

Insights into the future of business events in Canada:

A planner pulse check in the era of COVID-19

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Victoria Conference Centre

Victoria

British Columbia

Executive Summary

Between May 13 - 14, 2020, Destination Canada conducted a series of virtual focus groups to seek **insights and opinions** of 44 international business event organizers (planners and c-suite decision makers) representing the US, UK, and Mexico incentive, corporate and association markets. The intended outcome of the focus group was to understand key factors and emerging trends influencing the buying cycle and return of business events travel.

While COVID-19 may have sparked the current crisis, the audience believed it will be the **pace of the economic recovery and corporate/organizational governance, (leadership, board mandates, individual CEO positions and travel policies) rather than a vaccine or treatment, that will most impact an organization's return to travel for business events.** Combine financial concerns with the need to mitigate organizational risk, and the underlying concern for delegate health and safety, planning events across all markets is now more complex.

Timing of the return to business events fluctuates with each market. Opinion in the US market is that incentive travel will return faster, Q1 2021. This will be followed by US corporate meetings – highly dependent on individual companies' travel policies. Finally, US associations may not re-start until 2021 and the booking timeframe for US associations has compressed significantly from 3-5 years to 24 months. In the UK association market planners indicated B2C events would return in advance of B2B, with events in Q2-2021 and UK incentive being the last to return.

While planners have been alternately cancelling and rebooking their events, they are also keeping an eye to the future with keen attention being paid to availability and cost of air lift, flexibility of hotel/venue contracts cancellation and attrition schedules, and the rising cost of event insurance. The **delegate journey is now a key factor** in choosing a host destination: drive-to destinations and those with direct flights, or single connections will be prioritized over long-haul, multiple connections flights. The health, safety and sanitation processes of hotels, convention centres and off-site venues are a key consideration of the new buying cycle. **Those partners who can confidently demonstrate their ability to proactively mitigate planner concerns in the buying stage will have an advantage.**

We found the perception of Canada's response to COVID-19 is positive across all markets which has impacted their overall perception of Canada. **Planners believe proximity and Canada's reputation for clean, safe, wide-open spaces are all benefits of meeting here.** Planners are receptive to hearing from DMOs and other industry partners, however, they want any **outreach to be concise, meaningful, empathetic and convey a sense of collaboration.** All agreed the most useful information they need is to understand how destinations are reopening, and their ability to welcome business events. All agreed **case studies of real-world events would contribute greatly to the perception of a destination/venue's ability to host large-scale events.**



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Destination Canada's Business Events team is charged with growing Canada's share of international business events by promoting the country's unique meeting, convention, and incentive event possibilities.

Background and Methodology

Between May 13 - 14, 2020, Destination Canada conducted a series of virtual focus groups to seek **insights and opinions** of 44 international business event organizers (planners and c-suite decision makers) representing the US, UK, and Mexico incentive, corporate and association markets. The intended outcome of the focus group was to understand key factors and emerging trends influencing the buying cycle and return of business events travel.

Our overall objective was to learn:

-  **Key factors and emerging trends influencing the future of business events**
-  **Changes in the buying cycle and considerations for future planning**
-  **Predicted timing of return to business events travel**
-  **How we can help to create trust in travel for delegates**
-  **What support is needed in order for events to return to meet in Canada**

US Incentive Focus Group Findings



Impact of COVID-19



March, April May (peak season for incentive) events were mostly cancelled.



Many incentive planners are **cautiously optimistic** that international programs for fall 2020, and Q1 2021 will go ahead as planned.



Common concerns as to whether destinations and hotels will be ready to host them.

Incentive programs will look different

- Reduction in event budgets may result in **long-haul, international events being replaced with short-haul programs that are closer to home in 2021.**
- **Room blocks will be affected** either growing in size as 2019 qualifiers who didn't travel in 2020 are added to 2021 reward programs, or they will shrink due to economic impact and fewer qualifiers.
- **Planners are examining all options:** more programs with fewer qualifiers in 2021, or pivoting the timing of their events from summer/fall 2020 (cancelled) to Q1 2021 and doing winter programming. **They are thinking outside the box** – program activities that were always held in summer or fall will now do winter programming instead. Exploring individualized independent programs for immediate term in fall 2020.
- For corporate planners who also manage their incentive programs, **they will consider booking their incentives in smaller waves/groups, instead of having one large event.**
- Increased focus on exclusive experiences that allow physical distancing.

International travel intention

- US planners indicated there is a **greater appetite for incentive travel versus meetings**, and they are open to booking events outside the US.
- North American destinations, closer to home will “feel” safer due familiarity of health & safety systems.

Perception of Canada for new business

- Although not many new requests for proposals, **planners are open to planning incentives in Canada** and many currently have 2021 programs already in place.
- With wide, open spaces, and a short drive or flight from the US, **Canada is considered a safe, trustworthy destination.**



Many of Canada’s cities and resort destinations are within reasonable driving distance of major US cities – making for ideal **locations** for regional “drive-to” meetings and rewards for SPIFF* incentives.

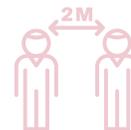
*SPIFF or SPIF or SPIV refers to the practice of paying a small, immediate bonus for a sale to a salesperson such as a weekend away to a nearby destination, or a programming upgrade such as suite accommodations, first-class, or business-class air transportation on group incentive programs.

Impact on the buying cycle, considerations for future planning



Room service replaces breakfast at leisure in outlets or banquet spaces. Organized room service charges are being applied toward minimum hotel F&B spends.

SHORT
TERM
IMPACT



Event organizers indicated they are seeking much greater logistical detail from hotels and DMC partners during initial proposal phase re: bio sanitation, safety, capacities/set-ups and ability to abide by physical distancing.

Key decision factors



It's all about trust and empathy. Planners need to trust the destination/venue has health/safety/security and physical distancing protocols in place, delivered with empathy and understanding.



Accessibility, affordability, health safety and security are priorities.



Sustainability will regain importance post-COVID-19. Planners are concerned with delivering sustainable events with the current need for gloves, individualized packaging and increased use of plastics etc.



Greater emphasis on **open spaces/outdoor venues.**

Common Concerns



Logistics: Capacity of venues to allow physical distancing, localized restrictions, meals – will buffets work or not. How do things become more touchless? Proximity to medical services.



Transportation: Availability and affordability of airlift may restrict travel options.



Contracts: Planners are seeking lenient attrition and cancellation, and rebooking clauses.



Perception: Priority consideration for destinations with lower numbers of cases as they are deemed the safest.



Destinations that have the perception, or history of being more proactive in addressing the pandemic and having controlled it more quickly will be seen as safer.”

Barriers to travel



Corporate travel policies and leadership will dictate future incentive travel.



Mitigation of risk and protection of brand will dictate corporate travel policies.



If CDC and WHO guidelines permit travel, companies will follow.



Consensus felt a **vaccine is important**, however planners indicated the above will be key.



Individual Social Responsibility (ISR) (awareness of how individual actions affect the community as a whole) is going to be very important.



Canada is perceived safer. The government has handled the crisis effectively through containment. It will be a benefit post COVID-19 with business coming in from the US.”

How can NTOs and DMOs support?

While event organizers are keen to hear from DMOs and NTOs, **they are not interested in “soft” outreach with messages of care and concern.** Rather, they would like **clear, concise details of how destinations are reopening, their ability to welcome business events, and case studies of best practices based on successful events as we move through and out of the COVID-19 era.** They also requested DMOs share their updated team contact details so organizers can get the information they need while some DMO team members are furloughed.

From venues/hotels/DMC partners, clients want to learn about new programming and **how to integrate a virtual component into their experiences** as hybrid events will be the new norm (a combination of in person and virtual events). Similarly, they want to **understand new ways DMCs can elevate specific experiences given regulations re: COVID-19** (more customized, individual experiences versus large gatherings, as an example).

US Corporate Focus Group Findings



Impact of COVID-19



New meetings are mainly paused for the next 12 months.



With so many unknowns, planners are only managing what is currently on the books.



Growing frustration with restrictive contract clauses that do not allow for flexible attrition, F&B minimums, cancellation schedules, etc.

International travel intention

- Panelists had events booked through 2023, and are hopeful that domestic events can go forward in Q4 2020 and international events in Q1 2021.
- Concerned less about holding international meetings, rather, they're concerned whether they will have **any** in-person events in the near term.
- Open to booking events outside the US, if travel restrictions are lifted.



One organizer indicated their events booked in Canada in 2021 will go ahead if travel is permitted, likely with fewer delegates.

Meeting Intention

Incentives will come back first before corporate meetings as they are individualized, and in some cases, self-curated experiences where qualifiers only come together typically for one structured meeting and one reception.

Meetings will look different

- Rise of hybrid events that incorporate a virtual component.
- Concerns surrounding adequate distancing and budget dollars. Need to be creative with meeting spaces and how to accommodate all delegates.

Perception of Canada

- Canada feels safe and accessible.
- Positive global perception of Canada's response to COVID-19.



Impact on buying cycle, considerations for future planning



Event organizers are seeking much greater logistical detail from hotels and DMC partners during initial proposal phase re: bio sanitation, safety, capacities/set-ups and ability to abide by physical distancing. Those who can best demonstrate their ability to address these concerns will have an advantage.

Event organizers suggested destinations that offer outdoor experiences and venues will thrive.



Key decision factors



Accessibility

- reduced and affordability of air lift
- can delegates get there from here?



Safety and walkability scores

reduce the need to use mass transportation.



Suitable available function space in proportion to new physical distance guidelines.



Destination readiness:

how will international delegates be received in the destination?



Demonstrate how destination or property can accommodate events/provide an experience **within regulatory guidelines.**



Opportunity: Offer Team Canada webinars for DMOs to share their destination update with buyers.

Barriers to travel

Planners indicated **greater consideration would be given to the delegate journey (time and distance to destination and all touch points along the way and throughout the event),** than whether or not a vaccine is in place.



“Please keep us informed with proactive messaging. Don't make us chase!”

How can NTOs and DMOs support?

As with the incentive market, corporate planners would like **proactive communications from DMO partners with information as previously noted. Importantly, corporate planners look to the DMO to disseminate information to planners on behalf of their membership,** so they don't need to field multiple communications. They also requested DMOs share **updated team contact details,** and one corporate planner **suggested DMOs work with their hotel memberships to incentivize corporate bookings** (example given: waiving cancellation and attrition schedules destination-wide, offering built-in a/v packages and other creative ways) to attract hybrid meetings.

US Association Focus Group Findings



Impact of COVID-19



Associations are funded through their in-person events. Myriad **cancellations in 2020 have put future events at risk due to this year's loss of revenue.**



The very nature of international associations makes **re-planning cancelled events complex by having to factor in regional/state/national and international association chapters' event schedules.**



Many have **pivoted to online events in 2020** and foresee hybrid events continuing in post-COVID-19 era.

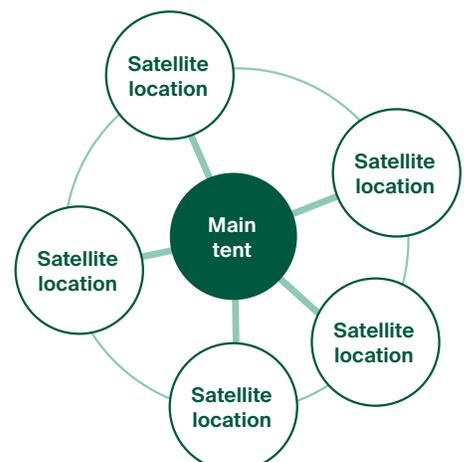


Concern that currently university professionals are unable to publish papers in their field of expertise and medical professionals have redirected their energies to support COVID-19, and are unable to attend events, and there is even greater concern that post-COVID-19 funding will not be available for travel.

CREATIVITY IS EMERGING

One association is taking a hub and spoke approach to hosting next year's event: the hub is the main tent location, and several spoke/satellite locations within the host destination. Allowing for the main and satellite locations to also come together for one of the sessions virtually.

Another international meeting is also considering holding satellite meetings simultaneously: one meeting in North America and one in Europe or wherever the membership is based.



International travel intention

International events will be the last to recover in the association market. Anticipate an **increase in smaller, regional (drive-to or short direct flight) meetings.**

Perception of Canada

Canada is well positioned within the US association market as planners are aware that Canada has a unified, national approach to COVID-19. Planners indicate while they've cancelled events in 2020, **events scheduled for 2021 and beyond will happen as planned. Canadian venues are a better value than other international locations.** That, and the North America model of booking space based on attendees instead of paying based on room night blocks make it **an affordable host country.** Planners felt Canadian destinations are **safe, and are strong revenue generators for events hosted here.**

Impact on the buying cycle, considerations for future planning



Due to cancellation of events and lack of revenue for 2020, revenue generation in 2021/2022 will be exceptionally important.



Destinations outside North America only generate a fraction of the revenue of those events held in NA. Planners believe they may need to host more in NA over the next five years even if they were originally planning on hosting internationally.



Travel for business events won't return before mid-2021; instead they'll host virtual meetings with reduced attendance and sponsors/exhibitors online.



Booking window will shrink to 24 months (from the previous 3-5 year booking window) to mitigate future risk.



Once meetings re-open: more regional, smaller events in "safe" destinations where associations can generate revenue to sustain their organizations.



Key decision factors



Safety, security, bio sanitation and sustainability.



Risk assessment will be key – destinations that can work with organizers to eliminate barriers or risks will win.



Everybody will have a different tolerance. Some people are struggling with going back to the office. Some people are scared to leave the house, some want to get on a plane asap. Why would attendees be any different? Only time will tell.”

Barriers to travel



Booking window for associations will be shorter until there is a vaccine in place.



Reduced travel budgets, due to reduced revenue streams.



Corporate travel policies and the potential of travel quarantines which may result in additional time away from the office.



Universal guidelines in place for how to stay safe whether or not there is a vaccine.

How can NTOs and DMOs support?

Associations, more than any other market, **rely on DMOs to communicate what is happening in their jurisdictions.** Like other focus groups, this group felt they were not receiving adequate updates from DMO partners. In addition to the previously stated content, the association market also **seeks localized protocols should a need arise for a**

delegate to seek medical assistance while in Canada. It was recommended that DC BE amalgamate information into one factsheet for all provinces, some of the data points they would like to see include current COVID-19 situation (cases), restrictions and government timelines.

United Kingdom Focus Group Findings (all segments)



Impact of COVID-19



If an association still has an event this year, it's only because they can't get out of their contracts without force majeure in place.



Once force majeure is in place for Q4 2020 they believe international events will be cancelled.

International travel intention

- Expect a **return of domestic events within the UK in Q4 2020**.
- Expect **soft opening Q1 2021 and a more realistic start in Q2 2021 for international events**.
- **Transactional shows (B2C) will be first to bounce back, anticipate B2B events to jump start meetings cycle, but *in contrast to US perception*, UK planners believed incentive will be one of the last to recover due to economic concerns and appetite for travel.**
- **Event organizers are benchmarking against China's and Germany's meetings industries as first to restart.**

Perception of Canada – for new business

- **Uncertainty within the US will drive new business event bookings to Canada** that otherwise would have gone to the US.



Did you know: UK organizers see Toronto as short-haul and Vancouver as long haul destinations.

Key decision factors



Consistent and standardized health and safety protocols—destination-wide.



Rising cost of event insurance impacts overall budget.



Cohesive cancellation policy across destinations (for city-wides).



Accessibility: adequate airlift and considerations of delegate's journey on short haul vs. long haul flights.



Food for thought: Sustainability and corporate social responsibility values are not currently important to the decision making process – a trend that was on the rise pre-COVID-19.

Barriers to travel



Some companies are taking a view **until a vaccine is found they will not do in-person business events.** Consumer confidence will impact this.



An additional outbreak in a country will influence the decision making process. Planners felt it is all about **confidence and policies in place in the destination, not necessarily a vaccine.**



Destinations seen with limited risk will win.



Changes in airlines and cost of travel is seen as problematic.

How can NTOs and DMOs support?

The UK market was explicit: they want **clear, concise, unified messaging from the NTO and DMOs on behalf of their membership.** Messaging should focus on **health, safety and how to confidently meet in Canada.** Organizers suggested governments needed to assist with, or offer breaks in contract cancellation fees to help organizations protect their revenue.

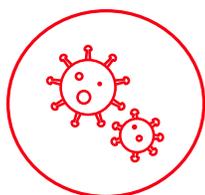
The group also discussed subventions, or incentives to attract international events to Canada, as Hong Kong Tourism Board, working with their convention centres, is currently

offering heavily discounted venue fees and Singapore has implemented the Singapore Clean Initiative to build consumer and planner confidence. Canadian DMOs currently have incentivized programs similar to other international cities like Hong Kong and Singapore. A recommendation was made that Canada follow the UK Association of Exhibition Organizer's lead by pushing to **distinguish the difference between large business events where physical distancing and other controls can be implemented, versus other large gatherings** such as festivals, sporting events and concerts.

Mexico Focus Group Findings (all segments)



Impact of COVID-19



Mexico is at an earlier stage of the COVID-19 experience than other markets, as their case numbers are still climbing. That said, planners are focused on personal/family health as they enter their period of sheltering in place. There is a lot of uncertainty, as such, they are not focused on 2020 events, rather, they expressed concerns for 2021 events. Recovery will be slow and planners are being asked to have both domestic and international plans for current booked events.

International travel intention: new business

- Current focus is on cancelling and postponing 2020 events.
- No new business at the moment. Anticipate that when events return the focus will be hyper local at first, then national, and then regional.
- **July/August are typical months for planners to start international program planning for future years – this is an opportunity for Canada** if COVID-19 and travel factors are improved by then.

Perception of Canada

- **Canada is seen as a warm, accommodating, welcoming destination for the Mexican group market.** Planners indicate they have a lot of **trust in Canadian destinations.**



An important difference compared to the American market is Canadians are more friendly and you can enter without a visa.”

Key decision factors



Complete focus on health & safety of travellers – they tied in corporate social responsibility to health and safety too (being responsible with travellers in terms of strict health and safety guidelines to have the trust of the local governments – only then they will be willing to travel to the destination.)

- Similar sentiment to the other focus groups - understanding the delegate journey in destination and the measures being taken to ensure health and safety must be addressed in proposals.



Allow for flexible contract strategies on foreign exchange.



Visa or entry requirements are a key consideration.

(Note: Mexicans need an eTA to enter Canada – and planners hope that COVID-19 doesn't change entry requirements.)

Barriers to travel



Similar to the UK group, it was felt an additional outbreak in a country will influence the decision making process. Planners felt it is all about **confidence and policies in place in the destination, not necessarily a vaccine.**



Financial and economic health of a company, not necessarily a vaccine, is the key determinant of ability to travel.

How can NTOs and DMOs support?

As with other markets the Mexico market is seeking timely, relevant information, specific to meeting in Canada. In addition to the previously noted content, the Mexico market would like regular updates on any changes to entry requirements and border restrictions presented in a visual, easy to scan piece.

This market stressed the importance of DMOs expertise to provide relevant information about their destinations. This market places an extreme level of trust with DMOs and looks to them to communicate updates related to the pandemic in their destinations so event plans can be adjusted accordingly - *especially relevant for those with existing programs.*



If I sign a contract today for 2022 and then the foreign exchange rate doubles in 2022, there needs to be flexibility and a strategy in place to address that within the contract so the event doesn't occur at a financial loss to the event organizer."

[example: allow for contracts to max out at 5% of signing date exchange rate]

Next steps

These focus groups and the resulting report are only our first steps in understanding the myriad impacts COVID-19 has had, and will continue to have on Canada's business events industry. We are appreciative of our panelists' time, and the candor in which they answered our questions. Understanding each market, the shifting perceptions of event organizers, and the many ways industry is changing, is key to Canada's Response, Recovery, Resilience plan for COVID-19.

We will continue the conversation in upcoming focus groups throughout the year. In the meantime, we will dig deeper into these topics during webinars featuring moderated panel discussions. Invites to join webinars and subsequent recordings of these discussions will be shared throughout the year.

Contact



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