# EXPERIENTIAL INTELLIGENCE REPORT

PRODUCED BY
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# THE MID-YEAR INDUSTRY PULSE CHECK

## Industry markers, operational challenges and 2023 budget planning amidst the return to live

**Rapid insights on:**

+ How brands see the value of live events today compared to pre-pandemic
+ How attendance and the number of live event activations are tracking compared to pre-pandemic times
+ The biggest operational challenges impacting brands' live event programs
+ When event budgets are expected to be restored to pre-pandemic levels
+ When 2023 budgets will be set

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EXPERIENTIAL INTELLIGENCE REPORT

# EXECUTIVE SUMMARY

## The Mid-Year Picture.

From a variant-induced surge at the start of the year to full-speed-ahead programming through this summer, the overall industry sentiment has evolved from cautious optimism to steady resolve. While economic uncertainty is taking a bit of wind out of everybody's sail, marketers say their organizations are more confident than ever about the value of live events.

Event Marketer's *Mid-Year Industry Pulse Check* goes inside the hearts and minds of event marketing organizations and partners to track the return to live so far this year. It's designed to serve as a primer for current operational issues and year-end budget planning to help guide decision making through the second half of 2022.

While there's optimism throughout the event marketing industry, overall, **the majority of budgets are not expected to be fully reinstated to 2019 spend levels until 2023** or even 2024 for some organizations.

Inflation impacts and the risk of a recession are top of mind across every industry, **but despite the uncertainty, live events are rebounding steadily** with consumer-facing activations somewhat outpacing b-to-b programs in their recovery.

**54%** of brands say **their organizations are more confident** about the value of live events compared to before the pandemic, and **24%** say this confidence level is the same as it was in 2019.

**Attendance has recovered faster at b-to-c live events**, compared to the b-to-b sector. **64%** of consumer-facing brands say their events have reached **76%** (or greater) of an attendance level compared to 2019. This compares to only **45%** of b-to-b live events that have reached this level (**76%** or greater).

**63%** of brands say **in 2022 they have been executing more** or the same number of live events than they did in 2019.

**The next budgeting planning cycle** is expected to get back to a more "normal" pattern—a total of **78%** of brands say they expect their budget for next year to begin to be planned by October or before.

A total of **36%** of brands say their **2022 event budget was approved** in November or December of 2021, 17% said their budget wasn't approved until January of this year, and 19% said approval was even later with budgets not set until February, March, or April.

**The top challenge impacting event marketers** today is rising event services costs. The second top issue is hiring and labor shortages. B-to-b brands are a little more concerned about driving attendance today than they are about labor shortages.

## The prognosis is positive.

The Pulse Check findings show that this critical reactivation period for the experiential marketing industry is progressing well—attendance is up and brands say their companies are valuing events even more than they did in the pre-pandemic period.

### INSIGHT: BRANDS ARE MORE CONFIDENT ABOUT THE VALUE OF LIVE EVENTS VS. PRE-PANDEMIC

Fifty-four percent of brands say their organizations are more confident about the value of live events compared to before the pandemic, and 24% say this confidence level is the same as in 2019.

*Consumer-facing brands are markedly more optimistic, as 68% indicate they are more confident about the value of live events than they were before the pandemic.*

*In general, consumer-related marketing events as well as sporting and entertainment events have rebounded faster than business-to-business events, conferences, and meetings. Consumer travel has also rebounded faster than business travel over the past year.*

| | ALL % | B-TO-B | B-TO-C |
|---|---|---|---|
| More | 54% | 55% | 68% |
| Less | 22% | 22% | 12% |
| Same | 24% | 23% | 20% |

### INSIGHT: B-TO-C LEAD IN 2022 ATTENDANCE RECOVERY COMPARED TO B-TO-B EVENTS

Similar to the confidence-level findings, brands say attendance has recovered faster at **b-to-c** live events with 64% saying their events have reached 76% or greater attendance levels so far this year compared to 2019. This compares to only 45% of **b-to-b** live events that have reached at least 76% or larger attendance recovery compared to the pre-pandemic period.

For the event marketing industry overall only 16% of brands say their live event programs are drawing less than 50% of their pre-pandemic attendance levels.

| | ALL % | B-TO-B | B-TO-C |
|---|---|---|---|
| 100% or higher compared to pre-pandemic attendance levels | 12% | 10% | 20% |
| 76% to 99% of pre-pandemic attendance levels | 39% | 35% | 44% |
| 50% to 75% of pre-pandemic attendance levels | 33% | 40% | 16% |
| Less than 50% of pre-pandemic attendance levels | 16% | 15% | 20% |

## INSIGHT: BRANDS ARE ACTIVATING MORE EVENTS IN 2022 VS. 2019

Sixty-three percent of brands say in 2022 they've been executing more or the same number of live events than they did in 2019. Brands in **b-to-c** markets are running slightly more live events on a percentage basis when looking back to 2019 compared to the **b-to-b** segment.

| | ALL % | B-TO-B | B-TO-C |
|---|---|---|---|
| More | 31% | 25% | 32% |
| Less | 37% | 40% | 40% |
| Same | 32% | 35% | 28% |

## INSIGHT: Q3 WILL BE THE MOST ACTIVE QUARTER IN 2022 FOR LIVE EVENTS

By far, brands expect this third quarter to be their most active for live event programs, with Q4 being the next busiest time of the year. Consumer-event teams are particularly focused on running events in Q3.

| | ALL % | B-TO-B | B-TO-C |
|---|---|---|---|
| Q1 | 7% | 8% | 8% |
| Q2 | 23% | 27% | 16% |
| Q3 | 45% | 40% | 52% |
| Q4 | 25% | 25% | 24% |

## INSIGHT: NO BIG CHANGES AFOOT IN LIVE EVENT LOCATIONS IN 2022 COMPARED TO 2019

Predictions that brands would dramatically change course and test smaller markets did not quite come to fruition. Responses to where brands are activating were evenly split—32% of brands say they are holding events in more large cities today compared to 2019, 34% say there are in smaller markets, and 35% say they are focusing on regional/coastal locations.

*Interestingly, consumer-facing brands are emphasizing smaller cities/towns for their activations, while business-to-business events are more often being held in regional/coastal destinations.*

| | ALL % | B-TO-B | B-TO-C |
|---|---|---|---|
| More events in large cities than before | 32% | 32% | 30% |
| More events in small cities/towns than before | 34% | 30% | 45% |
| Regional/coastal focus | 35% | 41% | 30% |
| Midwest | 12% | 14% | 10% |
| Southeast | 13% | 9% | 15% |
| Southwest | 7% | 5% | 10% |
| Northeast | 16% | 9% | 35% |
| Northwest | 6% | 7% | 5% |

## INSIGHT: INDEED, RISING COSTS ARE THE BIGGEST OPERATIONAL CHALLENGES FACING TEAMS

The top challenge for brands' live event programs this year, by far, is rising costs, and this is seen as slightly more of an issue for b-to-c events. The second issue impacting brands' event programs relates to hiring and labor shortages. B-to-b brands are a little more concerned about driving attendance today than they are about labor shortages.

| | ALL % | B-TO-B | B-TO-C |
|---|---|---|---|
| Rising costs | 6.1 | 6.0 | 6.3 |
| Labor shortage (recruiting) | 4.8 | 4.3 | 5.5 |
| Driving attendance | 4.4 | 4.6 | 4.0 |
| Lingering Covid variants | 3.3 | 3.6 | 2.7 |
| Shortage of event materials (supply chain) | 3.3 | 3.1 | 3.6 |
| Balancing live and virtual events | 3.2 | 3.3 | 3.2 |
| Shortage of available venues | 3.1 | 3.2 | 2.9 |

**Respondents were asked to rank on a seven-point scale, with seven being the biggest challenge.*

## Budget approvals get pushed out farther.

One of the biggest hurdles the pandemic set in the path to recovery was that of predictability—and that included the event program budgeting process, which was significantly disrupted in 2020 with issues extending well into 2021. Organizations predict a "return to normal" for the budget process in 2023 or even 2024.

### INSIGHT: MANY 2022 EVENT BUDGETS WEREN'T APPROVED UNTIL END OF Q1

While a total of 36% of brands say their 2022 event budget was approved in November or December of 2021, 17% said their budget wasn't approved until January of this year (2022), and the other 19% said approval was even later and didn't happen until February, March, or April.

| | ALL % | B-TO-B | B-TO-C |
|---|---|---|---|
| September 2021 | 13% | 16% | 8% |
| October 2021 | 8% | 8% | 8% |
| November 2021 | 17% | 14% | 25% |
| December 2021 | 19% | 18% | 17% |
| January 2022 | 17% | 22% | 8% |
| February 2022 | 7% | 4% | 13% |
| March 2022 | 5% | 6% | 4% |
| April 2022 | 7% | 8% | 4% |
| May 2022 | 3% | 0% | 4% |
| June 2022 | 4% | 4% | 8% |

**Survey Question: In which month did your 2022 budget get approved?*

## INSIGHT: 2023 EVENT BUDGET PLANNING IS EXPECTED TO BEGIN BY Q4 2022

The next budgeting planning cycle is expected to get back to a more "normal" scheduling pattern, e.g., a total of 78% of brands say they expect their budget for next year to start to begin to be planned by October or before.

| | ALL % | B-TO-B | B-TO-C |
|---|---|---|---|
| June 2022 | 10% | 8% | 16% |
| July 2022 | 18% | 22% | 8% |
| August 2022 | 13% | 14% | 12% |
| September 2022 | 25% | 25% | 24% |
| October 2022 | 12% | 10% | 16% |
| November 2022 | 9% | 10% | 8% |
| December 2022 | 9% | 10% | 8% |
| January 2023 | 1% | 2% | 0% |
| February 2023 | 1% | 0% | 4% |
| March 2023 | 1% | 0% | 4% |

**Survey Question: In which month will you begin 2023 budget planning?*

## INSIGHT: EVENT BUDGETS ARE EXPECTED TO REACH 2019 BY 2024

While there is optimism throughout the event marketing industry, overall, the majority of budgets will not be reinstated to 2019 levels until next year or even 2024 for some organizations.

| | ALL % | B-TO-B | B-TO-C |
|---|---|---|---|
| Ours already are | 29% | 32% | 28% |
| 2022 | 4% | 0% | 12% |
| 2023 | 36% | 36% | 28% |
| 2024 | 32% | 32% | 32% |

**Survey Question: Event budgets should be restored to 2019 levels in…?*

## Methodology and About the Respondents

In June and July 2022, *Event Marketer* conducted a survey of leading event and experiential marketing executives with a focus on large companies in both consumer and business-to-business markets. The survey received over 100 responses—67% of respondents' market focus is on b-to-b events, while 33% of respondents' market focus is on b-to-c events. *EM* thanks all the respondents for their invaluable contribution to the study.

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