they have for those who are still getting to grips with digital.

by Mark Williams

The technology to produce digital events existed before COVID-19 came along, but the know-how for organising them was still in its infancy. How quickly that has changed during 2020. Event agencies around the world have switched to digital or hybrid in huge numbers, to create COVID-safe events attendees can join from home.

That said, when *C&IT* asked event planners approximately how many live, digital and hybrid events they had organised during 2020, live events still came out on top. On average, respondents to our survey said their company has organised 108 live, 54 digital and 21 hybrid events this year.

This is probably because live events remained largely unaffected by the pandemic for the first couple of months of the year, with cancellations and postponements coming thick and fast from March onwards.

The 'pivot to digital' happened fast. Collective knowledge of how to create engaging online events evolved at a vastly accelerated rate compared to previous years, when digital wasn't always the preferred option.

With this in mind, we asked you for your best practice tips when organising digital and hybrid events. Common dos and don'ts among the responses included:



- Don't give digital events away for free
- Do make sure you have good technical suppliers/partners
- Don't underestimate the importance of rehearsals
- Do have a backup option on the day in case there are tech issues
- Don't try to replicate live events digitally, they are two very different beasts

On the value of digital events, one planner said: "Don't be afraid to charge an attendance fee or to sell sponsorship. We've tried it with an industry that is suffering greatly from COVID-19 and succeeded. Never undercharge for your time and expertise."

Another planner said: “It costs more than expected to do it properly. Virtual doesn’t mean free.” An important consideration when talking to clients, and something that was echoed by another respondent: “Educate your clients on what is a professional method and what is DIY.”

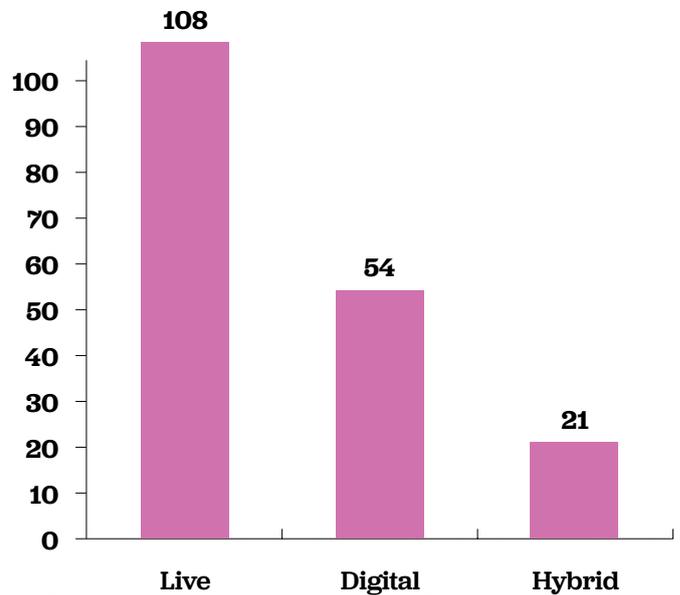
Many were keen to stress the difference between digital and live events, especially rehearsal time, as highlighted by one organiser who said: “A virtual event is more like a broadcast than a live event. You have to have the content prepared well in advance. Make sure your team and your speakers are well prepared and have rehearsed at least once.”

And just because it’s digital doesn’t mean it’s going to be quicker to organise than a live event. “It takes much longer to plan and execute than people expect,” said one respondent. “Just because there is no venue contract or flights booked doesn’t mean that you can re-imagine a sales conference or launch in 50% of the time.”

Knowing your audience was the focus of several responses when it came to hybrid events, as underlined by one planner who said: “Fully understand your audience and what they wish to take away from the event. Many people are becoming exhausted by virtual and hybrid events so consider a two-day event may actually be more effective if consolidated to three-quarters of a day.”

Another respondent added: “Understand the integration of online audiences with live audiences and keynote speakers. Careful consideration needs to be given to platform selection, user experience and no ‘cheap seats’ at the event.”

How many live, digital and hybrid B2B events has your company organised in 2020?



One event organiser suggested that hybrid events will take longer to organise because “in effect you are running events in parallel which will require additional resources to execute.”

They also added that the expertise of a professional TV presenter could be invaluable. “Putting a speaker in front of a camera is a very different experience to being on stage in front of an audience, and additional support for even the best speakers may be required. The use of an anchor who has broadcast TV experience is a valuable investment.”

3

Upping the standards of digital events

A panel of industry experts gave their thoughts on how to make your digital events stand out and truly engaging for remote audiences.

by Mark Williams

As part of C&IT's Global Agency Outlook Briefing, which was broadcast to hundreds of event planners globally, one of the panels discussed how to create the best digital events possible as well as comparing some of the strengths and weaknesses of virtual with live.

On the panel were Dina Green, Managing Director of OrangeDoor; Zachary Tranter, Project Director at Cheerful TwentyFirst; Danny Browne, Territory Manager at Brightcove; and Orson Francescone, Managing Director of FT Live at the *Financial Times*.

They started out by answering a question on what people are missing most about live events that they're not getting from the online experience.

"Human contact," said Green. "Although a lot of us have done some very successful virtual events, I don't think there's anything that beats human beings getting together and that is why the events industry exists in the first place.

"All of those serendipitous meetings that happen at the bar or when you're walking from one place to another, that kind of thing is missing. While I'm a big supporter of virtual and hybrid and what they can do, they're never going to replace face-to-face events."



Using the example of a recent virtual event by a tech company he'd attended, FT Live's Francescone said that there have been attempts to recreate that off-chance serendipitous encounter with mixed success. "It was called chat roulette," he said.

"You're attending the event online and if you want to network with someone they purposefully don't allow you to search the names to chat with a specific person. You click the chat roulette button and don't know who you're going to get.

"What tends to happen is people click the button, a stranger appears and people get a bit freaked out and close the camera because they don't know who the other person is. It doesn't really work."

While that lack of chance encounters is what they miss as attendees at live events, as organisers one of the main issues for the panel is the shortened attention span for online events.

“We know that you’re less likely to be engaged online than you are in person and you engage for shorter periods of time online,” said Tranter.

“I think the statistic is you have 16 minutes to deliver content online before someone checks out and stops engaging, whereas in a live environment it’s 23 minutes. This means you’ve lost about seven minutes in the virtual environment to present content and keep people engaged.

“There are plenty of tools and platforms for polling and Q&As that organisers have added in to try and increase engagement but without a complete understanding of your attendees and their profiles these are likely to miss the mark.”

“YOU HAVE 16 MINUTES TO DELIVER CONTENT ONLINE BEFORE SOMEONE CHECKS OUT AND STOPS ENGAGING”

“IT’S IMPORTANT TO OFFER A MIX OF CONTENT BUT ALSO AVOID BOMBARDING DELEGATES WITH TOO MUCH CHOICE”

“We’re craving more bitesize content so we create these virtual landscapes where the delegates can go into the online environment and pick and choose where they want to go.

“It’s also important to make the speakers shorter and snappier than you would at a live event or your audience will get Zoom fatigue. Having rich content at the viewer’s disposal is absolutely critical. As well as the keynote speaker on a live stream there should be other stuff they can visit or view too.”

OrangeDoor’s Green picked up on this point and said that while it was important to offer a mix of content, avoid bombarding your delegates with too much choice.

“I think there’s a balance to be found. Sometimes there’s too much content and if you haven’t got a really user-friendly, easily-navigable platform, it can end up being quite confusing and people become disengaged.

“I went to something very recently and there was so much to choose from on this platform. There was music in the lobby, and I couldn’t work out how to turn the music off because it was playing over the keynote speaker. There was so much going on that I gave up and left the event. You have to find the balance.”

But how do you get that content right? “The numbers don’t lie, look at the analytics,” said self-professed data enthusiast Tranter.

“Analytics is something that virtual platforms should all do well and if they don’t, don’t use them,” he explained. “We should be analysing the data throughout the entire lifecycle of that event. If there’s pre-recorded content on your event platform, look at what people are downloading.

“Capture what people are looking at and what they’re downloading, then change and personalise their journey through the whole event process. Do that and you’re creating a very robust, personalised experience for your attendees that is reacting to what they’re doing. And they will notice that.”

Where digital has the upper hand

Francescone raised an important point about whether everyone really is so keen to get back to live events. “Last year FT Live had 25,000 delegates but yesterday I counted we had 218,000 people registered for our digital event,” he said.

“It raises the question of whether the sponsors will be in such a rush to get back to live events. No one’s going to want to let go of those numbers that you can only get from virtual events and so we may have to adopt a multi-channel approach.”

“NO ONE’S GOING TO WANT TO LET GO OF THOSE NUMBERS THAT YOU CAN ONLY GET FROM VIRTUAL EVENTS”

“I agree,” said Green. “The marketing departments who we often deal with are alright with the virtual. Yes they get annoyed when 800 people register and then only 300 turn up on the day, but they’ve been quite pleased with the results and the data.

“On the other side of the coin, I got a consultant to put together a piece of research interviewing marketeers and what a lot of them said was ‘yeah it’s great but my sales teams are all complaining because the conversion rates are going down.’

“They haven’t been able to make those contacts and build personal relationships, whether that’s at the bar or on the conference floor. The sales teams are banging on our door to be able to get back to face-to-face events.”

4

Winning new business during a pandemic

The number of new clients has dropped but there is still an appetite for events despite uncertainty around lockdowns and travel restrictions.

by Mark Williams

The average client retention rate for event agencies this year is just under 72% – positive news in a challenging year for many. In fact, a quarter of respondents said they had retained 100% of their clients this year and a further 18% of respondents retained 90% or more of their clients. This paints the picture that clients are looking at the long-term, when live events are able to return, and want to maintain those business relationships.

Furthermore, when asked what percentage of 2020 revenue had come from new clients, the average answer was 26%. And while 20% of respondents said they hadn't won any new clients this year, the average number of new clients during 2020 was just over eight. This would suggest that those agencies that were able to pivot and pitch a digital offering this year, will have benefitted by obtaining new business. Clearly events are still happening, albeit on a reduced scale or in a different format, and there are businesses out there with budgets to spend on events.

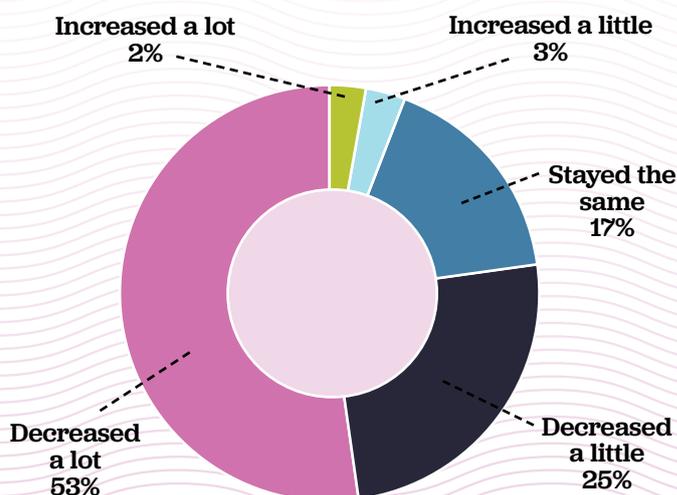
Those budgets have, for the most part, got smaller this year though. When asked how clients' budgets have been impacted, a combined 78% said they had either decreased a lot or decreased a little this year. For 17% of respondents, client budgets remained relatively stable, while just 5% said budgets had increased a little or a lot.

The top sectors for events this year had five clear winners: Automotive, Financial Services,



Healthcare, Pharmaceutical, and Technology. Of those five, Technology came top, chosen by 38% of event planners as one of their top three sectors for business in 2020.

How have your clients' event budgets been impacted in the past year? (%)



What are the main challenges of pitching right now?

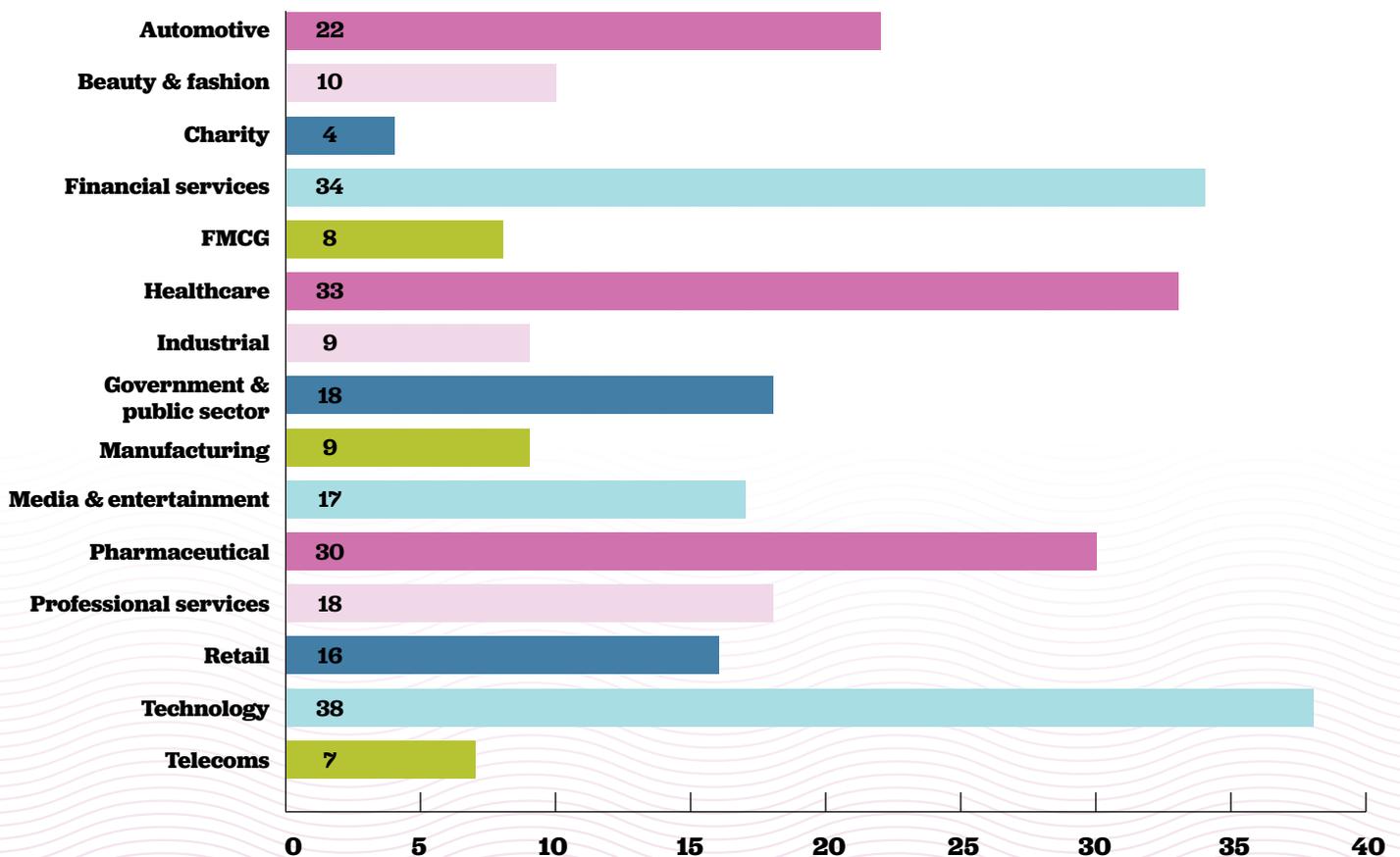
Event agencies around the world have been taking part in significantly fewer pitches this year, compared to 2019. The average number of pitches was 66 in 2019 but was only 36 this year, a drop of 45%. Although it must be noted that 12% of respondents said their company had not taken part in any pitches at all this year.

Among the most common challenges when pitching for new business was the word ‘uncertainty’, whether that be from clients, suppliers or even governments. It came up time and time again among responses, as companies had difficulty knowing when the next lockdown might happen and how the year would pan out for them.

On top of the challenge of switching to digital events, many have also been faced with pitching over a conference call too. This is far from ideal, with one event planner saying the “lack of human interaction during the pitching process” had been a major obstacle.

Another UK-based event planner simply said: “How can we pitch when we don’t know when the UK government will allow events for 30+ people to return?” This was a common concern for event planners around the world, dealing with differing international lockdowns and travel restrictions. One said they were “restricted to domestic destinations” and another said they had “no business to pitch for until destinations and venues can reopen and confidence to travel returns.”

Top sectors for events in 2020 (%)



5

Monetising virtual and hybrid events

An industry panel at *C&IT*'s Global Agency Outlook Briefing discussed financial topics including sponsorship, ticketing and client ROI.

By Mark Williams

Clients may be saving on the cost of venues, accommodation and travel when organising virtual events but many are re-investing that money into elements such as higher production values or pre-recorded video.

That was the opinion of a panel discussing how to monetise the disruption currently being faced by the global events industry, at *C&IT*'s Global Agency Outlook Briefing. Taking part in the panel hosted by *C&IT*'s Editor Calum Di Lieto were Paul Querfurth, Group Account Director at Strata Creative Communications; Michael Gietzen, Managing Director of Identity Group; and Simon Read, Production Manager at Ashfield Meetings & Events.

Despite that reinvestment of budgets into other aspects of event production, Gietzen warned that winning the work in the first place is a challenge.

“There are tectonic shifts in the industry at the moment around client acquisition because a lot of end clients are going out to market,” he said. “They don’t know if the agency they currently use has the experience to create what they’re looking for. And we know that when it becomes a buyers market the supply chain will suffer as a result.

“So I think that we will see margins being eroded across the board in 2021, because it’s a very competitive landscape.”



Strata’s Querfurth added that the switch to digital has brought about some unusual new competition – including clients’ internal IT departments. “They haven’t entirely eaten our breakfast but we have found ourselves in some cases bidding against them,” he said. “Sometimes we’ve been asked to come in and set up the studio, do the audio and image capture, but give them the feed and help them deliver it. When that happens, the margins are all over the place.”

The panel moved onto the topic of managing clients expectations around budgets and the perception that a digital or hybrid event should be cheaper than a live one. This definitely wasn’t the case with every client though, said Read, and in some instances he had seen budgets increase.

“I’ve worked with clients who have had very low budgets in the past but have seen the value of broadcasting and upped their spend,” said Read. “They’re fed up with Zoom too and want to do something their delegates are going to remember.”

“If you’ve got a creative mind, they can see the value and really want to do something that’s different. I’ve heard people say ‘we want to do Netflix, we want to be Amazon Prime.’”

Querforth added that he’s worked with clients who traditionally do events for internal communications and would never have previously considered using an online platform or building an app.

“The data they’re getting now and the chat it generates before and after the event has surprised them. That’s been a fairly universal effect of virtual – it’s forced many people who weren’t bothered about building anything extra around their event to do so and I think many of them will never go back.”

Justifying the ROI of digital events to sponsors

According to Read, the return on investment (ROI) of digital events is in the content. “The high-level quality of content is the same and now they have expanded the size of their audience. You can get that message and information out to more people.”

Gietzen gave his take on the question of sponsors’ value for money, highlighting the importance of audience acquisition. “If you no longer have a venue or physical event which you can gravitate a mass of people around and sell that opportunity as a sponsorship deal, you have to focus on acquiring the right audience. We’ve invested heavily in audience acquisition and are having great success with it. You’ve got to get the right people there and make sure they’re interested in the content they’re receiving. From that you’ll get a better ROI.”

“VIRTUAL HAS FORCED MANY PEOPLE WHO WEREN’T NECESSARILY BOTHERED ABOUT BUILDING ANYTHING EXTRA AROUND THEIR EVENT TO DO SO, AND I THINK MANY OF THEM WILL NEVER GO BACK”

Hybrid events also offer new ways to break down sponsorship into different opportunities or exclusive moments, Gietzen explained. “You could be an online-only sponsor or live and hybrid.”

Events resembling broadcasts also means there could be broadcast-style sponsorship opportunities, said Read. “Let’s take an English football match as an example. You watch the same game whether you’re in the stadium or you’re at home but the way that’s given to you are two very different things.”

“You go to a stadium and you have a pie and a drink at half time and have a chat with the people you’ve been sitting with. At home you might watch the pundits discussing the match. It comes back to talking your clients through the different benefits to the audience.”

Margins in 2021

When asked what they thought client budgets might look like next year, the panel agreed that the first half of 2021 may not look so different to this year and it was going to be a case of weathering the storm.

But that’s happened before and will probably happen again, said Querforth. “Many of us who’ve been in the events industry for a long time have had years where a client has said I’ve only got 60% of what I had last year.

And the challenge will be the same – how do we make their money stretch further while giving

“ADMIT WHAT YOU ARE GOOD AT AND WHAT YOU ARE NOT, AND OUTSOURCE THE BITS THAT YOU’RE NOT GOOD AT”

them as much as possible, from more reasonable venues to more cost-effective hybrid events.”

Read echoed the sentiment that while 2020 has been a year unlike any other for the industry, in some ways the mission remains the same. “The questions we’re asking now are the same as we were asking before,” said Read. “What do you want, what are you expecting, how can we help? That is going to be the most important thing,

being able to have those open conversations with clients. What do they really want to get out of that hybrid experience?

Gietzen’s advice was to “look at how you increase, amplify or expand the event you’re currently working on. Which in turn will hopefully increase turnover and you might find some spaces with higher margin.

“Admit what you are good at and what you are not, and outsource the bits that you’re not good at. Because you are going to burn time and money in trying to host digital events if you’re not an agency that has all that infrastructure in-house and ready.”

Summing up, Querforth said this has been a year where transparency around costs has really come to the fore. “I think this year has shown us that we can have proper grown up conversations with clients, suppliers and other third parties involved about money and about understanding that everyone needs to make a profit, take a slice of the pie and survive,” he said. “And I really hope that kind of attitude continues.”

6

The future of live events

Nearly 60% of event organisers expect large-scale live events to return in the second half of 2021.

By Mark Williams

The majority of event planners expect large-scale live events to return in the third or fourth quarter of 2021, according to C&IT's Global Agency Outlook survey.

Just over 30% of respondents picked Q3 2021 as the period they expect live events to get back to business, while 29% said Q4 2021. The next most popular answer was Q2 2021 with 16% of the vote and then Q1 2022, chosen by 13% of respondents. Around 4% thought that large-scale live events would not return until beyond the second half of 2022.

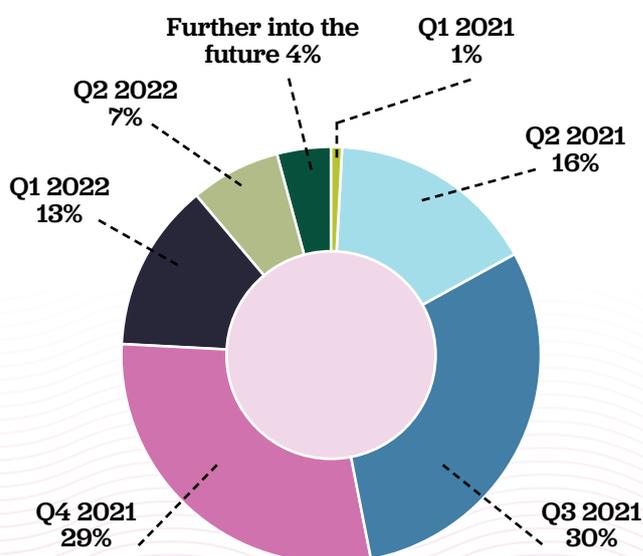
Predictions for the return of international business travel were slightly more positive, with more than 26% of respondents believing it could return to something like normal by Q2 2021. The second and third most popular answers were Q3 and Q4 of 2021.

When questioned about client's event enquiries for the next year, sentiment was mixed. Responses ranged from "non-existent", "cautious" and "slow and steady" to a handful of planners using words like "positive" and "healthy." The green shoots of recovery are certainly there for some companies but it's by no means full steam ahead yet.

The survey also aimed to explore predictions around the maximum capacity of events over the next 12 months. That brought a vast array of responses; these were very likely informed by different national government rulings on the matter. Several event planners, based in

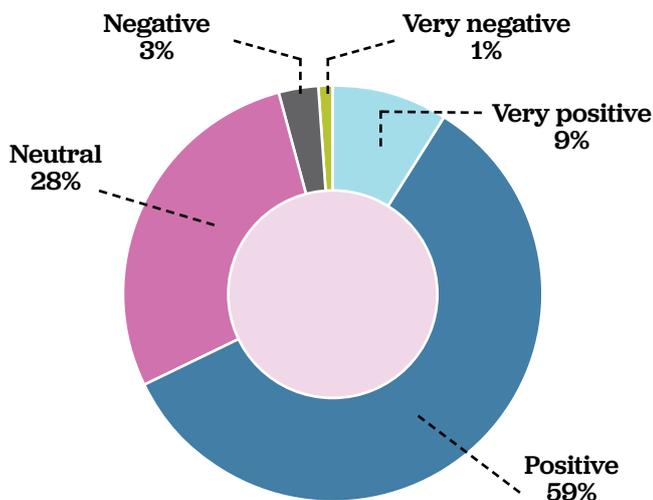


Large-scale live events to return (%)

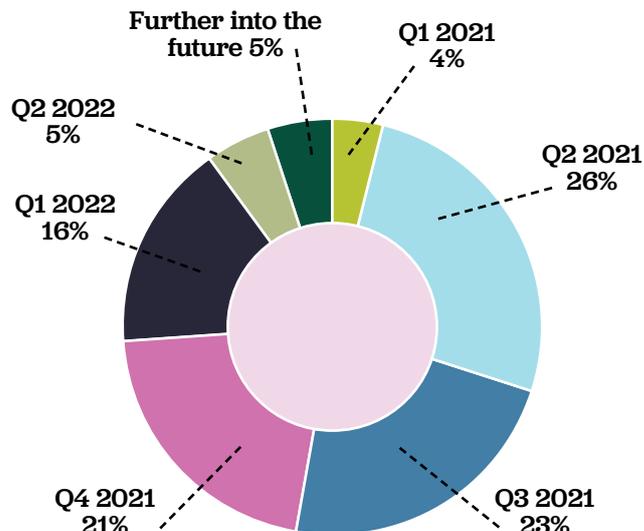


Thailand, UK, India, and the USA said they could see events for 5,000 people happening again. Some responses were more cautious and stayed under 100.

Thoughts and feelings on future of industry (%)



Business travel to return (%)



Words of encouragement

We all need some words of encouragement from time to time and those of you who took part in our survey had plenty to offer. There was much talk of a comeback in 2021, a more resilient industry as a result of everything that's happened this year and the hunger for live, face-to-face events that can't be replicated online.

Here's what you had to say:

"Feel proud of how we've adapted so quickly and trust that we will continue to adapt and grow. That's what we do!"

"The crisis has sped up the pace of change in the events sector, forcing us to think very differently about the events we organise. I believe that we and our clients will be far more open to trying new things, experimenting and taking a fresh approach in the future."

"As industry experts we must instil confidence and influence our clients to trust and commit to spending and organising international events once again."

"People do not want to live virtual lives. Travel and face-to-face events will rebound, just make sure you're there when it happens."

"We have seen a real coming-together as an industry this year. I think we need to be positive

and we need to be honest about our situation. Don't be afraid to speak with suppliers and say you have nothing for them. Always be honest and give the best advice to clients even if it may impact on business."

"I have great faith in the industry bouncing back and re-inventing itself in the same way it has done over the last 30 years through various confidence hits it has taken in economic and other terms."

"The appetite of UK event-goers to return to live events has been proven to be high. Take a look at what happened after the first lockdown: There was little hesitation to attend pubs, restaurants and other smaller organised events."

"Those who do survive will come out stronger and in a good place. Take the tough decisions now and bed down until the spring of next year. We are seeing green shoots of recovery but it is slow and steady still rather than the floodgates opening. Do your preparation now to be ready to take advantage of the market opening up again."

"Quality and safety controls are vital. One or two outbreaks at events could have a catastrophic impact on our industry."

"There is a huge void to fill. For those that survive there will be a big swing back because virtual events just cannot replace live events."



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