the business of events

EVENTS ECONOMY TRACKER
Q2 – April to June 2023
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The UK’s events landscape for Q2 2023 paints a picture of growth and challenges, characterised by a notable 22% increase in the Revenue Per Delegate for conferences and meetings, reaching £137.85 from the previous quarter’s £112.95. This surge has propelled the average Revenue Per Delegate to £125.40 in the first half of the year, surpassing the prior annual averages of £108.96 in 2021 and £104.78 in 2022. The quarterly average for Q2 the previous year (2022) stood at £113.23, highlighting the steep ascent in prices.

Q2 showcased a surge in confirmed events, outpacing the previous quarter. While forward bookings remained relatively stable, showing a minor decline in June, the quarter as a whole exhibited strength, notwithstanding a marginal dip in the peak compared to Q1. June’s confirmed events closely mirrored the zenith of November 2022 and matched March’s figures, emphasising the recurring pattern of the third month proving the strongest.

Attributed to pent-up demand following pandemic-related restrictions, the robust trend in in-person events endures in Q2 2023. Even as inflation impacts various sectors, businesses continue to prioritise face-to-face interactions, reinforcing the vitality of such gatherings.

However, the industry grapples with ongoing challenges in maintaining quality service due to high event volumes. While inflation slightly eased to 7.9% in June, it has not translated to reduced event costs. Energy price hikes have particularly affected the sector, amplifying cost pressures for commercial venues that lacked the same level of government support as individuals.

Amidst this backdrop, the average lead time for conferences and meetings in Q2 2023 increased to 80 days from Q1’s 64 days. Though only a fractional rise from Q2 2022’s 77 days, this underlines the departure from the pre-pandemic trend observed in 2019 and short lead times remain.

Furthermore, the average number of delegates per event has continued to slide and sat at 65 in Q2 2023, down from Q1’s 74. The year’s average to date is notably lower compared to 2022’s average of 93 delegates per event, reflecting a 25% drop. This underlines the shift towards smaller events despite their increased frequency. This will also contribute to higher prices as venues compensate for smaller events.

As the events sector grapples with inflationary pressures and changing attendee dynamics, adapting to the evolving landscape while maintaining quality and profitability remains a paramount challenge.

Data supplied by Venue Performance, from a sample of 400 venues.
Bookings

The graph below runs from 1 July 2019 to 30 June 2023 to illustrate conference and meetings booking and event trends before, during and after the period impacted by the Covid-19 pandemic.

Q2 2023 shows a clear increase in the number of confirmed events taking place (blue), while forward bookings (orange) remain relatively consistent with only a minor tail-off in June. Although the peak was fractionally lower than in Q1, the quarter as a whole was stronger.

The number of confirmed events for June sits just below the peak of November 2022 and is on parity with March, and follows a similar pattern to Q1, in that the third month was the strongest.

While the peak of November 2022 has been attributed to residual pent-up demand for in-person events, with businesses looking to reconnect with their audiences once the law permitted in the wake of the pandemic, the continued trend observed in Q2 suggests in-person events remain an important aspect for corporates, despite inflation. Q2 included Easter (April) and three May Bank Holidays.

However, the industry continues to face challenges in maintaining its ability to service the consistently high number of events, such as filling vacancies and supplier availability. Despite inflation dropping slightly to 7.9% in June, this will not be reflected in event costs.

Peter Heath, Managing Director, Venue Performance:
“"The quarter's results have held up well and provides yet more evidence that the sector is strong. There is most definitely a positive desire for businesses to meet in person."
Meetings made up the majority of events in Q2, nearly twice that of conferences. This follows a similar pattern to the same period in 2022, with meetings outnumbering conferences at a ratio of more than two to one.
(Note: exhibitions are not recorded).

**Q2 2023**

-Peter Heath, Managing Director, Venue Performance: “Q2 and Q1 were near to identical in terms of event type. There is no surprise that meetings remain the bread and butter of most venues. Meetings outnumber conferences at a rate of two to one, and there’s no indication this will change.”
Revenue Per Delegate

Revenue Per Delegate is defined by venue hire charges, food and beverage, and ‘other’, such as AV hire. The Revenue Per Delegate for conferences and meetings in Q2 was £137.85, compared to £112.95 in Q1, which represents an increase of 22%. This takes the average Revenue Per Delegate to £125.40 in H1 of 2023. Previous yearly averages were £108.96 (2021) and £104.78 (2022).

Q2 saw the highest quarterly averages in a year, with the same period in 2022 representing £113.23.

Inflation continues to have a large impact on the events sector. Energy prices will have made the largest single impact since many commercial premises have not had the same level of Government support as domestic customers, and any support that may have been available ended in March.

Food costs also contributed heavily to the increased the Revenue Per Delegate.

Peter Heath, Managing Director, Venue Performance:
“The Revenue Per Delegate is increasing and that is a clear indication that costs, raised by inflation, are now being passed on by the venues to the organisers. While it is positive that this doesn’t seem to be a barrier for now, there remains a question over how long that will last.”
Event booking data for Q2 in 2023 reveals lead times for event bookings are increasing.

Short lead times remain a trend in the industry, in the context of when compared to trends in 2019. The lead time for conferences and meetings in Q2 2023 stood at 80 days, up from 64 days in Q1.

This is fractionally longer than the same period in 2022 (77 days).

Peter Heath, Managing Director, Venue Performance:
“Lead times are one of the key areas that most operators would like to see return to 2019 levels, but at the moment it’s simply not happening. A new way of forecasting, budgeting, measuring, and operating is needed. Simply wishing for things to return is not realistic in the short-to-medium term.”
The average number of delegates attending events in Q2 in 2023 was 65, down on 74 in Q1 (H1 average 69.5 days).

The average number of delegates attending events in 2022 was 93 over the year, which reveals 2023 is tracking 25% lower. This underlines a downward trend revealing events are getting smaller, despite more taking place. This will put pressure on venues as fewer delegates reduces revenue per head unless prices increase or more space is sold. The latter adds extra pressure on resource.

**Peter Heath, Managing Director, Venue Performance:** “This could be a major concern. If any business’s volume decreases by this amount, then operational efficiencies will be key. Flow-through and profitability are key metrics.”
About

Venue Performance is the leading source of data for benchmarking, market analytics and performance insights for the UK M&E industry.

For more information on how you can use the data provided by Venue Performance, contact:

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Davies Tanner is a privately owned PR and marketing agency specialising in Travel, Tourism, and Business Events. We support some of the most successful brands including hotels, venues and destinations.

Our team is the most experienced, committed and dedicated in the industry. With backgrounds in consumer and business PR, journalism, sales and marketing, tourism, hospitality and event management, we have an in depth understanding of what public relations means to our clients and the wider economy.

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The Business of Events (TBOE), run by Davies Tanner, is an independent Think Tank for the UK events sector; an industry that has enormous economic potential.

Our primary role is to raise the importance and profile of business events as an economic, policy, and community driver and to maximise the opportunities achieved by having a strong business events sector.

We achieve this through a combination of Policy, Advocacy, Content and Engagement, bringing together senior leaders from across the business events sector to discuss policy ideas and initiatives and to connect with government, policy makers and influencers, public sector organisations and politicians.

For further information regarding The Business of Events, including discussing speaking opportunities, media enquiries or partner opportunities please contact us.

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