

# How the Coronavirus is Infecting the Trillion Dollar Meeting Industry

*[Edward Segal](#), Crisis Management Expert*

The [coronavirus](#) crisis is unfolding before our eyes as the media continuously reports the latest news and developments about the disease. Also unfolding is how the disease is infecting the economy and various industries, including the trillion-dollar global exhibitions and events sectors.

Last Friday afternoon, just days before it was scheduled to open, the mayor of Austin, Texas announced the city's world-famous SXSW – the Southwest festival of music, film, and technology – was cancelled because of the virus. “We are devastated to share this news with you,” SXSW organizers wrote in a statement. “‘The show must go on’ is in our DNA, and this is the first time in 34 years that the March event will not take place.”

The surprise decision will create important regional ripple effects. In 2019 the event pumped more than \$350 million into the local economy, and attracted more than 200,000 people from 106 countries, with 55,000 of them reserving hotel rooms.

The sudden cancellation – which was reported by CBS, NBC, and other major news organizations – was not the first event to be scrapped because of the COVID-19 virus, and it is not likely to be the last. The loss of hundreds of millions of dollars in Austin will be drops in an international bucket of lost revenue, red ink, and budget shortfalls. The bucket will only get deeper with each new announcement about another cancelled event.

“This disease is presenting the exhibitions and events

industry with an unprecedented global challenge,” Cathy Breden, executive vice-president of the International Association of Exhibitions and Events, told the *Financial Times*.

## **Cautious, Realistic, and Optimistic**

The mood and tone of the industry appeared to shift with the progression of the disease around the world.

Last month, just as the coronavirus crisis was unfolding, the Center for Exhibition Industry Research cautioned that, “It is too early to give a precise estimate on the impact of coronavirus...” They noted that Federal Reserve Chairman Powell indicated that “the situation is really in its early stages, and it’s very uncertain about how far it will spread and what the macroeconomic effects will be in China and its immediate trading partners and neighbors and around the world.”

On March 5, the Events Industry Council took a more defiant tone, saying in a news release that, “We are adaptive. Events will continue despite COVID-19. The majority of events around the world are still happening, despite what the media reports. Some will be – or have already been – cancelled or postponed. Most of them will come back just as they did after other major world events.”

But this may be easier said than done, given the level of fear – bordering on panic – that is spreading faster than the disease and how effectively the public’s anxiety about catching the virus can be addressed – or how serious the crisis becomes.

Perhaps that’s why the council advised their members to “...make informed decisions about our meetings based on sound information and guidance provided by the World Health Organization (WHO) and Centers for Disease Control and Prevention (CDC). As always, health, safety and security are

the top priorities.”

Rather than preemptively canceling their meetings outright, the American Society of Association Executives posted this announcement on its website: “Absent federal travel restrictions and/or local, state, or regional decisions to close venues, ASAE has not canceled any of its meetings. At these events, we commit to maintaining all appropriate sanitary, health, and safety measures and encourage attendees to follow guidelines recommended by the Centers for Disease Control and Prevention and the World Health Organization. If there are any changes to event schedules, we will provide information to registrants about virtual options that may be available and/or other specific details.”

## **What's Old May be New Again**

If necessity is the mother of invention, then every passing day of this virus crisis is forcing a growing number of companies and organizations to invent – or re-discover – alternative ways for people to “attend” and participate in meetings and conventions.

Live-streaming of events, for example, is nothing new. This older technology could become even more widely used as the coronavirus crisis drags on. Virtual meetings may become the new virtual reality, spawning a growth industry among companies who can quickly scale up their ability to meet what may become an insatiable demand.

Corporations who now spend large sums of money to stage, sponsor or exhibit at meetings and conventions may have to reallocate those funds to different line items in their annual budgets. Trade shows and other events that rely on sponsorship dollars and the spending by attendees may be forced to find new and creative ways to make up for lost income.

For those who continue to hold in-person events, when and how

they interact with attendees will change, according to trade show and branding expert Francis J. Friedman of Time & Place Strategies, Inc.

In the short term, he advises exhibitors to “pay attention to the fact that people are scared” because of the virus and to set up their booths “as a health center, as well as an information exchange center.” That could include converting into video formats more of what companies want to talk about “so that people can quickly understand what your value is and why they should possibly communicate with you. [Promote] your web address and that you are available to interact with anybody who wants to interact with you by smartphone or email.”

Although the multi-billion events industry will not disappear overnight because of this public health emergency, Friedman said it will continue to evolve. He predicts the meetings industry will realize that it is in the information industry and will offer more ways to present the intellectual propriety of exhibitors to attendees.

## **Reality Check**

Convention and exhibition expert Sam Lippman, president of Lippman Connects, put the current crisis in perspective. “The number of events being cancelled is minuscule compared to the thousands of events – large and small – that are occurring throughout the United States.

“Now, more than ever, we must continue to meet face-to-face and celebrate our humanity; spread information and conduct business. Since gathering at the intersection of the Tigris and Euphrates Rivers thousands of years ago, humans have gathered to trade; network and celebrate, and we will continue to do so now and in the future,” he predicted.

When it comes to addressing and resolving the still developing

coronavirus crisis, it's best not to hold your breath – literally or figuratively. According to health experts, it could be a year or more until an effective vaccine is available. And the reality is that there may be no guarantee that once the disease fades away, that it will not come back year, after year, after year, bigger and more lethal. Just like the flu.

Unlike most crisis situations, this developing disaster for the meetings and events industries may not be easily or quickly managed, addressed, or resolved. Much like the coronavirus itself.

As a doctor might tell a patient about an uncertain prognosis, “We will just have to wait and see.”



**About the Author:** Edward Segal is a crisis management expert, consultant, and author. His new book on crisis management – *Crisis Ahead: 101 Ways to Prepare for and Bounce Back from Disasters, Scandals and Other Emergencies* ((Nicholas Brealey) will be released as an ebook April 21 and as a paperback on June 16. They can

be ordered at [https://www.amazon.com/gp/aw/d/B0827JK830/ref=tmm\\_kin\\_title\\_0?ie=UTF8&qid=&sr=.](https://www.amazon.com/gp/aw/d/B0827JK830/ref=tmm_kin_title_0?ie=UTF8&qid=&sr=)

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