



Conventions Sports & Leisure

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MEMORANDUM

To: Convention & Visitor Industry Representatives
From: CSL International
Date: March 23, 2020
Subject: U.S. Convention Planner Survey – COVID-19 Impacts

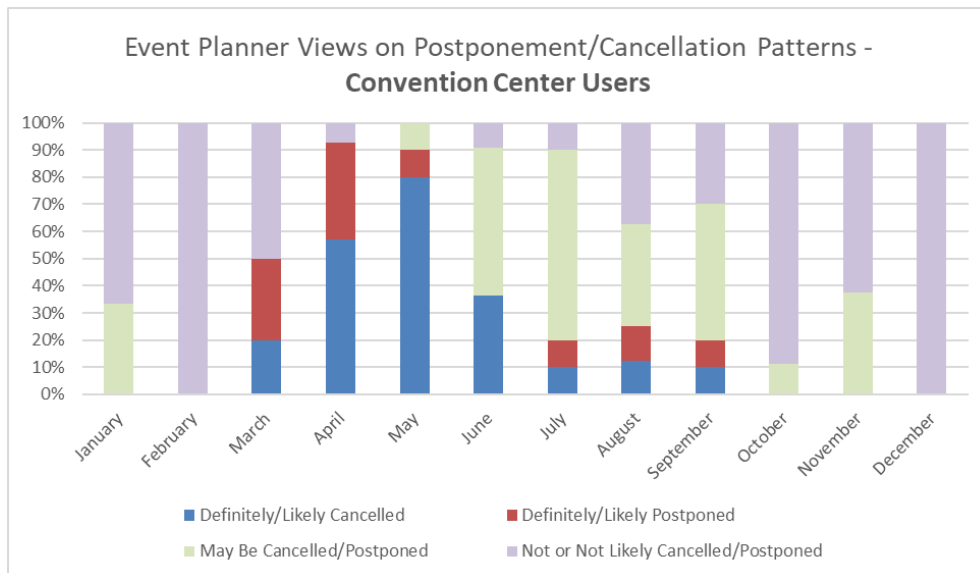
CSL initiated an extensive survey of convention and meeting planners on March 20, generating 334 total responses. The survey was designed to assess various impacts of the COVID 19 pandemic, including event postponements and cancellations, and potential increase in use of virtual meetings. The survey is the second in a series of industry updates prepared by CSL International. We will continue to forward our research results as they are developed.

Large Events Held at Convention Centers

A total of 100 of the 334 respondents held their largest annual event at a convention center. These planners were asked how likely it is that their largest annual event would be cancelled or postponed. Respondents were asked to select between the following responses related to both cancellations and postponements:

- Definitely will be cancelled or postponed
- Likely to be cancelled or postponed
- May be cancelled or postponed
- Not likely to be cancelled or postponed
- Will definitely not be cancelled or postponed

The following chart summarizes responses by month during which the convention center event is scheduled.



As outlined above, 57 percent of events are being cancelled in April, with an additional 36 percent being postponed. The cancellation rate increases to 80 percent in May with an additional 10 percent being postponed. The combined cancellation/postponement rate for April and May approximates 90 percent.

We note that data for March likely include events scheduled in 2021, resulting in lower cancellation and postponement rates. The cancellation/postponement of events for March 2020 will likely be very high.

Starting in June, cancellation rates drop to 33 percent, with a high percentage of planners indicating that their event may be cancelled or postponed, reflecting a high degree of uncertainty as to the future of the event. This uncertainty continues through September. Starting in October, the cancellation and postponement rate drops significantly, with a higher degree of certainty that the event will be held.

It is very important to note that these responses reflect current perceptions as to the COVID-19 impact. In our March 19 Industry Outlook Memo, we discussed the possibility that the rate of fatality in the U.S. could continue to increase into May. If this is the case, event planner perceptions could adjust, with higher cancellation and postponement patterns pushing at least into July.

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Large Events Held at Hotels and Resorts

The cancellation/postponement question was also asked of planners of large events that use hotel and resort venues. The following exhibit highlights the results from 234 survey respondents.

As noted above cancellation rates for April and May reach 59 percent and 65 percent, respectively. Combined with postponement rates, loss of hotel and resort event activity approximates 90 percent for April and May. Combined cancellation and postponement rates for June also remain somewhat high, at 70 percent, representing a much higher rate of loss compared to larger convention center events.

Beginning in July, cancellation/postponement rates drop, with increases in the "may be cancelled/postponed" rates, reflecting heightened future event uncertainty. By October, the share of planners not expecting a cancellation or postponement of their hotel/resort event begins to increase markedly.

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Small Event Cancellations

Event planners were also asked whether or not the variety of smaller meetings they plan throughout the year would be cancelled. Responses were provided by planners in a wide variety of sectors, and indicate that 37 percent of these events originally scheduled for 2020 could be cancelled. The impacts of this cancellation rate on hotels and resorts will be significant.

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Use of On-Line/Virtual Event Components

Event planners were also asked to discuss their plans for on-line/virtual event initiatives to help address the COVID-19 impacts. Survey results indicate that a total of 53 percent of planners are using or are considering an on-line/virtual component for at least some of their events. Forty-seven percent do not see this as an option for their event. The individual comments provided by the planners is very instructive as to how the on-line/virtual event initiative may impact convention centers, hotels, resorts and other event venues.

Event planner responses have been segmented into three categories: (1) planners that are definitely using on-line/virtual; (2) planners that are considering this option; and (3) planners that are not or cannot use an on-line/virtual option. Specific event planner comments are summarized below.

Planners Certain to Use On-Line/Virtual Meetings

- We have moved our 3,000 person may meeting in Australia to a virtual meeting to take place over the same dates. We made this decision on March 6.
- We will be conducting webinars and panel discussions. This will in no way offset the possible lost income.
- We won't be able to have our full event online, but we are going to try to offer some sessions as individual webinars.
- We are offering the event virtually.
- Replacing an in-person event with a virtual event.
- Having virtual conference during conference dates with 12 simple webinars.
- We will go to a much smaller scale production, but will livestream our general sessions. The breakouts may be pre-recorded & sent out virtually.
- Using GoToWebinar for informational sessions. Member reaction has, however, been less than positive.

- Meeting in April will be on-line/virtual.
- Any meetings through May will be held virtually.
- We've got a couple of clients who are converting their program to a virtual meeting platform.
- For smaller meetings.
- Parts of canceled or postponed meetings where specific work needed to be done.
- Board Meetings and Regional Chapter Meetings.
- Not our large annual conference, only for our smaller one room meetings.
- We shifted 100% virtual.
- We are holding our smaller 1-day CE's as 1 hour webinar series.
- Virtual conferencing, educational sessions, and general session meetings are online until further notice.
- We already have a webinar presence so will continue that.
- We will host some webinars for our community.
- Yes, web-based communications for smaller meetings.
- Using Zoom for some of our smaller workshops to deliver content virtually.
- Board meetings and smaller are now virtual meeting.
- Webinars and on-lining training that we usually do in person.
- We are using Zoom webinars to present papers and panels.
- Only for board and committee meetings.
- Utilizing ZOOM for virtual meetings and small gatherings.
- We are doing most sessions with Zoom.
- Townhalls and 1/2 day workshops.
- Clients are scheduling periodic briefings/meetings via Zoom.
- Our March meeting is being handled virtually.
- Adding live-streaming to a rescheduled event. Adding webinars and online options for others.
- The organization will publish the educational sessions as podcasts and videos.
- GoTo Meeting.
- Virtual shareholders' meeting and design awards event.
- We are capable of facilitating many varieties of virtual meeting and event facilitation. Some of our clients are engaging us for that.

The responses noted above show a significant use of on-line/virtual components, but primarily for smaller meetings, or educational components of larger conventions and trade shows. These results suggest that if the increased experience with on-line/virtual meetings is positive, hotels and resorts may face some downward pressure on small meeting and educational session events going forward. As expected, the larger events typically held at convention centers do not appear to be fully transportable to an on-line/virtual setting.

Planners Considering On-Line/Virtual Meetings

- Exploring, but the revenue stream for virtual is so diminished, we would only do so to keep members informed - do not see virtual as a true viable alternative to a face to face.
- We're trying to determine if we have the resources (\$ & bandwidth) to quickly offer additional online education and if our marketplace would value it.
- Some clients are wanting to potentially offer virtual meetings, but the cost of cancelling combined with the cost of virtual meetings is making it a tough budget decision.
- We are looking at online training platforms to deliver training and education offerings which would traditionally be in person.

- Looking at moving this to a virtual online meeting instead of live event.
- Some events are being cancelled, so we are trying to push our online learning platform.
- Exploring virtual tradeshow to try to replicate the vendor/buyer interaction.
- We are looking to host two of our regional events as one larger virtual event online this spring.
- Just starting to think about this as an option. Want to provide some "normalcy" to members and some uplifting professional development may be helpful.
- We are looking to video record the shorter 1 hour breakout sessions so that others are able to virtually attend the conference and have access to those classes and watch them online.
- Considering hosting combination of webinars and networking events or 1-day symposiums to provide access to the content. Also investigating session recordings/virtual conference, but that just doesn't seem practical. So many places are switching to this format. Will people take advantage? Seems better to find alternative program options that bring people together when we are able to do so.
- We are currently working on a virtual event platform should the event be canceled so we can still give our athletes an opportunity to compete.
- Researching possibility of virtual conference for portion of the program.
- At this we are exploring all options.
- Exploring possibility of virtual.
- We are looking to host virtual meetings to encourage people to be excited about the new date.
- We've just started discussions, no formal plans.
- Already considering online sessions.
- Investigating costs/feasibility.
- We were fortunate that our 2 largest meetings went as planned in Jan and Feb this year before COVID crisis. We are looking at other options for spring/summer events.
- Will be evaluating on a case-by-case basis.
- We are considering it for 1-2 smaller meetings.
- If needed, virtual talks and presentations.
- At this point we have to be prepared for virtual with any event.
- Some of our events have a recognition component and so we are looking at creative ways to still have a way to recognize all the award recipients.

Planners that are considering an on-line/virtual presence are again focused on smaller meetings, breakout sessions and other educational content. There is a concern noted as to the cost and acceptance of a large scale on-line presence for larger events.

Planners Not Using On-Line/Virtual Meetings

- Currently we are working under the assumption that things will have returned to some semblance of normalcy by October.
- We are a very small 501(c)3. Without exhibitor funds, we may not be able to fund a 3 1/2 day virtual conference.
- Our meeting is educational in nature and serves as medical recertification for a government entity. Online attendance wouldn't be recognized by that entity.
- CME Medical Issues.
- YOU CAN NOT SQUARE DANCE ONLINE.
- Heavily networking focused and can't be done virtually.
- This is a volleyball tournament for 500+ teams so no way to hold remotely.
- Our large trade shows do not work virtually.
- Sporting events, cannot do on-line.

- Not currently as we have postponed.
- Not yet, we are in triage mode from COVID-19 on other events.
- Not at this time.
- None.
- Not yet.
- Re-booking 2021.
- Working to reschedule for fall.
- The idea has been suggested but we have not yet begun researching.
- Not yet, but we have time and may need to as the year/virus progresses, TBD.
- Client is not interested in doing a virtual meeting.

Planners that are not considering an on-line/virtual event component cite difficulties in translating aspects of larger events to an on-line presence, challenges with professional certification limitations with on-line events and unique aspects of an event that preclude on-line (square dancing, athletics).

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We thank the many participants of this important survey. This is the second in a series of research initiatives conducted by CSL International to provide updates as to the impacts of the COVID-19 pandemic on the convention, trade show and meetings sector. Additional research summaries will be forthcoming.

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