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Adjusting Perspectives Regarding Disruptions in Meetings and Incentives

A white paper on the Incentive Research Foundation's *2016 Event Disruption Study*

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Introduction

Zika. Terrorism. Hurricanes. The list of potential event disruptions seems to be expanding endlessly by both disruption type and frequency. Almost 60% of planners have experienced some form of disruption in their events, estimating that nearly a quarter of their events have been affected in some way. **The IRF** *2016 Event Disruption Study* explores the frequency, causes, sources, and impact of recent disruptions in meetings and incentive travel.

The study was completed in 2016 by University of South Carolina professors Dr. Haemoon Oh, Ph.D, and Dr. Miyoung Jeong, Ph.D. There were 18 interviews and 266 electronic responses. Event planners were surveyed on all events they had planned in 2015 and 2016. They were asked a series of questions to understand: given the vast coverage of disruption on both broadcast and social media, were events as disrupted as one might expect? And if so, what causes these disruptions and how did planners cope?

Ten critical findings on the causes and impacts of disruptions discussed in the *IRF 2016 Event Disruption Study* are:

1. **Planners are increasing their time to manage disruptions:** Just over 40% of the planners have experienced some increase in the time and effort to plan for disruptions in the past two years. Looking ahead at the next two years, 39% of the planners expect that their time and effort to plan for disruptions will increase somewhat.

2. **Is it worth it? Yes, disruption is absolutely an issue:** Nearly 60% of planners reported that they had experienced any disruption that affected the overall outcome or success of at least one event in the past 12 months. They estimated that 23% of all 2015-2016 events they planned were impacted negatively by a disruption.

3. **These disruptions are costly to the brand:** Almost 20% of the planners who experienced one or more disruptions in the past 12 months reported that those disruptions damaged the company's reputation or brand. This implies that approximately 4.4% of all events in the past 12 months experienced some disruptions to the extent which they affected the company's reputation.

4. **Disruptions negatively impact the bottom line:** One or more disruptions caused financial loss for 43% of planners or their companies. The amount of the most frequent financial loss fell between $10,000 and $99,999.

5. **The sources of disruption are surprising**: Planners reported that disruption is not always the major acts so often covered in media. The two most frequently occurring disruptions are weather-related events (38%) and vendor failures (28%). In general, of the business partners, airlines present the most frequent cause of disruptions through cancellations, delays, and overbooking (61%).

6. **Partnerships are key in the disruption recovery, with some partners faring better than others:** The planners listed strong relationships and cooperation with partners and vendors as the most needed resource in their disruption planning. Among the partners, hotels were best prepared to handle crises or disruptions, followed by DMCs and airlines.

7. **Room for improvement:** There is significant room to improve the partners' overall preparedness to handle disruptions. As a whole, planners perceived their partners' disruption handling to be about 76% to excellence, consistent with their overall satisfaction with their partners' disruption handling rated to be about 74% satisfactory.

8. **Of all the vendor partners, hotels have the highest risk of planners switching due to perceived risk:** Almost one half the planners (49%) have switched at least one business partner due to the partner's poor handling of disruptions. Among the switched partners, hotels were most frequent (26%), followed by DMCs (11%), and airlines (7%).

9. **Switching destinations is not uncommon**: Nearly 70% of planners have changed the destination at least once because of perceived risks or disruptions.

10. **Overall cooperation and creativity count:** The partners' event-specific helpful behaviors – such as cooperation and creativity – seem to be more instrumental to building partnership trust than business conditions provided by the partner – such as resources, financial capability, reputation, and insurance coverage. Trust in the partnership alone could determine 59% of planners' commitment to the partnership for future event businesses.

To download a copy of the full study, please visit http://theirf.org/research/adjusting-perspectives-regarding-disruptions-in-meetings-and-incentives/2086/

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