

Venues take control

Many venues are raising their prices – some significantly – according to this year’s European convention centre survey. Angela Antrobus reports.

The client



Sabrina Nielebock
European Association for International Education

For smaller events, price is a deciding factor but accessibility and security would always be the main ones. But for our annual conference, with over 5,000 participants, many more factors play into our decision-making process. We have held the event in a different European city each year, which makes it hard to compare as a reasonably priced conference centre doesn’t always make up for a pricey destination. We have to consider what our participants can afford as well.

Some of the venues in quite pricey destinations seem to fix their prices to be more attractive. We’ve worked with quite a few listed here and they were all very reasonable when it came to negotiating – it’s very important, especially if they want to attract repeat customers. Some of the increases are interesting as inflation rates in most countries have shown a downward trend lately so are they due to venue improvements or catching up if they didn’t increase their prices during the financial crisis?

In the next few years there shouldn’t be a conference centre that doesn’t offer free WiFi. It’s an essential part of international meetings. When holding an event with insufficient WiFi, participants will automatically perceive it as a worse event than it actually was which would give the centre and organiser a bad reputation.



Austria Center Vienna accommodates 20,000 people.

“The average price for 500 delegates is 1,647 euros higher than last year and more than 3,000 euros higher for 1,000 delegates”

The moderation exercised by most venues last year seems to have evaporated as more have increased their prices for next year, driven, they say, by rising inflation and costs.

Most of the centres that didn’t make changes last year have put their prices up this time by considerable margins. As Asli Sahin of Halic Congress Center, Istanbul, says, “We didn’t increase our rates for the past two years and because of that we’re increasing them by 10 per cent for 2020.”

To explain MiCo Milano CC’s rises, Marta Sala says, “We recently increased our rental price list after 10 years.” Centro Cultural de Belem, Lisbon, has increased room rental costs as they hadn’t gone up for some time. Poznan CC’s swingeing 14.5 per cent hike for the brief for 500 delegates

The brief

Duration: One day

Date: October 2020

Meeting room requirements: 500 people seated theatre-style/1,000 people seated theatre-style

Equipment: PowerPoint presentation facility

Food and beverage: Morning and afternoon tea and coffee breaks, two-course buffet lunch with mineral water and soft drinks.

No alcohol required

is something of a mystery, most likely the result of different people compiling the figures in the past. But inflation, higher costs and regular rises in the minimum wage also account for its increases.

Nevertheless, the centres at the top of the tables remain the same. For the 500 delegate brief, Kap Europa and ICS Stuttgart have overtaken Montreux 2m2c to take first and second positions. For the 1,000 delegate brief, Montreux 2m2c remains at the top, followed by IFEMA and ICS Stuttgart, but Halic CC has moved above BCC Berliner and CC Basel to take fourth place.

Montreux has been hit by poor Swiss exchange rates for some time but has been able to reduce its prices for two years running mainly as it grants some special reductions in order to be more competitive. CC Basel hasn't had to change its prices again thanks to general currency and price stability in Switzerland.

CC Oslo's quotes are lower due to current exchange rates from the Norwegian krone to the euro, despite its rates increasing because of higher costs.

But there is no escaping from the fact that overall prices are up. The average price for 500 delegates is 1,647 euros higher than it was last year, and over 3,000 euros higher for 1,000 delegates.

Even though venues seem to be calling the tune, they're also aware they can't push rates up as much as they might like. "Associations with large events aren't willing to pay for expensive services," says IFEMA's Maria Torres. "They know the business they manage very well and that there is a lot of competition among destinations." Other centres agree. "We are experiencing

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Signs of the time

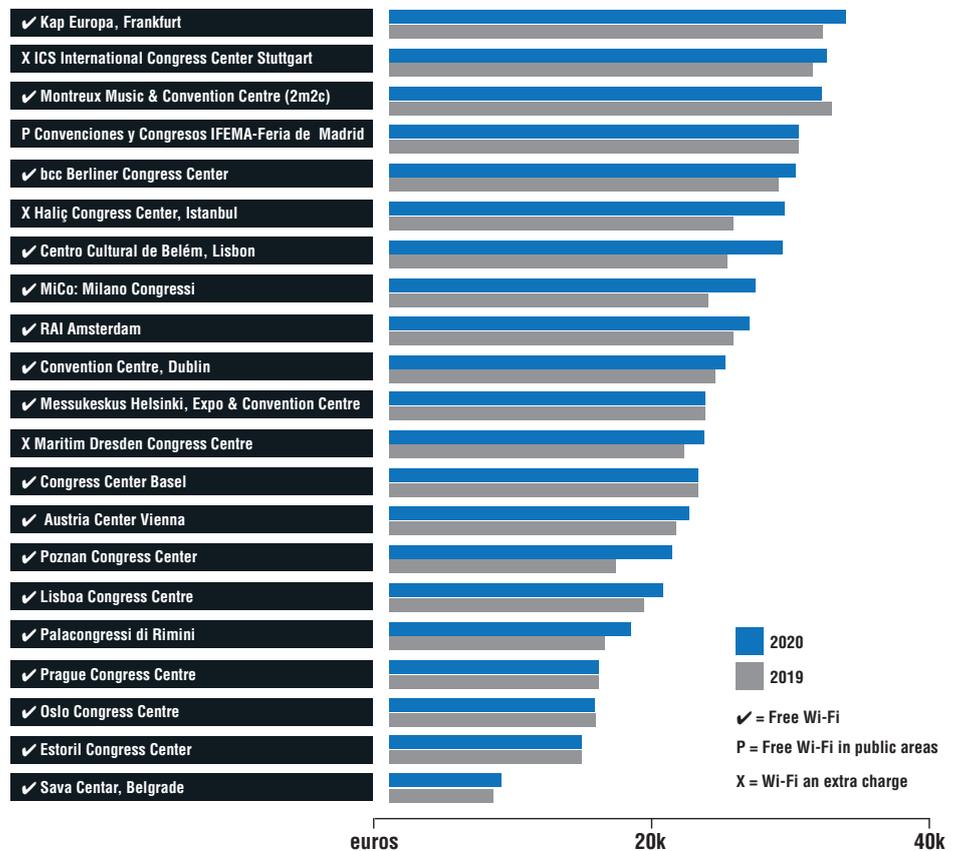
Austria Center Vienna has noticed that clients are looking for new meeting formats, with more networking and more calming down activities such as morning runs or yoga. Also more digitalisation including digital branding opportunities, strong and free WiFi and the latest technical equipment.

Messukeskus: sustainability is a core value for the venue and more and more clients are looking for sustainable partners while small details such as getting rid of plastic straws have become important.

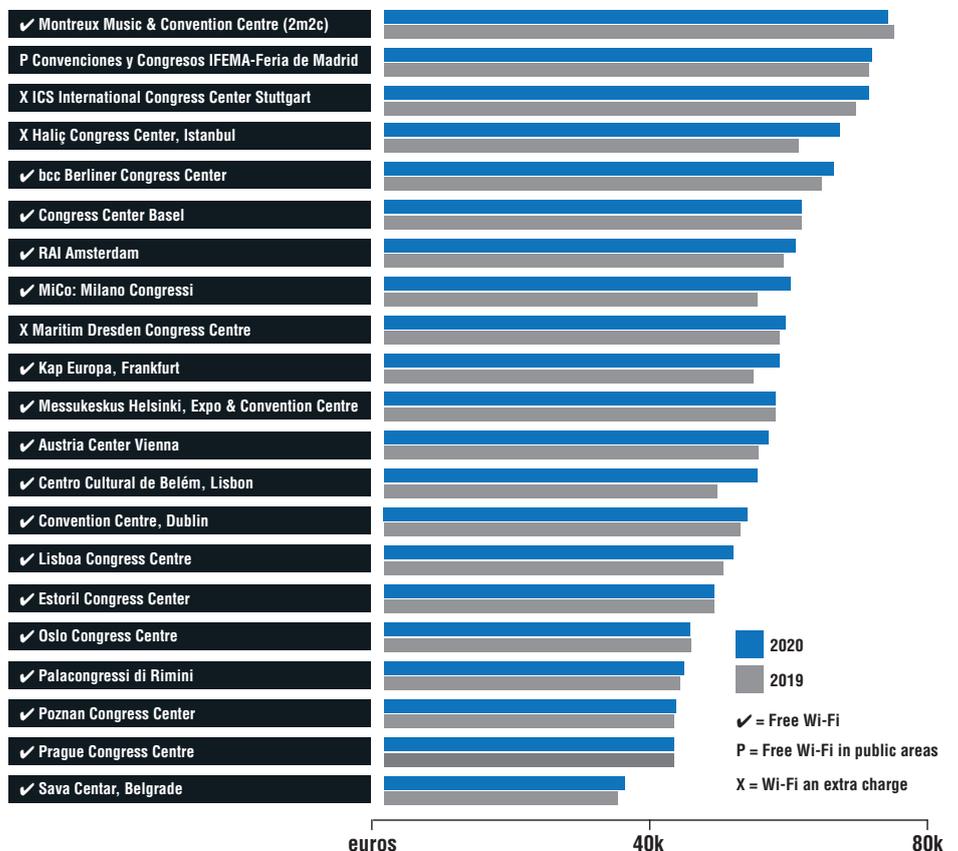
BCC Berlin: organisers appreciate package deals instead of add-on offers.

Palacongressi di Rimini: a rise in popularity of road shows and conventions with lighter formats and smaller numbers.

Conference Centre (500 people) All prices quoted in euros, ex-VAT



Conference Centre (1,000 people) All prices quoted in euros, ex-VAT



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Montreux Music & Convention Centre.

more competition on a European and an international level,” says David Scheurich of Austria Center Vienna.

“Clients expect to receive more services and more benefits for the same amount of money. Negotiations get more difficult and venues need to be flexible on cancellation fees, optional room rental, etc.”

“International companies are shopping European destinations to find the best deal available,” suggests Montreux’s Anne-Catherine Simon.

“They want to have a clear picture of how much they will spend when they do an RFP but renegotiations are systematic in 90 per cent of cases.”

As for free Wi-Fi, the same few centres are still not offering it but across the board centres are implementing Wi-Fi upgrades. ■

The professional congress organiser



Marica Motta
AIM Group
International

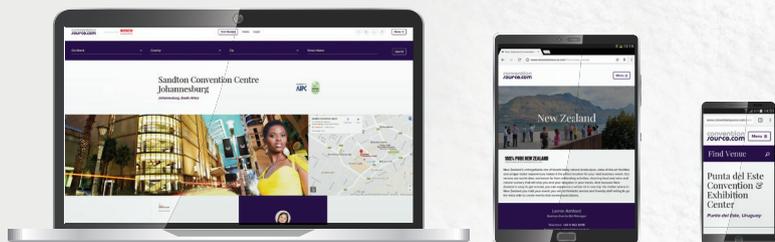
Almost all the largest congress centres have applied an increase in rates but this does not always mean a more expensive event. We assume that increases are due to infrastructure issues. Congress centres have invested significantly in making the Wi-Fi system more powerful considering that each delegate usually accesses two or three devices at the same time. Huge investments have been made in the direction of sustainability and digital signposting. That means the venue usually includes signposting services, hence minimising the cost of providing one-use signage.

Another element is the season. For some destinations, high season for congresses and events can play a significant role. The same congress might be cheaper if scheduled in a different period of the year.

Clients are aware of the competition between conference centres which is why they’re asking (professional conference organisers) PCOs to push harder when negotiating and secure more benefits. These days venue rental significantly affects the total budget as social programme and hospitality do not weigh substantially on expenses any more. Significant reductions have been applied in this direction, especially in cases of medical congresses due to compliance and policies.

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