

LIVE EVENTS

WHAT PLANNERS CAN EXPECT IN 2022, PLUS EXPLAINING THE “WHY?” TO STAKEHOLDERS



The post-pandemic era presents many new challenges to the travel industry: adapting to a more distributed workforce; mitigating employee burnout; prospecting tight labor markets to attract and retain talent; and navigating the ongoing volatility within national and global markets. Despite these obstacles, however, business travel and in-person events are making a much faster recovery than predicted or expected. Below, we examine the major changes affecting our industry and offer insights to help prepare your stakeholders for the year ahead.

LIVE EVENTS

In-person meetings and events are projected to grow exponentially in 2022, with 81% of events expected to offer an in-person element.¹

While we don't anticipate the disappearance of virtual or hybrid events, companies are doubling down on the power of in-person interactions to fuel employee engagement and strengthen internal relationships. Since the pandemic's onset, **30% of U.S. workers report feeling less deeply and meaningfully connected to their organizations, and 44% say they feel less connected to coworkers.**² In fact, employees choosing a return to the office over remote work say they are seeking out “socialization and relationship-building more than anything else.”³ As such, organizations are increasingly pursuing off-site events and team retreats as critical opportunities to spark motivation, combat disconnection and inspire a sense of belonging at work.

Key takeaway: It's clear that how and where we work are changing, *and* that finding ways to meaningfully connect with others is intrinsically linked to this evolution. Whether gathering to grow internal camaraderie or hosting customer-facing events for better networking and enhanced engagement, “the business of business is now **community**,” and performance strategies must focus on fostering deep, enduring connections to succeed.⁴ Events continue to serve as an impactful way to reinvigorate fragmented or flagging company cultures, refocus business goals and jump-start an organization's ability to thrive within today's evolving professional landscape.

VENUE & ROOM RATES

In 2022, hotel rates are expected to increase 13% globally year over year, with a further 10% rise projected in 2023.⁵

A number of factors contribute to these higher rates, including rising labor, food and fuel costs. Continued product shortages and shipping delays are also factors, as a scarcity of consumer goods fuels inflation and drives up operating costs. Coupled with a global summer travel surge creating unbridled demand, capacity constraints in the leisure and travel industry may push prices even higher.⁶ **Average wholesale food prices have jumped a staggering 17.8% between April 2021 and April 2022**—the largest 12-month increase in nearly 50 years—and across the board, industries are grappling to balance the soaring cost and limited supply of commodities and skilled labor against rising consumer demand.⁷ **Despite these record high prices, hotels are only seeing a 0.7% price increase when adjusted for inflation.⁸**

Key takeaway: Our industry partners and stakeholder relationships are more important than ever. We will need to lean heavily on the trusted relationships we've developed with hotel and travel partners to help our customers and their stakeholders understand the economic impacts they are experiencing within our industry.

HOTEL TRANSPARENCY

The pandemic has changed the way hotels structure some of their offerings—especially as they relate to staffing models and supply chain issues.

In 2022, many hotels are offering a different scope of services than before the pandemic. Changes may include evolving Food & Beverage (F&B) options, amended service hours and service-level adjustments, such as room service, housekeeping and restaurant availability, and hours of operation for recreational facilities.

Key takeaway: Hotels must continue to communicate transparently with planner partners about any significant changes to the overall hospitality experience. In turn, planners must help communicate these changes early and often to our travelers, ensuring guests know what to expect upon arrival and throughout their stays.

EVENT SPACE AVAILABILITY

Ninety-six percent (96%) of event professionals say they are opting for in-person events in 2022.⁹

Given the anticipated increase in event volume, some venues already have limited or nonexistent availability in 2022. For example, Hilton's current demand for in-person meetings has surpassed 2019 volumes, offering positive indicators that recovery to pre-pandemic occupancy levels is not far behind. Southern locales and resort destinations such as Florida, Louisiana, Las Vegas and Arizona were the first to return in both Request for Proposal (RFP) demand and actual meetings; while demand for latter-opening primary and secondary urban markets, including New York, Chicago and San Francisco, has grown exponentially since early 2022. **"STR also indicated its top 25 U.S. markets recorded higher occupancy and rates than the rest of the country, a trend it attributed to 'continued improvement in business travel and groups.'"**¹⁰

Key takeaway: Organizations should consider sourcing venues, services and vendors earlier than in years past to increase the likelihood of executing events when, where and how they prefer. Proactive booking behaviors will improve the odds of enjoying prime availability in first-choice cities and venues.

Sources

¹ AMEX Global Business Travel's 2022 Global Meetings and Events Forecast

² The HOW Institute for Society's 2021 "[Human Connection in the Virtual Workplace](#)"

³ Claire Ballentine and Allison McNeely, Bloomberg, "[Employees Are Returning to the Office. Just to Sit on Zoom Calls](#)"

⁴ Dov Seidman and Angela Ahrendts, Fortune, "[How the best leaders help companies build deeper connection in a work-from-home world](#)"

⁵ CWT and the Global Business Travel Association's Global Business Travel Forecast

⁶ Doyinsola Oladipo, Reuters, "[U.S. summer travelers can expect long lines, higher prices as COVID restrictions ease](#)"

⁷ National Restaurant Association, April 2022, [Economic Indicators and Food Costs](#)

⁸ Chris Davis, Business Travel News, May 23, 2022, "[STR: April U.S. Hotel Rates Push Higher](#)"

⁹ Groups360, "[In-person meetings and events are back—with some changes](#)"

¹⁰ Chris Davis, Business Travel News, May 23, 2022, "[STR: April U.S. Hotel Rates Push Higher](#)"