

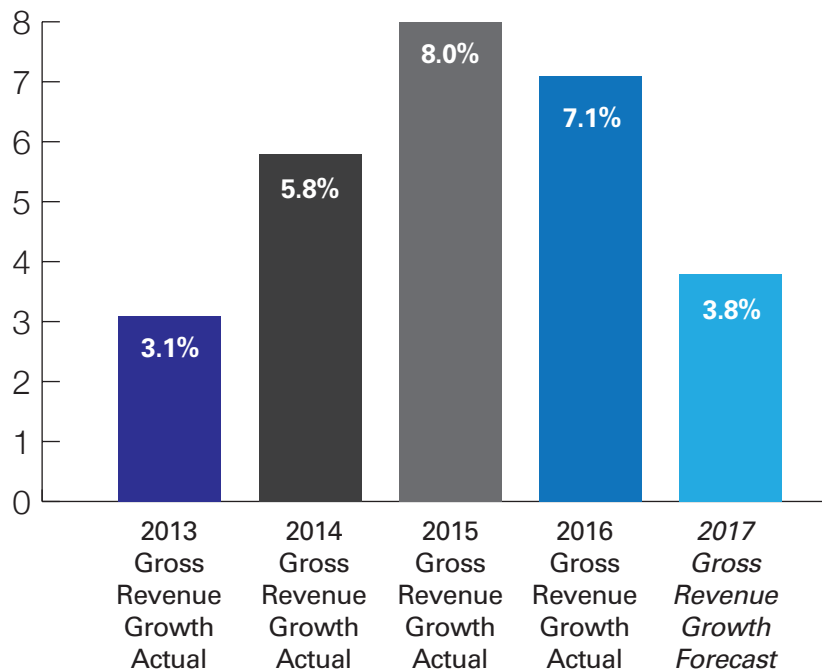
Executive Summary

While there are many key opportunities and challenges facing the industry, seven of the most important findings and insights from the new survey are summarized here.

Top Seven Key Insights

1.) Centre Revenue Growth was Strong Again in 2016 – 7.1% on Average for AIPC Members Worldwide

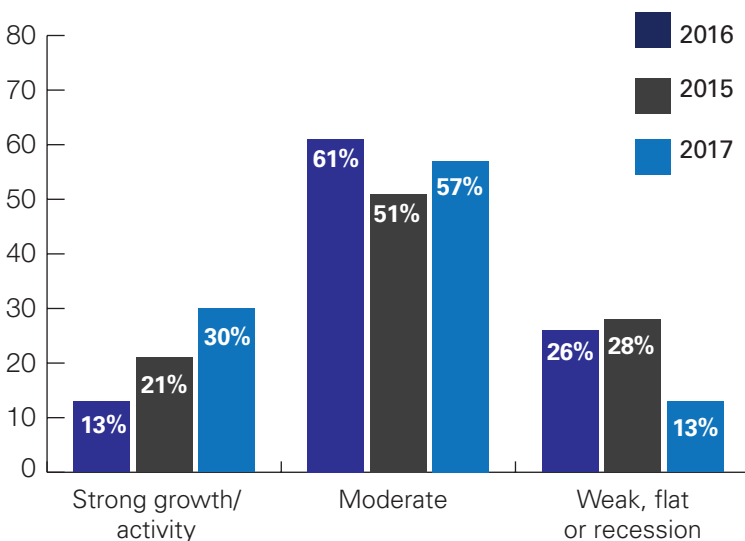
While average gross revenue growth slowed compared to the 2015 member survey findings, 2016 still experienced strong top line expansion of 7.1%. AIPC members collectively forecast more subdued 3.8% revenue growth for 2017.



2.) Member Sentiment About Regional Economic Activity is Improving

The chart shows steady improvement in how members view the strength of their regional economic activity. In 2015 13% of members indicated the economy was strong compared to 30% in the new survey. Today, 57% of members see moderate to strong economic growth in their regions.

AIPC Members' View of Their Regional Economic Activity



3.) Increasing Competition and Rising Hotel Occupancy and Prices are Main Risks to Centre Growth

Recent investments in centres and facilities as well as hotels has increased competition. Hotel occupancy and prices continue to rise and this is seen by just over half of members as a potential risk to centre business. A separate question also found that 40% or more of members currently see the following as having challenging impacts on centre business or DMO partners: online business disrupters such as Airbnb, currency value fluctuations, and increasing security risks.

Main Risks to Centre Growth: 2015, 2016 and 2017 Comparison

	2015	2016	2017
Growing competition from other centres / regions	72%	68%	78%
Hotel availability and pricing	43%	47%	51%
Overall economic strength	43%	44%	42%

4.) Over Half of AIPC Members Added a New Innovation in the Past Year

Fifty-two percent of members added a new innovation or meaningful new operational, marketing or business management idea in the last year. Examples of innovation areas that received multiple mentions by members include:

- CRM and booking systems implementation or upgrades.
- Focus on customer service management and related procedure changes.
- Overall operational structure changes.
- Applying standardization and best practices.
- Added IT and technology upgrades.
- Enhancing way-finding and signage.

5.) Member Quotes on Biggest Innovation Challenges and Opportunities

The top Innovation challenges are generating ideas, budgets, implementation, measurement and organizational culture. Here are quotes on the key innovation challenges and opportunities seen by members.

- “Providing even more customized solutions.”
- “Creative non-traditional use of space.”
- “Integration of all the areas, departments and services into a holistic kind of service/business.”
- “More focus on the delegate and her/his total experience.”
- “How attendees absorb content. How attendees use venues to socialize, network and collaborate.”
- “Our biggest challenge is being able to prioritize the ideas with the biggest impact.”
- “Securing decent return on investment, not enough profitability to take chances.”

6.) Major Corporate Meetings are Strongest Client Segment

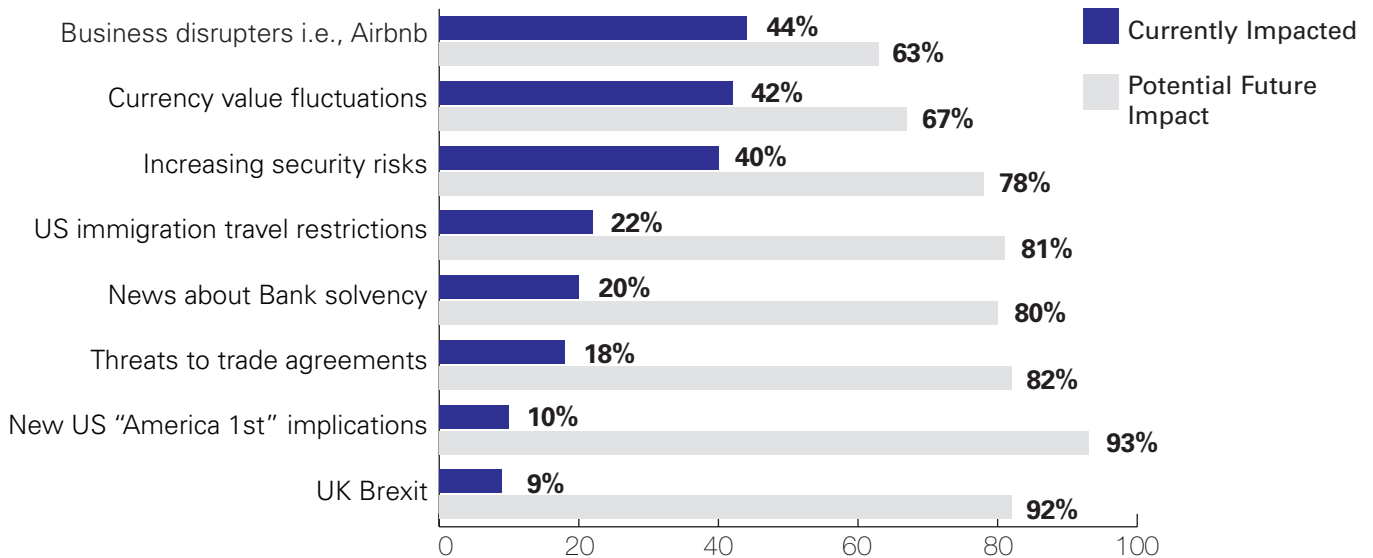
A strong economy after many years of slow but steady expansion in most regions, equals strong corporate meetings business. Members by far say major national and international corporate meetings have the best current and near-term growth outlook of any client segment. Yet an issue with the corporate meetings market is that they are the most cyclical part of the industry.

Types of Clients and Groups with Best Growth Outlook

	All Members %
Major corporate meetings	78%
Association conventions with exhibits	63%
Association conferences	59%
Local corporate meetings	55%
Government events	35%
Exhibitions, trade shows	35%

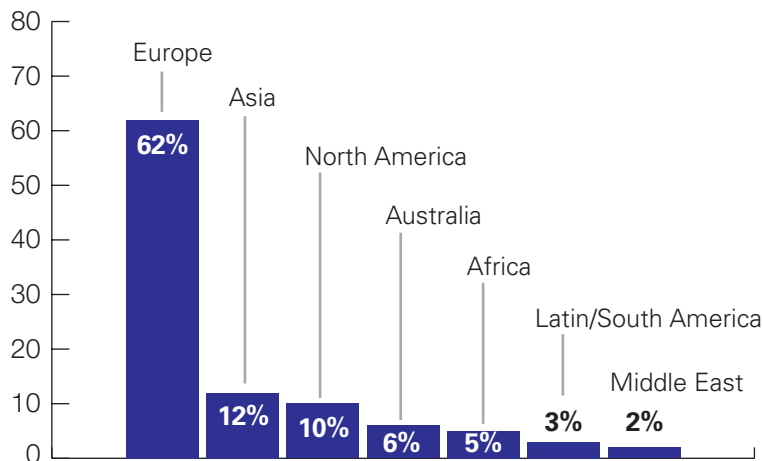
7.) Economic or Political Issues Impacting Centre Business

UK Brexit is not having an impact yet, although 92% of members feel this could have an impact in the future. Similar sentiment is expressed related to implications of new US “America 1st” policies.



Respondents by Region

Over sixty percent of the respondents are based in Europe, followed by 12% from Asia and 10% are based in North America.



More information on the main insights and the full survey results are provided in the remainder of the report.