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Trends for Meetings and Expositions Industry

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Trends for Meetings and Expositions Industry

Abstract

During the last decade, the meetings and expositions industry has flourished, even as it has struggled to cope with difficult challenges. This is a taste of things to me. In the years ahead, the global population will continue to grow and change, science and technology will tighten their hold on business and society and the world will knit itself ever more tightly into a single market. As a result, both opportunities and trials will abound.

Trends for meetings and expositions industry

by Marvin J. Cetron
and Fred J. DeMicco

During the last decade, the meetings and expositions industry has flourished, even as it has struggled to cope with difficult challenges. This is a taste of things to come. In the years ahead, the global population will continue to grow and change, science and technology will tighten their hold on business and society, and the world will knit itself ever more tightly into a single market. As a result, both opportunities and trials will abound.

More and more industries are relying on meetings and expositions to accomplish a variety of important goals. Industries set up expositions to introduce new products and services, to gauge their appeal, and to keep existing products before the public eye. Companies use meetings to promote the exchange of ideas with co-workers and competitors, and to train their people to deal with new products and procedures.

People attend meetings for contracts and contacts—to “press the flesh” with colleagues whom

they ordinarily meet only through the impersonal media of telephones, faxes, and e-mail. They also attend in order to escape the daily routine in a way that still “counts” as doing business. All of these functions are becoming more important as technology raises the pressure to increase productivity and strips away opportunities for human interaction; contrary to early fears, high tech makes “high touch” even more necessary, not less so.

However, technology has its downside as well. Meetings and expositions remain important for building new relationships, but the business world’s growing reliance on e-mail has begun to reduce the need for personal contact in maintaining those associations. Thus, one primary impetus for meetings and expositions may have begun to wane.

Until recently, another major reason for industry expositions was the introduction of new products. By compressing the product cycle,

technology is displacing that function as well. In high-tech especially manufacturers who finalize a new product in January can no longer afford to delay its introduction for a major trade show that may not take place until June; by then it probably will be obsolete. For this function, smaller, task-specific meetings are displacing the giant industry blow-outs that once hosted product announcements. This may help to explain the sense of emptiness reported by attendees at the recent autumn Comdex in Las Vegas, a meeting once renowned for sardine-can congestion.

Industry faces challenges

The meetings and expositions industry faces other challenges as well. Wall Street has been a continuing problem for meeting organizers. Its relentless focus on earnings per share, and its refusal to look farther into the future than the next business quarter has forced corporate executives to cut corners wherever they can, even if it means eliminating functions that could have been profitable in the longer term. Often it is meetings that get the ax.

Mergers and acquisitions are another major factor driven in part by investor expectations. As a result of mergers, the hardware industry now is dominated by just five major companies. Forecasting International has long predicted that there will be only three major airlines in the United States by 2005, a target date that now seems very likely to be met. And when

two companies become one, there are fewer potential exhibitors for the next meeting in that industry. Merging companies also tend to shed employees in the duplicated functions, and thereby reduce the number of possible attendees for future meetings.

This is one aspect of a trend that FI calls "the bimodal distribution of institutions." As large companies merge and drive mid-sized competitors out of business, thanks to their economies of scale, small "boutique" participants are cropping up to serve niche markets in almost every industry. Working to attract more exhibitors and attendees from among these micro-scale competitors may be one way to make up for the losses at the top end of the corporate food chain.

Key accounts change

Another trend that makes life harder for meeting managers is key account selling. When companies focus their attention on the 20 percent of customers who provide 80 percent of their sales, they are in daily contact with the clients who matter to them most. Inevitably, they feel less need to see them in person at large industry gatherings. This too has worked to slow the growth of demand for meetings and expositions.

It also has helped to promote the growth of another important trend. Private events are quickly eroding the market for industry trade shows. Not only for key accounts, but for potential customers companies increas-

ingly prefer to meet their contacts in seclusion, where they need not battle competitors for attention. Some of these closed meetings are enormous, and they will continue to make up a growing part of the total market for meetings and expositions.

Though most meetings count on the local market for their success—an estimated 40 percent of attendees come from within 400 miles of the meeting—international factors also are becoming significant for many exhibition managers. In recent years, exotic meeting places have grown increasingly popular, both for small, high-end gatherings of top executives and for the promotion of international trade. Some of the developing countries are particularly in favor as venues for meetings and expositions—despite occasional problems getting equipment in and out of the country—because they have low labor costs, likely participants want the “bragging rights” for having been to them, and the countries themselves are eager to showcase their assets. This trend, too, will continue to promote the spread of meetings and expositions and increase the difficulty of managing them.

Economy is important

Yet with all these industry-specific factors to buffet the market for meetings and expositions, the most general factor for the immediate future is still the most important. This is the global economy. If it improves, a rising tide raises all ships, and the meetings and exposi-

tions industry is likely to grow rapidly. However, a global recession would bring problems for all.

In general, there is optimism about the next 10 years. The global economy may be troubled, but it remains fundamentally sound. The economic union of Europe, America’s stubborn refusal to slip into recession, and many other indicators suggest that it will be stronger in the future. Thus, the number of meetings and expositions to be managed each year will continue to grow.

Yet a number of unresolved economic issues are crucial to the world’s future. If they are handled successfully, global economic growth could return quickly. If not, it may be delayed, slowing the near-term growth of this industry. Several such issues stand out:

- Japan’s economic crisis clearly is not over. Industrial production fell by 8.7 percent in June 2001; compared to the year before, consumer spending fell by 3.7 percent in the same period, and unemployment in June stayed at a record 4.9 percent. In June, also, the Nikkei stock-market average hit its lowest point in 16 years. A healthy Japan will spur global trade, while a crippled one could drag at the world’s economy for years.
- Russia’s economy is the second imponderable. Moscow must find some way to pay its military, support its pensioners, and pay the coal miners who

keep the nation alive in the harsh Russian winter. On the way it needs to modernize its public infrastructure, which is largely worn out, where it exists at all. And it must accomplish all this without creating enough money to trigger uncontrolled inflation. Through the 1990s, it reeled from one crisis to the next, barely staying on its feet. However, the Economic Ministry claimed that the country had enjoyed strong growth of 5.4 percent in the first half of this 2001. If this growth rate can be maintained, Russia may finally have turned the corner.

- Argentina, too, must set its economic house in order. If it continues to pay its international debts, it will reassure nervous lenders to many of the world's troubled economies. If not, the shock could inhibit much-needed lending to debtor nations for several years to come.
- The collapse of America's boom in information technology sent much of Asia back toward recession, and the global contraction of 2001 has made things worse for lands dependent on international trade for their growth. In 2000, some 40 percent of GDP growth in the smaller East Asian economies came from IT exports to the United States. The loss of those exports helped to shrink global

trade growth from 13 percent in 2000 to just 4 percent in 2001. At the same time, last year's prosperity encouraged Asian leaders to delay needed economic reforms, which now are even more necessary but are much less likely to occur.

- Finally, there is the course of America's "war on terrorism." A quick end to Taliban rule in Afghanistan and a decisive unraveling of Osama bin Laden's Al Qaeda terror network before it can commit further atrocities would go a long way toward restoring consumer confidence in the United States and ending any risk of deep or prolonged recession. The first half of this equation now seems likely. The second is much less certain. (Figure 1)

The authors feel reasonably confident that enough of these problems will be solved, at least well enough to prevent the current slowing of global economies from turning into a deep or lasting worldwide recession, and the forecasts have been made accordingly. However, the course of the next few years depends heavily on how successfully Japan, Russia, Argentina, and Asia deal with their challenges. It will be at least another year before the outcome of any of them is known. Anyone with even a passing interest in the future must follow events in these lands closely.

Figure 1
The impact of crisis events on the stock market

Event	Reaction dates	% change in Dow Jones			
		Between reaction dates	After reaction dates		
			1 month	2 months	3 months
Pearl Harbor	Dec. 6-10, 1941	-6.5	3.8	-2.9	-9.6
Korean War	June 23-July 13, 1950	12.0	9.1	15.3	19.2
Sputnik	Oct. 3-22, 1957	-9.9	5.5	6.7	7.2
JFK assassination	Nov. 22, 1963	-2.9	7.2	12.4	15.1
Nixon resigns	Aug. 9-29, 1974	-15.5	-7.9	-5.7	12.5
Financial panic 1987	Oct. 2-19, 1987	-34.2	11.5	11.4	15.0
Gorbachev coup	Aug. 16-19, 1991	-2.4	4.4	1.6	11.3
World Trade Center bombing	Feb. 26-27, 2001	-0.5	2.4	5.1	8.5

Opportunities do exist

Whatever happens in this macro world of global economics, the meetings and expositions industry is in for some interesting times. Growth may be more difficult to achieve than it was in the boom times of the 1980s and 1990s. Yet even in a world of e-mail, video-conferencing, and the Internet, human beings will always need to meet each other, if only to "press the flesh." Expositions may be smaller and meetings may shift to private venues—like any other industry, meetings and expositions will change with the times. However, they will still take place, and they will need professional managers to arrange and conduct them. There are not only challenges ahead, but opportunities and rewards—and for savvy participants in this industry, the opportunities will be very rewarding indeed.

Trends are cited

There are 12 trends for meetings and expositions.

1. Economic growth: The economy of the developed world will continue to grow for at least the next five years. Any interruptions will be relatively short-lived.

The September 11 attack triggered one of those interruptions. On September 20, the Dow Jones Industrial Average was 14 percent lower than it had been just 10 trading days earlier; airline shares had lost 30 percent of their value in a single day. In one day alone, five Broadway productions closed their doors for lack of business. Hotels in New York City, usually filled to capacity, had occupancy rates around 40 percent. Throughout the economy, spending was down sharply and similar trends were seen throughout the industrialized world.

Yet if consumers are temporarily sitting on their wallets, there is no sign of panic in the air. People are alarmed, and they grieve for the dead. Many are grieving even more immediately for their lost jobs. Yet auto sales are strong, buoyed by

zero-percent financing, and few Americans say they plan to cut back on Christmas shopping. Consumer spending will rebound, and it accounts for roughly two-thirds of the American GDP. Eventually, that engine will help to propel America and the world out of recession. Incidentally, productivity is at its highest in years because it is taking fewer workers to deliver the same production.

That is not to say that the months ahead will be easy. Export markets are weak, and managers suddenly have discovered a new aversion to risk and an uncomfortable awareness of the fragility of a just-in-time economy. For a time they will struggle to adjust, not only to immediate uncertainty, but to new doubts about long-term strategy. Goldman Sachs portfolio strategist Abby Joseph Cohen believes that economic growth will resume by the second quarter of 2002. As other countries bring their economies under control over the next two or three years, that growth will accelerate to the comfortable levels seen in recent years.

The stock market probably will come back even earlier. There simply is no other place for most Americans to invest their money. A generation of Baby Boomers nearing retirement needs the capital growth that only the stock market can give them.

The outlook for Europe remains mixed, but relaxation of borders within the European Union has brought new mobility to the labor force and is making for a more effi-

cient business environment on the Continent.

Japan may turn the corner in 2002. The banks' write-off of bad debts, coupled with better lending practices and other reforms, could set the stage for an economic recovery, which would make Japan a much healthier trading partner for the West.

The Brazilian economy—a mainstay of the Latin American region—has proved much more resilient than some onlookers feared at the turn of the millennium, but Argentina is slipping badly. Argentina's rich are shipping their wealth overseas, always a warning of possible trouble ahead.

Many nations of the former Soviet Union are bringing order to their economies, proving themselves viable markets for goods from Western Europe. Recently, even Russia appears to be stabilizing its economy, long the weakest link in its region. The discovery of oil in Kazakhstan and new interest in the other "stans" as potential partners in the war on terrorism should further this process.

Worldwide, improved manufacturing technology will continue to boost productivity and reduce the unit cost of goods. At the same time, workers who remain on the job longer will offset slow growth in the labor force, while the globalization of business will keep pressure on salaries in the developed countries. Thus, both prices and wages should remain under control.

Oil prices have proved difficult to sustain at artificially high levels.

Despite occasional spikes when OPEC acts to reduce supplies, they will generally remain between \$20 and \$25 per barrel for the foreseeable future.

Implications:

The current economic downturn is very likely to prove relatively short lived. It will be followed by generally solid growth throughout the developed world for the remainder of this decade.

Economic unification will boost all manner of trade within Europe. In the long run, the newly capitalist lands of the former Soviet Union should be among the fastest growing new markets. In the longer term, India will expand faster than any other market in the world.

Labor markets will remain tight, particularly in skilled fields. This calls for new creativity in recruiting, benefits, and perks, especially profit sharing. This hypercompetitive business environment demands new emphasis on rewarding speed, creativity, and innovation within the workforce.

Part of American society's affluence rests on the use or overuse of credit cards. Extension of excessive credit could result in government-imposed limitations, especially on credit rates.

The growing concentration of wealth among the elderly, who as a group already are comparatively well off, requires an equal deprivation among the young and the poorer old. This implies a loss of purchasing power among much of the population; in time, it could

partially offset the forces promoting economic growth.

Implications for industry:

Steady economic growth will ensure that major corporations and business organizations provide steady demand for meeting and exposition management and related services.

The current economic slowdown offers an opportunity for expansion, with prosperous hotels, resorts, conference centers, airlines, and management companies buying up the assets and operations of their less fortunate competitors.

The growing unification of the world into a single market will bring faster-than-average growth in demand for international meetings and expositions.

The largest international managers of meetings and expositions are likely to be among the fastest growing segments of the industry, thanks to their established record of being able to operate effectively on the global scale.

As the developing countries work to build international trade, demand for meeting and exposition services in relatively out-of-the-way places will grow rapidly. This will provide a ready market for management firms with strong local ties in these areas.

Modest oil prices will mean that air travel remains relatively inexpensive, and thus that airline traffic will recover quickly once the current uneasiness about terrorism

has dissipated. This will further promote the growth of international meetings and expositions.

Some of the hottest new markets for meeting and exposition managers will be in the newly capitalist countries of Eastern Europe. Russia will join them as soon as it gets its economic and political house in order. However, the largest emerging markets are likely to be in India and China, where the cost of doing business is low (and therefore meetings cost less) and trade will continue to expand rapidly for many years.

This industry is likely to be consolidated as the largest participants build regional expertise and contacts by absorbing established local firms.

As the international market grows, particularly in lands now relatively isolated, the meetings and expositions industry will find itself increasingly exposed to the political and economic instability of Asia, the Middle East, and Latin America. The possibility of terrorist threats, kidnappings, and similar incidents will have to be taken into account in planning events in these areas.

There are financial risks as well. Meetings and expositions managers working in some developing countries have found that local legal systems were not up to the task of making sure they got paid. Others have brought costly equipment into a developing country, but without an export visa, which proved impossible to obtain, they could not take it out again.

Business goes where politics leads. For several years now, meeting managers from Europe and Asia have been staging events in Cuba with great success. Within three years, Cuban sites should be a major location for the American meetings and expositions companies as well. It could happen even sooner if Fidel Castro passes on or Congress experiences a significant change of heart.

2. Elderly population grows:

The elderly population is growing dramatically throughout the developed world.

Those over age 65 made up 12.4 percent of the American population in 2000. By 2010, they will be 13 percent, by 2020, more than 16 percent.

In Europe, the United States, and Japan, the aged also form the richest segment of society. In the U.S., 44 million seniors own an estimated 77 percent of the nation's wealth.

These 21st century old folks are much healthier and more active than the elderly of previous generations. At the same time nostalgia also is a strong influence on them. Many older people still want to indulge in the same activities and entertainment they enjoyed in their youth, and they now have more disposable income to spend on them.

In Germany, the retirement age population will climb from under 16 percent of the population in 2000 to nearly 19 percent in 2010 and 20 percent a decade later.

Japan's over-65 population makes up 17 percent of the total in 2000, rising to 22 percent in 2010 and nearly 27 percent in 2020.

This is also true of certain developing countries. India's over-60 population is rising from 56 million in 1991 to 137 million in 2021 and 340 million in 2051.

The number of centenarians in the world will grow from 135,000 in 2000 to 2.2 million by 2050.

Implications:

Not counting immigration, between 2000 and 2050 the ratio of working-age people to retirees needing their support will drop from 5.21 to 2.57 in the United States, 4.11 to 1.75 in Germany, 3.72 to 1.52 in Italy, 5.51 to 2.41 in Russia, and 3.99 to 1.71 in Japan. Over all, the "support ratio" in the European Union will decline from 4.06 to 1.89. This has already reduced the retirement expectations of Baby Boomers. By 2020, it will place a significant new burden on national economies throughout the industrialized lands.

Workers in the traditional retirement years represent the fastest growing employment pool, which has yet to be fully or efficiently tapped.

Barring dramatic advances in geriatric medicine, the cost of health care is destined to skyrocket throughout the developed lands.

Implications for industry:

A wide range of new goods and services will cater to the needs of the elderly, and particularly for healthy,

active seniors throughout the developed world. At the same time, the health care industry will continue to grow rapidly to meet the medical needs of less fortunate seniors. The need to introduce these products and services and keep them before the public will provide a fast-growing market for meeting and exposition management.

Exhibitions will also be used to test market products redesigned for older consumers, providing an active niche market for this industry.

The skills required by the meetings and expositions industry overlap to a considerable degree with those required for some of the services likely to be aimed at tomorrow's active seniors. It may be possible for larger participants to spin off profitable endeavors in this new market.

Retirement-age workers are especially well suited to this industry because they are polite, available for travel, available for part-time work, and can get senior citizen discounts when they travel!

3. Information is basis: The growth of the information industries is creating a knowledge-dependent global society.

Telecommunications is removing geographic barriers. A message e-mailed from New York to Hong Kong arrives essentially instantaneously—and costs less than a phone call to New Jersey. Copies can be sent to hundreds of different destinations all over the world with little added cost.

The Internet makes it possible

for small businesses throughout the world to compete for market share on an even footing with industry leaders.

Thanks to technology, the product cycle is becoming increasingly compressed. As recently as World War II, it took 30 years to go from theoretical idea to the release of competing products in an established market; in computing, it now takes 18 months or less. Competition among service providers is essentially instantaneous.

By 2005, 83 percent of American management personnel will be knowledge workers. Europe and Japan are not far behind.

By 2005, half of all knowledge workers (22 percent of the labor force) will opt for "flextime, flexplace" arrangements, which allow them to work at home, communicating with the office via computer networks.

In the United States, the so-called "digital divide" seems to be disappearing. In early 2000, a poll found that where half of white households owned computers, so did fully 43 percent of African-American households, and their numbers were growing rapidly. Hispanic households continued to lag behind, but their rate of computer ownership was expanding as well.

The "integrated information appliance" will combine a computer, a fax, a picture phone, and a duplicator in one unit for less than \$2,500 (in 1995 dollars) by 2003. The picture will appear on a flat screen of 20 inches by 30 inches. By

2005 or so, such units will include real-time voice translation, so that conversations originating in one of seven or eight common languages can be heard in any of the others.

Company-owned and industry-wide television networks are bringing programming to thousands of locations. Business TV is becoming big business.

Computer competence will approach 100 percent in U.S. urban areas by the year 2005, with Europe and Japan not far behind.

Eighty percent of U.S. homes will have computers in 2005, compared to roughly 50 percent now.

No fewer than 80 percent of Web sites are in English, which has become the common language of the global business and technology communities.

Implications:

Anyone with access to the Internet will be able to achieve the education needed to build a productive life in an increasingly high-tech world. Computer learning may even reduce the recidivism rate of the growing American prison population.

Knowledge workers are generally better paid than less skilled workers. Their proliferation is raising overall prosperity. Even entry-level workers and those in formerly unskilled positions require a growing level of education. For a good career in almost any field, computer competence is mandatory. This is one major trend raising the level of education required for a productive role in

today's workforce. For many workers, the opportunity for training is becoming one of the most desirable benefits any job can offer.

Implications for industry:

This is the technology responsible for unifying the world into a single market, and thereby expanding the global role of meetings and expositions. As the Internet spreads through South America, Africa, the Middle East, and Asia, these regions will offer greater scope for the meetings and expositions industry.

Online conferences will not replace real-world events, but will frequently supplement them. Staging these events is one skill set that meeting and exposition managers may wish to develop.

Web skills are needed in any case, as Internet sites are increasingly important in managing and marketing meetings and expositions.

Thanks to the World Wide Web, resorts, conference centers, and other destinations are finding it increasingly easy to market themselves directly to clients, rather than relying on intermediaries.

Many observers imagined that e-mail, instant messaging, and video conferences would replace in-person contact. They were wrong. In a high-tech world, executives increasingly need the "high-touch" (press the flesh) reassurance of personal relationships with their colleagues. Meetings are becoming more necessary, not less so, thanks to modern communications technology.

However, e-mail and other communications technologies are bringing new efficiency to the management of meetings and expositions over long distances.

In the next few years, when telephone systems include hardware that can translate conversations among the most common languages in real time, the process of doing business internationally will be easier still. However, the Internet is quickly making English the world's common tongue; by the time automatic translators reach the market, they may no longer be needed.

Use of high technology also makes it more difficult to find employees with the technical and computer skills required to make it work. Those who are most adept with automated booking, billing, and inventory systems and other high-tech business processes will merit higher salaries, bonuses, and other "perks" to ensure job loyalty. Those with the best people skills will be in equally high demand, as clients require both high-tech efficiency and a "high-touch" escape from the technology that dominates their working lives.

Use of high-tech communications by political activists is making extremist movements much more effective, as seen in protests against recent meetings of the G8 and other groups associated with economic globalization. This is likely to be a growing problem for meeting and exposition coordinators whenever they work with organizations or companies in conflict with anar-

chists and political, economic, or environmental protest groups.

4. Diversity is influence:

Growing acceptance of cultural diversity, aided by the unifying effect of mass media, is promoting the growth of a truly integrated global society. However, this is subject to change.

Throughout the United States, people have long seen the same movies and TV programs. These media are achieving global reach. In 1999, American films took in about \$29.8 billion of the \$33.4 billion earned by the world's movie industries.

Information technologies promote long-distance communication as people hook up with the same commercial databases and computer networks, and above all with the Internet.

Within the United States and Europe, regional differences, attitudes, incomes, and lifestyles are blurring as business carries people from one area to another.

Intermarriage also continues to mix cultures geographically, ethnically, socially, and economically.

Minorities are beginning to exert more influence over national agendas as the growing number of blacks, Hispanics, and Asians in the United States is matched by the expanding population of refugees and former "guest workers" throughout Europe.

The rapid growth of travel for both business and pleasure throughout the European Union is quickly blurring the distinction

between national cultures. In the U.K., some 21 percent of young adults answering a recent poll viewed themselves as primarily European, rather than British. Some 31 percent of French Gen Xers, 36 percent of Germans, and 42 percent of Italians also said they thought of themselves as primarily European.

Implications:

Over the next half century, growing cultural exchanges at the personal level will help to reduce some of the conflict that plagued the 20th century. This is likely to produce a reactionary backlash in societies where xenophobia is common. Some of the most fervent "culturist" movements will spring from religious fundamentalism. Would-be dictators and strong-men will use these movements to promote their own interests, ensuring that ethnic, sectarian, and regional violence will remain common. Terrorism especially will be a continuing problem.

Companies will hire ever more minority workers and will be expected to adapt to their values and needs.

Cultural conflicts may become more common, and dealing with them will require awareness and sensitivity. For example, Western business traditions hold that negotiations are over once an agreement has been reached; in the traditions of some Asian cultures, negotiations continue until both delivery and payment has been received. Western companies doing business

in these regions often find it helpful to require security deposits, payments held in escrow, and other forms of economic guarantee.

Implications for industry:

In the most heavily traveled lands, management of meetings and expositions is quickly growing easier, with less risk of unfortunate incidents owing to cultural conflicts.

However, political risks are likely to grow in areas where there are strong religious or ethnic movements, especially when they may target Western or American interests. Anti-foreign movements are increasingly common in Europe, but anti-American sentiments are common throughout the developing world.

5. Tourism will grow: Tourism, vacationing, and travel (especially international) will continue to grow by about 5 percent per year for the next decade, as they did throughout the 1990s.

People have more disposable income today, especially in two-earner families.

The number of Americans traveling to foreign countries, excluding Canada and Mexico, increased at 5 percent per year from 1981 through 1996. Growth will continue at that rate for the foreseeable future.

Through at least 2002, depressed Asian currencies will make it cheaper to visit the Far East.

Tourism will benefit as Internet video replaces printed brochures in promoting vacation

destinations. Web sites cover not only popular attractions, but current, detailed information on accommodations, climate, culture, currency, language, immunization, and passport requirements.

Multiple, shorter vacations spread throughout the year will continue to replace the traditional two-week vacation.

More retirees will travel off season, tending to equalize travel throughout the year and eliminate the cyclical peaks and valleys typical of the industry.

Implications for industry:

Perhaps a bit ironically, the hospitality industry is likely to become the largest single user of meeting and exposition services, both to promote their offerings to consumers and to handle their own increasingly large and frequent gatherings.

Many resort areas will become increasingly crowded, making it harder to schedule major meetings in them and degrading the attendees' experience during leisure time at the meeting.

6. Transportation advances:

Advances in transportation technology will speed travel and shipping, both on land and in the air.

By 2010, New York, Tokyo, and Frankfurt will emerge as transfer points for passengers of high-speed, large-capacity, long-range planes with greater fuel efficiency than today's models.

Following European practice, the U.S. airline industry will begin

to replace the spokes of its existing hub-and-spoke system with high speed trains for journeys of 100 to 150 miles.

Advances in automobile technology are rapidly giving us the "smart car." Standard features soon will include equipment available now only as costly options--antilock brakes, active suspension, and global positioning receivers that make it all but impossible to get lost--and gadgets still under development, including road-condition sensors, computer-orchestrated fuel-injection systems, continuously variable transmission, automated traffic management systems, smart seats that tailor the air bag's inflation to the passenger's weight, and many other innovations. These all will be in common use by 2010.

New highway technologies such as automated traffic management systems that route cars around congestion are beginning to make auto travel faster and safer in Europe and Japan. However, the United States is lagging in installing this equipment.

To reduce the number and severity of traffic accidents, trucks will be exiled to car-free lanes, and the separation will be enforced.

By 2010, air travel for both business and pleasure will reach triple the 1985 rate. Larger capacity aircraft, such as that being built by Airbus Industries, will contribute to this trend. The new Airbus plane is so large that companies will be able to hold onboard meetings while still on

their way to meetings, just as they do on cruise ships today.

Airline crashes will decline and will involve fewer fatalities, thanks to such technical advances as safer seat design, flash-resistant fuels, and the use of satellites for navigation and communication in transoceanic flights.

Implications:

Door-to-door air travel should become noticeably quicker and cheaper over the next two decades.

Auto travel is becoming easier and more efficient wherever new highway technologies are installed.

More efficient vehicles, especially with hybrid power trains, should begin to reduce the demand for oil by 2008. This will ease one of the few remaining sources of inflation and also will help to control the high cost of driving.

Implications for industry:

Travel planning is likely to become somewhat easier, particularly in Europe. This will reduce the lead time needed to arrange smaller corporate meetings and other short-notice gatherings.

A "cruise-to-nowhere" will become increasingly popular for meetings where it is harder for colleagues back on land to contact and interrupt attendees.

7. Specialization spreads: Specialization is spreading throughout industry and the professions.

For doctors, lawyers, engineers, and other professionals, the

size of the body of knowledge required to excel in a particular area precludes excellence across all areas.

The same principle applies to artisans. Witness the rise of post-and-beam homebuilders, old-house restorers, automobile electronics technicians, and mechanics trained to work on only one brand of car.

The information-based organization is dependent upon its teams of task-focused specialists.

Globalization of the economy calls for the more independent specialists. For hundreds of tasks, corporations will turn to consultants and independent contractors who specialize more and more narrowly as markets globalize and technologies differentiate.

Implications:

This trend creates endless new niche markets to be served by small businesses. It also brings more career choices as old specialties quickly become obsolete but new ones appear even more rapidly.

Implications for industry:

Each subdivision of an industry or market will create new companies and trade and professional organizations requiring meetings and expositions management services.

Specialization is for the meetings and expositions industry as well. Some of the most successful participants in the years to come will build their expertise in serving these new niche organizations.

Others will specialize in providing high-tech media services, electronic polling, arranging leisure activities such as shopping and touring, catering to the needs of certain religious or ethnic groups, holding meetings for specific industries, or arranging travel, accommodations, and other services in exotic locations. Each of these niche opportunities will spawn a host of successful new meetings and expositions "boutiques."

8. Women approach equality:

Women's salaries are beginning to approach equality with men's.

Women's salaries in the United States grew from 61 percent of men's in 1960 to 74 percent in 1991. This figure soon will top 83 percent.

In the future, women's average income could exceed men's. College graduates enjoy a significant advantage in earnings over peers whose education ended with high school. Today, some 70 percent of young American women enroll in college, compared with only 64 percent of young men.

To the extent that experience translates as prestige and corporate value, older women should find it easier to reach upper-management positions. They will strengthen the nascent "old-girl" networks, which will help to raise the pay scale of women still climbing the corporate ladder.

Women are the most aggressive business users of the Internet, according to "Marketing to Women Owners of Small Business," a

recent study from CyberDialog. Some 42 percent of online B2B spending in 2000 came from the retail and business services industries, two fields to which female entrepreneurs gravitate. Total online spending for women-owned businesses reached \$18.5 billion, representing 46 percent of the total for all businesses.

Thus far, this is largely an American phenomenon, but the number of women in the upper reaches of corporate management in Europe is growing. Only Asia seems immune to this phenomenon, and that is likely to change as today's younger workers reach positions of authority.

Implications:

More new hires will be women, and they will expect both pay and opportunities equal to those of men.

Competition for top executive positions, once effectively limited to men, will intensify even as the corporate ladder loses many of its rungs.

The glass ceiling has been broken. There are more high level jobs, and headhunters are looking for anyone who can fill them. In the current tight labor market, being a woman is no longer a disadvantage.

Implications for industry:

An industry already largely staffed by women will find it easier to deal on an equal footing with its peers at client companies.

Pay and benefits packages are likely to rise as women find more

high quality opportunities in other industries.

Similarly, meetings and exhibitions managers are likely to find it harder to hire top candidates, thanks to growing competition from industries once reluctant to give women authority and compensation equal to that of male executives.

Since the meetings and expositions workforce contains an unusually high proportion of women who have proved willing to use Internet-based business methods, B2B marketing and other Net-oriented business practices are likely to play a larger role in this industry than in most others, and will be adopted more quickly.

With more women going to college, it will not be long before they are running a far larger proportion of the world's meetings and expositions. As the gender-blind Gen Xers and Dot-coms rise to positions of authority (see Trend 10), even Asia will join this trend.

9. Work ethic erodes: Tardiness is increasing; sick-leave abuse is common.

Job security and high pay are not the motivators they once were because social mobility is high and people seek job fulfillment. Some 48 percent of those responding in a recent Louis Harris poll said they work because it "gives a feeling of real accomplishment."

Fifty-five percent of the top executives interviewed in the poll say that erosion of the work ethic

will have a major negative effect on corporate performance in the future.

In 1993, 60 percent of college freshmen business students surveyed said they would have been willing to spend three years in jail, be considered a criminal, and have a jail record if their crime would net them \$5 million. In other polls, two-thirds of American children said they would cheat to pass an important examination; 90 percent of adults admitted that they regularly lie; and 38 percent of the under-30 population said that being corrupt was "essential" in getting ahead.

Implications:

- From here on out, productivity gains will depend on new technology and procedural efficiency. Expecting today's workers to strive harder or put in longer hours is likely to send them looking for other employment.

- Motivation cannot be taken for granted. Managers must actively recruit workers to each new project.

- Employers may find themselves paying more for less work, especially among entry-level and low-seniority workers if job markets tighten.

Implications for industry:

The motivated self starters on whom this industry depends will be increasingly hard to find. So will employees capable of working reliably on their own far from the home office. Finding them, grooming them for greater respon-

sibility, and keeping them on staff will be among the greatest management concerns of the next 20 years.

10. Generations have influence: Generations X and Dot-com will have major effects in the future.

The 19-year Baby Boom of 1946 through 1964, when birth rates peaked at 25.3 births per 1,000 population, was followed by the 11-year "baby bust" in which birth rates fell to a low of 14.6 per 1,000. Generation X thus produced the smallest pool of workers since the 1930s; there are just 44 million Gen Xers in the United States, compared with 77 million in their parents' generation.

There are approximately 50 million people in Europe between the ages of 15 and 24; 30 million more are between 25 and 29. The under-30 cohort represents about 22 percent of the European population.

They should be renamed "Generation E," for entrepreneurship, education, English, and e-mail, assets that members of this generation share throughout the world. Gen Xers, and especially Generation Dot-com, now entering their twenties, have more in common with their peers across the globe than with their parents' generation.

In the United States, the Dot-coms and their younger siblings are almost universally computer-literate. They view computers and the Internet not just as high-tech conveniences, but as normal parts of life, and use them as automati-

cally as their parents picked up the telephone. Their peers in Europe and parts of Asia are not far behind them.

Members of Generation X watched their parents remain loyal to their employers, only to be downsized out of work. As a result, they have no corporate loyalty at all. Many will quit their jobs at even the hint of a better opening, even if it means moving from one coast to the other just to apply for the position.

This is just one expression of a general distrust of institutions that extends to government, political parties, big business, and other foci of authority and power. More Gen Xers and Dot-coms think of themselves as independents or libertarians than as loyalists for any political party.

Self-sufficiency is almost an obsession among Gen Xers. They have seen the effects of the Baby Boom generation's failure to prepare early for a sound career and financial life. They know in their hearts that securing their personal future is their own responsibility; no one will do it for them.

This independent streak extends to the workplace. When working for others, they want management to set the goals, then get out of the way and let them get the job done however they think best.

Throughout the world, Gen Xers are starting new businesses at an unprecedented rate.

The Dot-coms are proving to be even more business oriented, caring for little but the bottom line. Twice as many say they would prefer to

own a business rather than being a top executive. Five times more would prefer to own a business rather than hold a key position in politics or government.

Almost paradoxically, the new generations work well in teams, cooperating easily to achieve shared goals. This may result from growing up in two-earner households and having to take responsibility for themselves and their siblings for large parts of the day.

They are universally color-blind and gender-blind. In the workplace, very little matters to Gen Xers and Dot-coms but skills and the willingness to use them.

However, jobs are seen increasingly as an adjunct to life, not as its focus. For Generations X and Dot-com, work is only a means to their real ends: money, fun, and leisure.

According to the Bureau of Labor Statistics, Gen Xers on average have two more years of college than their parents did. In addition, the percentage of Xers receiving advanced degrees is the greatest of any generation. This trend is also seen in Europe. The under-20 cohort is remaining in school even longer and taking longer to enter the work force than before. The age at which at least half of young Europeans either have a job or are seeking one has risen from 18 in 1987 to 20 in 1995. EU-wide, 59 percent of all 18-year-olds in 1995 were exclusively in education or training.

In Europe, the drive to learn includes a strong tendency to become fluent in other languages to

facilitate travel and work throughout the EU. Among affluent Gen X professionals in Europe, speaking three to five languages is taken for granted.

Many in Generation X are economically and socially conservative. On the average, those who can do so begin saving much earlier in life than their parents did in order to protect themselves against unexpected adversity. They also marry later, are more concerned with family and a stable home life, and are showing signs of being less divorce prone than the boomers have been.

They get information very quickly, from CNN and USA Today. Time is everything to them. They are not concerned with in-depth reporting.

Implications:

Employers will have to adjust virtually all of their policies and practices to the values of these new and different generations. Corporate cultures built by boomers for boomers are a poor fit for tomorrow's workers.

Baby Boom executives cannot count on a position of authority to win them the respect, or even the obedience, of their younger subordinates. Gen Xers expect them to be self-important, unable to work well as part of a team, and of course clueless about technology. They will not automatically obey boomer superiors, whom they view less as leaders in a job than as obstacles to getting it done. They must be recruited into the team

each time they take on a new assignment, and each new boss must earn their trust from a standing start.

Managers will have to find new ways to motivate and reward new-generation employees. Generations X and Dot-com thrive on challenge, opportunity, training--whatever will best prepare them for their next career move. Cash is just the beginning of what they expect.

Education is one more aspect of the Xers' and Dot-coms' focus on their own advancement. If institutions cannot be trusted to take care of them, they must acquire all the career tools that schooling can provide. This makes them some of the most desirable workers that have ever been available. If their job requires a skill, there is a good chance they already have it. If not, they will work diligently to acquire it. It also provides one of the best ways to motivate and retain them. The opportunity for new training and broader experience is often the deciding factor in whether they will accept or keep a job.

Generations X and Dot-com are well equipped for work in an increasingly high-tech world, but have little interest in their employers' needs. They also have a powerful urge to do things their way.

Universal computer literacy will make the youngest generations much more productive than even Gen Xers if these management challenges can be met successfully.

The ruthless bottom-line orientation of the new generations

could drive corporations to new levels of efficiency.

Implications for industry:

With a relatively young workforce, this industry will experience all the benefits and challenges of working with the new generations, and incorporating them into upper management, sooner and more emphatically than many other fields.

Their capacity for both independence and teamwork makes Gen Xers and Dot-coms a good bet to succeed in assignments far from the home office.

However, being completely "at home" on the Internet could mean that Dot-coms and the generations that follow them are more comfortable dealing with colleagues they have never met in the real world, and thus feel less need for in-person gatherings.

11. Time is precious: Time is becoming the world's most precious commodity.

Computers, electronic communications, the Internet, and other technologies are making national and international economies much more competitive.

In the United States, workers spend about 10 percent more time on the job than they did a decade ago. European executives and nonunionized workers face the same trend.

In this high-pressure environment, single workers and two-income couples are increasingly desperate for any product that offers

to simplify their lives or grant them a taste of luxury—and they can afford to buy it.

Implications:

Stress-related problems with employee morale and "wellness" will continue to grow. Companies must help employees balance their time at work with their family lives and need for leisure. This is particularly true with younger workers, for whom work is an adjunct to life, not a central part of it.

Brand names associated with efficient, reliable service are coming to seem even more desirable among Baby Boomers and seniors. Among younger buyers, this is no more than a foot in the door.

As time for shopping continues to evaporate, Internet and mail-order marketers will have a growing advantage over traditional stores.

Implications for industry:

Small corporate retreats and other low-stress, high-productivity gatherings are likely to be one of the fastest-growing segments of the market for meetings and expositions.

In meetings of any size, many clients will appreciate cost-efficient, novel opportunities to relax in the leisure hours of their gatherings. Meeting and exposition managers who handle these secondary features well, without losing focus on central issues, will have a significant marketing advantage over more task-oriented competitors.

12. Business will differ: A typical large business in 2010 will have fewer than half the management levels of its counterpart in 1990, and about one-third the number of managers.

Computers and information-management systems have stretched the manager's effective span of control from six to 21 subordinates. Information now flows from front-line workers to higher management for analysis. Thus, fewer mid-level managers are needed, flattening the "corporate pyramid."

Downsizing, restructuring, reorganization, outsourcing, and cutbacks of white-collar workers will continue through 2006.

In fact, the span of control could be stretched even further, bringing new opportunities for reorganization, as tech-savvy Gen Xers and Dot-coms rise into positions of authority.

However, many companies are finding it necessary to bring back older workers, so as to preserve an effective corporate memory.

Opportunities for advancement will be few because they will come within the narrow specialty. By 2001, only one person for every 50 will be promoted; in 1987, it was one person for every 20.

Information-based organizations will have to make a special effort to prepare professional specialists to become business executives and leaders.

Implications:

Top managers will have to be computer-literate to retain their jobs and must make sure they achieve the increased span of control that computers make possible.

One reason there are fewer managers is that the work they oversaw is now being contracted out. This offers new markets for the firms that now handle their chores.

Finding top managers with the broad experience needed to run a major business already has become difficult and can only grow more so as the demand for specialization grows.

Executives increasingly will start their own companies, rather than trusting the old-fashioned corporate career path to provide advancement.

One way to keep the best employees where promotion is not an option is to encourage intrapreneurship and offer profit-sharing.

Implications for industry:

One function certain to be farmed out to specialty firms is the organization of meetings and exhibitions. Even companies still retaining this function in house will come to recognize that management of these events is not one of their core profit centers.

Retaining workers without the promise of promotion will be especially challenging in an industry

that is heavily dependent on Gen X and Dot-com employees. This could increase the rate of personnel turnover in the next decade.

Profit-sharing plans may be the most effective substitute for promotion opportunities. It should be especially easy to tie them to performance in a field so oriented toward specific projects, rather than continuing production.

During the last decade, the meeting and exposition industry has flourished, even as it has struggled to cope with difficult challenges. This is a taste of things to come. In the years ahead, the

global population will continue to grow and change; science and technology will tighten their hold on business and society, and the world will knit itself ever more tightly into a single market. As a result, both opportunities and trials will abound.

More and more industries are relying on meetings and expositions to accomplish a variety of important goals. This will provide opportunities in the future for the meeting and exposition sector.

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