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A STUDY OF THE JOINT RESEARCH PROJECT FUTUREHOTEL

FUTUREHOTEL – BUSINESS TRAVEL EVENTS IN A POST CORONA HOTEL ERA

OPPORTUNITIES AND SCENARIOS FOR THE HOTEL LANDSCAPE



FutureHotel

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Opportunities and Scenarios
for the Hotel Landscape

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1

Introduction

The contents of this report are based on research work by FutureHotel Innovation Network at Fraunhofer IAO in Stuttgart. FutureHotel of Fraunhofer IAO, which is currently in its eighth research phase, is a leading think tank and innovation laboratory for the research and development of future-oriented hotel solutions. For more than 10 years, the network of experts has been conducting research on topics such as the hotel room of the future, current and future guest needs, the new working world in the hotel, the use and potential of technology in the hotel industry, innovative concepts for the use of space, as well as business models for the hotel industry.

Reports from the research and findings are listed at www.futurehotel.de.

1.1

The Importance of Events

Business travelers represent an important target group in the current hotel landscape in Germany. These guests have different needs from the average hotel leisure guest and these needs are constantly changing. Between May 2018 and April 2019, 10.3 million people took an overnight business trip, which is equivalent to 16% of the population (Sonntag et al. 2019: 3). 80% of Germans' overnight business trips are domestic, which corresponds to 62.7 million trips.¹ With a share of 21%, seminar trips account for the largest proportion of the total 78.5 million overnight business trips of Germans. Especially in the current rather volatile COVID-19 context around the world, new, mostly digital solutions are sought. Furthermore, the overall trends for the so-called MICE (Meetings Incentives Conventions Exhibition) industry have been impactful and have extensive consequences for the hotel industry. A big change was that, with digital solutions, businesses have had to make a conscious choice between organizing a physical or digital meeting. The task of meeting space providers is to convince the customer that a meeting at their location has advantages compared to the digital world. In addition, the demand for more sustainable solutions in business travel from a corporate viewpoint has led to new travel behavior in this market segment.

Meetings and conventions play an important economic role in Germany: In the ranking of the International Congress & Convention Association (ICCA), Germany has been in first place among European meeting and convention destinations for many years. Worldwide, Germany ranks second behind the USA. Almost three million events with over 420 million participants took place in Germany in 2019. Before the start of the pandemic, Germany regularly occupied top positions as a meeting and convention destination when compared globally, including in the rankings of the International Congress & Convention Association (ICCA) and the IPK World Travel Monitor.²

Business events and the entire MICE industry are highly important for the hotel industry due to both the importance of business travelers and its role as a possible venue, there is a special focus on the developments and future trends in this area for the design of the hotel of tomorrow.

¹ Sonntag et al., 2019

² Dienes et al., 2022

1.2

Business Events in the Context of the Trend Map

Future-proof hotel concepts are being developed as part of the FutureHotel Innovation Network. The starting point is a trend map with a total of ten fields of action, which provides information about current future trends in all areas of life. This examination and classification of trends serves as a basis for identifying the biggest drivers of change in the economy and society and their influence on the future hotel landscape.

The following whitepaper is the second in the series »FutureHotel - Post Corona Hotel Era« and focuses on the topic of business events and the MICE industry. This area can be assigned to the »New Working World & MICE« field of action of the Trend Map.

WHAT ARE THE TRENDS?

To identify future trends, ten fields of action were defined in a first step and trend movements were analyzed in each field of action. This clustering allows a detailed examination of different areas of life and a deepening discussion of influences on the hotel landscape of the future. The fields of action can be seen in the following graphic:

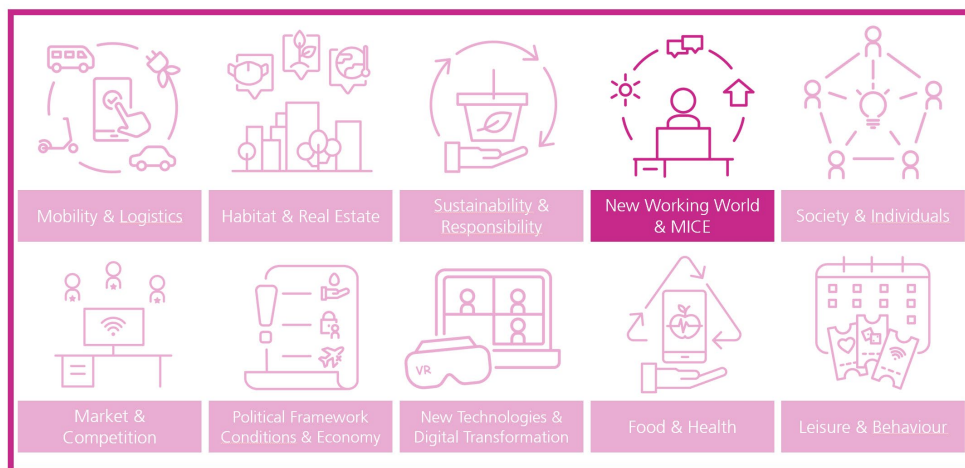


Fig. 1 Trend map and fields of action

WHAT IS THE FUTURE HOTEL LANDSCAPE?

Based on the fields of action, generally applicable social trends and developments have been analyzed and are presented later in this paper. In summary, it can be stated that major changes result in complex transformations with different dependencies. These in turn also influence the hotel industry to a great extent. The general trends form the basis for the identification of changes in the hotel landscape, which is fundamental for the development of new innovative solutions and concepts. In this white paper, as well as in the following papers, hotel concepts are considered holistically, and the trends are applied to all hotel sectors.

1.3 Methodology

The methodical part explains the procedure. This includes the form of the research, the selection of the focus, the planning and implementation. In the following, the procedure is shown. A desktop search was used for the research, with a focus on current trends. The focus was also on expert knowledge. This knowledge was generated from the Future Meeting Space project and from Future Hotel as well as interactive workshop meetings. Even expert interviews were conducted for this purpose - Insights and impressions of the hotel industry and MICE-Business were described. This included Managing Director Markus Marth of Schani Hotels in Vienna. The resulting knowledge was transferred to the hotel industry.

1.4 The FutureHotel Innovation Network

The content of this white paper has been developed within the framework of the FutureHotel Innovation Network, based on research, many years of experience in the conjoint project, and intensive regular exchange with research partners who are experts and representatives of the hotel industry.

The FutureHotel Innovation Network is led by Fraunhofer IAO in Stuttgart and is currently in its seventh research phase. Founded in 2008, FutureHotel is known as a leading think tank and innovation laboratory for the research and development of future-proof hotel solutions. For more than 10 years, the network of experts has been conducting research on topics such as the hotel room of the future, current and future guest requirements, the new working world in the hotel, the use and potential of technology in the hotel industry, innovative concepts for the use of space, as well as business models for the hotel industry.

Excerpts and findings from the diverse research project are listed at www.futurehotel.de.

2 Current Trends in the MICE Industry

2.1 Digitization and Globalization as Change Drivers

In this chapter, the question of how societal trends influence the business event and MICE industry shall be answered. The trends that influence the modern society the most are new and digital technologies, the consequences of climate change, new forms of mobility, and the flexibilization of the working world.¹

One of the key developments in the modern economy is digitalization, which was one of the main discussion fields of the economy and society before the pandemic.² Every area of business is impacted by the increasing digitalization of the whole economy and society. It could be said that there are three main reasons why digitalization is so significant. Firstly, digitalization is happening fast. It has changed the entire economy in just a few years and entire work processes have been replaced with more efficient ways of working. For example, while it took the telephone 75 years to reach 100 million users, the cell phone needed only 16 years to do so. The WhatsApp messenger service passed this mark after just two years. These fast changes also mean that customer demands change as quickly as the technologies. Due to this, businesses must always adapt to the changing business environment.

Another reason that digitalization is important is the growing complexity of the world and business. In many cases, the focus of innovation efforts is no longer on a single product, but rather on a suitable business model, which tries to make new products and associated services available to the market. Innovation today no longer refers to just one company, but to the entire ecosystem around a company. Bringing together companies from different areas will be of the main challenges and chances of the new economy. This networking will increase transparency while the flexibility and agility of businesses will increase through this networking in the digital space.

»THE DIGITAL TRANSFORMATION IS A GLOBAL TRANSFORMATION.«

Another reason for the importance of digital technologies is the growing trend of interdisciplinarity and multilateral relations between businesses along the supply chain. The more complex and interwoven value creation processes become and the more specialized the fields of work become, the more interdisciplinary the collaboration both within and across organizations will be. Today's complexity can only be solved with interdisciplinary approaches. Furthermore, the digital transformation is a global transformation. It starts with the individual company and influences the ecosystem in which the company operates. Digitalization is therefore both a cause and an accelerator for the globalization of the economy. In essence, it describes a shift toward Internet- or cloud-based business management. This digitalization affects every aspect of business. Considering the COVID-19 pandemic, the MICE sector is easily replaceable with digital solutions, but this shall be more closely examined when the effect of the pandemic is analyzed later in this paper.

¹ Dienes et al., 2022

² Saueressig et al., 2022

In addition to the trend of globalization, DEglobalization must also be mentioned as a countermovement in view of the currently fragile world situation and the need for sustainable action. The latter describes the counter-movement to globalization and is not to be used synonymously with the term glocalization.¹ This term represents a further development of the current system of globalization, which is formed from the terms globalization and localization and describes the global orientation and regional location as well as local strategies.² The motto of thinking globally and acting locally initially seemed contradictory but, during the current crises, strong networking due to globalization is present while strongly dependent on the flow of goods.³ Even in the context of sustainability and the circular economy, glocal production systems offer opportunities to extend the product life cycle, shorten transport routes and save emissions. Digital innovations can be helpful to complete a transformation process from linear and rigid value chains as well as dependency structures to resilient, glocal and more sustainable supply chains.⁴

2.2 Events in the Mix of Virtual and Physical Elements

The COVID-19 Pandemic has had massive impacts on the hotel industry, especially on business meetings. Travel restrictions and limits on how many people could meet at once, combined with the health concerns of organizers and attendees often made meetings impossible. Meetings, conventions and congresses have been particularly affected by the restrictions on infection control, as they have been largely based on pre-pandemic personal interactions and physical gatherings. As a result of the pandemic, events have been cancelled or postponed in large numbers since March 2020 while participant numbers have dropped significantly. There has also been a loss of revenue as hotel businesses lost one of their main sources of income.⁵

In Germany, the hospitality industry as a whole lost around 40% of their revenue in 2021, when compared to 2019.⁶ Businesses had to adapt to the new situation and continue their operations as normally as possible. Business meetings were largely transferred to the virtual world to the various video-meeting applications such as Zoom or Microsoft teams. Most office-based work was moved to the homes of the employees. After some time, these digital solutions began to work quite well, and almost all basic business meetings and interactions could be carried out digitally. During the height of the restrictions, even big conventions were impossible.

»HYBRID AND VIRTUAL EVENTS WILL REMAIN AN INTEGRAL PART OF THE EVENT WORLD IN THE LONG TERM.«

According to an expert survey from the Competence Center Tourism of the Federal, 60 percent of respondents (N= 248) expect digital events to become mainstream and in-person business travel and event attendance to remain below 2019 levels, even after the Corona Pandemic has passed.⁷ Hybrid and virtual events will remain an integral part of the event world in the long term and will shape both services and event formats as well as competence profiles and infrastructure. Other surveys also show that events

¹ Höhn & Pfuderer 2022

² Haas o.J.

³ Mönch o.J.

⁴ Höhn & Pfuderer 2022

⁵ Dienes et al., 2022

⁶ DEHOGA, 2022

⁷ Kompetenzzentrum Tourismus des Bundes, 2021

will increasingly include digital elements in the future, both to network with virtual participants and to enhance learning effects and presentation.¹

These facts call for solutions between the digital world and the real world. In order to support such interaction, attention should be paid to the integration of so-called »Smart Surfaces« (the term describes intelligent surfaces that can rearrange themselves in composition or react to changes in the environment by changing their functionality²) in locations already having meeting spaces as well as newly built locations.³

Examples for this could be possibilities to project a presentation to a wall or microphones, that which allow digitally attending members can also to hear everything, that is said. Creating adequate surfaces for AR/VR technologies will create more possibilities in the future to connect the virtual and the real world. In addition to suitable technical equipment in the room physical space, the choice of venue is also related to the digital infrastructure, e.g., the availability of 5G or broadband Internet. The possible number of physical participants moves into the background reduces in significance.

Despite the prediction that events will increasingly take place in virtual space, new opportunities are also arising for events in physical space. Although potential participants are in favor of the reduction of time and economic travel, the savings of CO₂ emissions and the reduced stress, the Corona Pandemic also made clear how important real encounters are for interpersonal interaction.

2.3 The Value of Physical Interaction

The Corona Pandemic highlighted the importance for people to gather together. Although both companies and event organizers had some initial experience in holding virtual events and meetings and found that an exchange of information can also function independent of space, decisive factors were missing in virtual communication platforms. A home office study conducted by Fraunhofer IAO in 2020 showed that, during the first lockdown in the spring of 2020, informal knowledge transfer in particular could not be absorbed despite digital communication platforms. The lack of spontaneous exchange with colleagues negatively influenced the processing of creative activities.⁴ In addition, more than 80 percent of the ideas in a workday come from the informal exchanges between coworkers. These informal encounters happen at places which cannot really be recreated digitally such as coffee machines or during afterwork drinks.

»NETWORKING IS THE MAIN MOTIVATION FOR ATTENDING AN EVENT, EVEN BEFORE THE ACTUAL CONTENT.«

Experts also assume that business trips will continue to be preferred to video conferences in the future and that the digital solution will only dominate in project meetings. This is because real exchanges in a physical space are still valued as a means, for example, of solving complex problems.⁵ Furthermore, the emotional experience with all

¹ UFI, 2021

² Hackster.io, 2020

³ Dienes et al., 2022

⁴ Bockstahler et al., 2020

⁵ DRV, 2021

senses cannot be represented completely virtually. Chance encounters and the gathering of inspiration, which are essential for events, are eliminated when they are held virtually. Getting to know contacts better and building trust with potential business partners or customers is also perceived as a particular advantage of the physical encounter.¹ Networking is the main motivation for attending an event, even ahead of the actual content and knowledge transfer.²

However, the option of virtual attendance will provide an alternative to physical attendance in the future. This means that every real event visit in the future will be based on a completely conscious decision. Due to this, the event industry is currently facing a significant change. Event formats, locations, and the role of event organizers will have to be redefined in the long term in order to meet the new requirements of participants and intensively exploit the potential of physical events.

»EVERY REAL EVENT VISIT IN THE FUTURE WILL BE BASED ON A COMPLETELY CONSCIOUS DECISION.«

In the future, events will need to rethink their format. The pure transfer of information through frontal presentations must give way to new, innovative creative formats. In addition, there is a need to increase the emotional experience in the room through authentic, unique atmospheres and locations, beyond classic exhibition halls to alternative, unconventional locations with improvisational character.

There are new formats that have rethought events in a more unconventional and innovative way. In the following, the three event formats of storytelling, event gamification as well as the purpose-driven approach will be presented. Storytelling is intended to deliberately set the company apart from others. The focus is on the own brand and experience. Therefore, it is necessary to create a feeling and an atmosphere the customer can identify with. Attention is also generated via the unique and individual appearance. Another format is event gamification. Event gamification contains game-like principles, but also elements that are otherwise not found in games. The approach is intended to contribute to more interaction, motivation and action. A completely new approach compared to conventional event forms is the purpose-driven approach. An event with a purpose-driven approach pursues a non-commercial aim. It is about the pure benefit that the event has in terms of communication, transfer of knowledge or strengthening of the community. The improvement of business relationships or the acquisition of new customers is not in the focus of the non-commercial idea.

Networking should also be promoted more strongly at future events. This can be done by extending informal exchange breaks or by actively involving participants in small group workshops.

In the following, the current most important and forward-looking innovations and solutions in the MICE industry are summarized and presented in order to provide a basis for the development of new hotel concepts in the context of events. The trends are based in particular on Fraunhofer internal research and analysis. This includes the results of the Future Meeting Space innovation network (Future Meeting Space - Fraunhofer IAO).

¹ Prüser, 2021

² Congreet, 2017

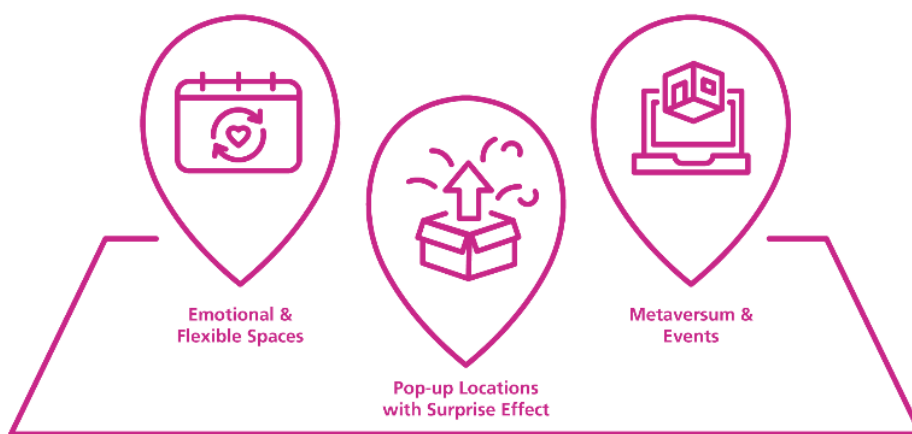
Summary of the Trend Development

- Events play a **crucial role in the hotel industry** - either directly as an **event location** or indirectly as an **overnight accommodation** for event participants of trade fairs, etc.
- Since the **Corona pandemic**, the behavior of attendees has undergone a lasting change: **Every event visit** is based on a very **conscious decision**.
- The **event landscape** has become more diverse: **Hybrid, virtual and purely analog** events are offered and expand the possibility space for participants, organizers, speakers and service providers.
- When attending an event on-site, attendees expect a **high level of emotional experience**, unique experiences and the opportunity to **network informally** with other attendees and speakers.
- Event planners tend to focus on **frontal information formats at virtual events**; on-site, what counts is the joint **creative development** of new solutions, storytelling and the **value of authenticity**.
- As a result, the **cooperation with local providers** (e.g., catering with regional products), start-ups, **and regional experts** is becoming increasingly important.

3 Fields of Action for the Hotel Industry

The current changes in the MICE industry driven by changes during the Corona pandemic, climate change and the Ukraine crisis have also affected the hotel industry. Not only will the increase of hybrid events play a significant role in the future but also the need for interpersonal communication and emotional experiences. In the following, different fields of action are outlined and elaborated based on trend developments and expert opinions. These are intended to serve as guidelines for action for stakeholders in the hotel industry and provide initial starting points for implementing a sustainable and innovative business travel and event landscape within the hotel industry.

3.1 Location and Destination



3.1.1 Emotional and Flexible Spaces

Despite new spatial independence due to remote digital participation options, physical venues are not losing their importance. However, in the future, every visit to an event will be based on a very conscious decision. As a result, the spatial experience and the infrastructure of the premises will become more important than ever. When choosing a location, the focus will be based on both hard location factors, such as accessibility or value for money, and soft factors, such as the atmosphere and mood at the event location. The physical space can do a lot to stimulate social interaction and convey positive emotions to participants. The creation of a staged experience within the event location can contribute to an emotional relationship with the space, with resulting participant loyalty through the conveyance of values such as authenticity and uniqueness.



»At the moment, the entire market of the event industry is changing. The unique aspect: When people are away from their jobs, they want to experience something different and try something new. They want to go home and say: Although the days were exhausting, they were still a great added value.«

Markus Marth / Managing Director Schani Hotels (May 2022)

In addition to authenticity and uniqueness, adaptability and real-time capability also play a major role. Social requirements and framework conditions due to climate change, for example, and the associated new temperature ranges, flood hazards, etc., are changing at an unprecedented speed. As a result, the needs of event participants are also changing dynamically. Event locations must continuously be able to meet the new requirements. In terms of the premises offered, these should have a high degree of design freedom and be flexibly changeable.



»Multifunctional spaces are becoming increasingly important. The trend is similar to the movement in the office and working world: places generally need to become more diverse and flexible.«

Markus Marth / Managing Director Schani Hotels (May 2022)

3.1.2 Pop-up Locations with Surprise Effect

The longing for authentic venues can also extend beyond the transformation of classic trade fair and congress halls and lead to the use of new, alternative locations. The temporary use of inner-city spaces is currently on the rise.¹ For example, events for temporary use in vacant buildings or as an instrument for supplementing existing functional modules, e.g., in gastronomic establishments or on commercial locations.

Pop-up events in existing spaces within the urban space have great potential to combine event content with sightseeing and personally experiencing location-specific attractions, such as cooking sessions, DIY classes or tasting seminars. These can be chosen and put together in different ways depending on the choice of environment and theme of the event. Generally, physical events in particular should form a coherent whole and tell a holistic story.

3.1.3 Metaverse and Events

The emergence of virtual platforms like the metaverse with virtual worlds in a holistic ecosystem also has an impact on the event industry of tomorrow. Since events will remain in virtual or hybrid space to a certain extent, despite the need for physical experience, solutions must be found to transmit the experience virtually as well. Virtual worlds can, at least to a certain extent, help build a relationship between participants or between participants and speakers. Even if the use of communication platforms in combination with virtual worlds has been an exception so far, the trend towards the integration of VR/AR technologies continues to increase.

Platforms like the metaverse have the potential to further break down the boundaries between the virtual and physical world and to expand reality. The unlimited number of users, as well as the development of a completely new ecosystem for events in combi-

¹ Dienes et al., 2022

nation with blockchain-based goods (e.g., NFTs) and the option of continuously expanding content, are options that have only been used to a limited extent in relation to the metaverse and experiences.¹

HOW SHOULD THE HOTEL INDUSTRY RESPOND TO THE CHANGES IN LOCATION AND DESTINATION?

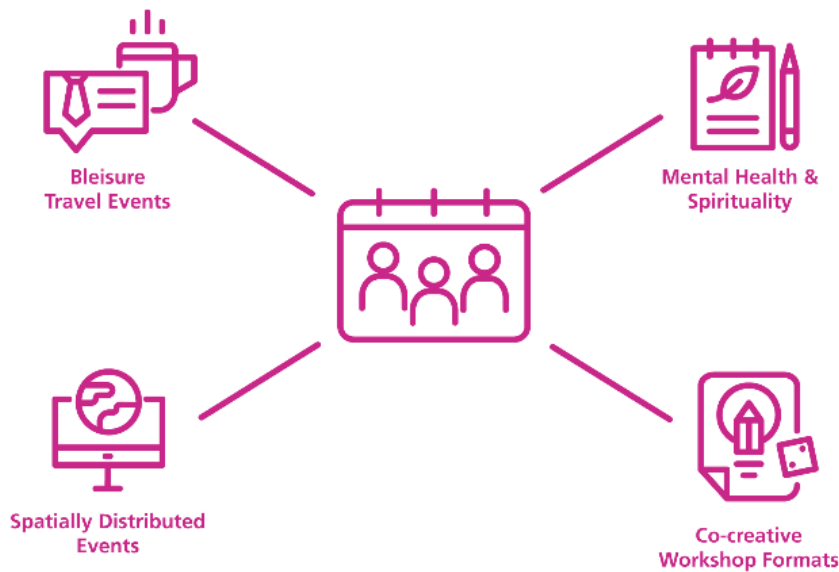
- The need for unique meeting venues that differ significantly from other hotels in terms of their atmosphere and authentic values conveyed.
- The focus should be on questions such as: What makes us as a hotel? Who are we and how do we create a brand land with a stimulating environment?
- Providing a diverse event environment with sometimes »atypical« design elements oriented towards different contexts e.g., living room, café, fab labs and creative spaces.
- The spatial structures should support the mixed offers of entertainment, consumption and learning as in the best possible way.
- Integration of flexible, changeable furniture that can react to the requirements of the participants depending on the situation and allows for different room situations (creative workshops, frontal presentation, discussion round, etc.).
- The conquest of virtual platforms will also become more and more important in relation to the organization of events for hotels in the long term.

¹ Xing, 2022



Flexible furniture for different event formats- event space in the Hotel Schani in Vienna.

3.2 Event Formats and Spatial Conditions



3.2.1 Spatially Distributed Events

In the event industry, an enormous growth in hybrid event formats is expected even after the Corona pandemic has passed.¹ Hybridity does not have to be understood as competition to physical participation. On the contrary, hybrid events possess a high degree of design diversity with numerous implementation options and development potential. One advantage of hybrid events is their spatial independence. On the one hand, this allows events to achieve a new, greater reach and contribute to the global networking of society, while creating the opportunity to rethink events.

A trend that is currently being strongly discussed is the increased conceptualization of spatially distributed events. In this event framework, an event takes place simultaneously at several event locations. Using digital aids, the participants at each location are virtually networked with each other and can exchange ideas on specific topics. The advantage of spatially distributed events is that topics can be developed further while ideas and solutions can be worked out together in small groups of max. 50 participants on location. This promotes not only the participative participation of each individual and thus the individual discussion, but also networking and bonding. When a product or business case is developed as a team, this promotes interaction on a different level than when participants are only involved as listeners at an event. In some cases, spatially distributed events also take place on a certain thematic focus, which, in turn, is explored in greater depth at the respective locations. The German Convention Bureau e. V. together with BOCOM realized one of the first spatially distributed events as a test lab with the main location in Berlin.² Here, participants were not only experimentally introduced to new technologies, but also developed new solutions in co-creative formats together with participants on location and virtual speakers.

¹ UFI, 2021

² German Convention Bureau e. V., 2020

»Customers expect plug-and-play. The technology, the climatic settings, the equipment - everything has to work and be ready immediately. Overall, the environment must adapt to the customer and not the other way around.«

Markus Marth / Managing Director Schani Hotels (May 2022)

3.2.2 Co-creative Workshop Formats

To maximize the added value of physical events over virtual events, the focus is primarily on the experience and networking in an informal setting when being designed. The pure information portion of physical and hybrid events is decreasing, while interaction is increasing.¹ Instead of achieving the learning effect and passing on knowledge through frontal presentations, event organizers are focusing on active experience and participation by the participants. Playful elements complement the classic formats, and it is not unusual for there to be no prescribed schedule before the event begins. The program of an event leaves room for spontaneous, unplanned moments that cannot be reproduced virtually, but which offer great added value for the development of new ideas and innovations.²

» The most important thing is that the atmosphere of the seminar rooms and the entire hotel building must be appropriate. Each part of the ensemble must be adapted to its own hotel brand.«

Markus Marth / Managing Director Schani Hotels (May 2022)

Events are also increasingly characterized by co-creative formats that actively involve participants and allow freedom and inspiration through hands-on work. These activities provide a counterbalance to the daily routine of many office and knowledge workers, which is dominated by computer work, and increases the experience factor. The following formats, among others, can be integrated into the design:

- Fab Lab & Workshop formats with high practical content
- Design Thinking and agile methods
- Playful elements to promote the gamification component

3.2.3 Bleisure Travel Events

The spatial and temporal boundaries between work and leisure are increasingly dissolving. The combination of vacation with a recreational component and continuing education, knowledge enhancement alongside classic work activities is becoming a fixed part

¹ Dienes et al., 2021

² Xing Report, 2021

of life design, especially for office and knowledge workers. This development also has an impact on the event industry.

Many participants continue their trip beyond the duration of the actual event and extend their stay in order to fill the trip with further activities. These include, in particular, sightseeing, weekend stays with friends and family, or visiting friends and relatives.¹ In order to find the way around unfamiliar surroundings as quickly as possible after the event, and to find gastronomic and cultural opportunities, cities are increasingly focusing on the development of Smart Tourism concepts. Social connections are also important for participants. Apps such as »Get to know your local« perfect the fast, uncomplicated networking of the resident population with temporary user groups. Since many participants often don't just have recreational but also working hours during an extended stay, the interest in remote work location in the urban space is increasing. Innovative business models are emerging for the use of cafés and restaurants as workplaces, e.g., the booking of time slots for working at various locations with a currently fictional so-called »Working in the City Pass«.²

3.2.4 Mental Health and Spirituality

In the future, health will increasingly be perceived as an elementary building block in society and promoted accordingly. Mindfulness and the new health awareness also shape the design of events: Manageable event sizes in a natural, inviting atmosphere, formats rich in movement, long time slots and conscious recovery phases are the consequence. In addition, the health consciousness of the participants has resulted in changes to the demands on the catering industry. Vegan and vegetarian catering options form the basic options and have become an integral part of events.

The concept of mindfulness, defined as a new way of dealing with oneself and the immediate environment, will also shape events. This also includes trends such as digital detox and the attempt to live in the moment without external influences. In a fragile world, the turn to alternative, spiritual ways of life and value systems is increasing.³ This is also evident in the event industry. As a counter trend to hybrid and virtual events, analog events have deliberately been created without technical aids. In addition, the thematic orientation of events is becoming more and more decisive. In the future, participants will ask themselves the question of meaning, just as they do in the office and working world and will make a conscious decision whether to attend an event based on this.

Therefore, incentives must be created for participating in an event. In this case, nature as a place of recreation and retreat seems to be an important factor. It is important to develop resilience to the constantly and ever faster changing environment - gardens, small-scale green spaces and outdoor activities have a positive impact. In this respect, there is a trend to relocate events from the hectic everyday life of the city and highly dense urban areas to rural areas. A green environment also seems to be central to urban greenery and a healthy environment. Therefore, facades are increasingly being greened and are positively changing the urban environment.

¹ DRV, 2021

² Dienes et al., 2022

³ Gatterer et al., 2017

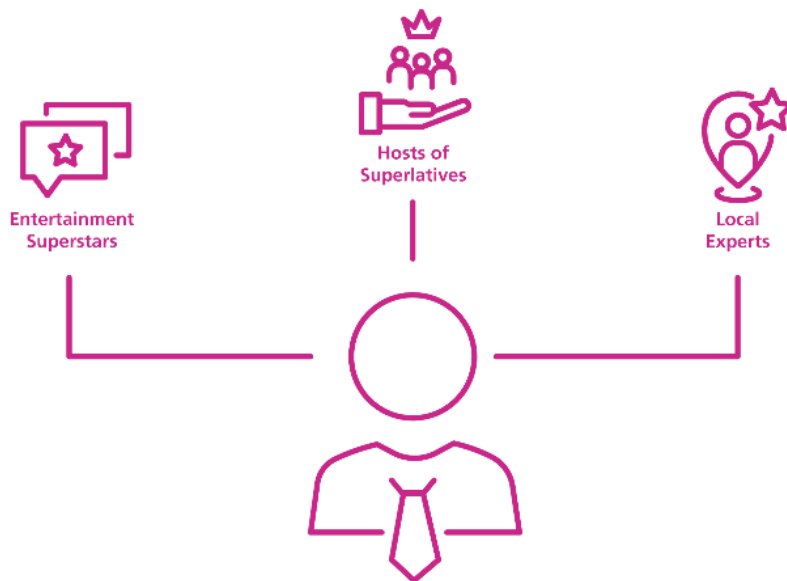
HOW SHOULD THE HOTEL INDUSTRY RESPOND TO THE CHANGES IN EVENT FORMATS?

- Hotels in tourist destinations could be perceived as potential locations for team events and unique meeting experiences.
- In order to expand new business cases in the area of business bleisure travel in combination with events, an analysis of the exact user requirements is required
- Due to the increasing number of interactive, co-creative formats, not only the spatial structure but also the equipment must be improved in the long term (see 3.1).
- Outdoor meeting areas, for example in the form of »thinker gardens« or »outdoor think tanks«, could expand the space available in hotels.
- Hotels are not only meeting room providers but also accommodation for meeting participants from other locations. In order to derive current trends specific to the location, it is necessary to engage with regional trendsetters and event experts.
- Professional support from hotels for mentally friendly events, recovery support or creativity enhancing.



Space for informal exchanges - the roof terrace and event area of the Hotel Schani in Vienna.

3.3 Competences



3.3.1 Entertainment Superstars

The changing requirements of event participants also have a significant impact on the skills in demand from hotel managers, event organizers, infrastructure and service providers, etc. Due to the hybridization of events and the current development of new solutions for networking virtual and physical participants, new solutions are in demand, especially in the area of moderation and the presentation of content. Classical moderation skills are no longer sufficient to reach both target groups. What is needed is the ability to interact with both groups of participants and to promote the networking of people on-location and on-screen.

Solution approaches and ideas can be taken from the entertainment industry, tech startups and streaming providers as well as the film industry in general. As they already have a broad knowledge of how to transfer emotions into the virtual space and inspire the audience despite the physical distance.

Due to increasing hybridity, new concepts must be thought of to compensate for the disadvantages of virtual encounters in comparison to physical presence. In keeping with this, the first hybrid, spatially distributed and international congress with the focus on »BOCOM – Experience Borderless Communication« took place in 2020. The participants were able to participate in the congress virtually from different locations. However, in addition to the externally connected participants, there were also participants in person at the central conference location. At BOCOM, for example, there are 3D visualizations of locations, conversational interfaces or innovative forms of simulation interpreting. Likewise, the use of virtual reality can be a suitable means of balancing physical benefits.¹

¹ Schultze, 2021

3.3.2 Hosts of Superlatives

Despite a decline in physical events during the pandemic, events will continue to play a significant role in social interaction, knowledge sharing and customer relationship building. In order to form a holistic »Customer is king« experience, it is important to deal with participants in a personalized way and take individual needs into account. Not only the event as such, but also the arrival and departure, the check-in system and a possible extended stay on location over several days must be user-friendly. It is conceivable that the specialist staff could be supplemented during an event by especially trained employees who act as personal employees accompanying and socializing with participants.

On-location at events, so-called matchmakers are required, who simplify networking among the participants and actively contribute towards it. For example, by bringing together people who are thematically similar or who have the same goals for the event. This data could be queried in advance on the basis of a survey and made available via an app. Nevertheless, the staff would be important and particularly helpful as assistants in this scenario.

3.3.3 Local Experts

More and more business travelers expect events to have a close interface with the immediate environment. The event hall as an isolated bubble no longer meets current expectations. For the travel expenses to be justifiable for participants, the added value must be analogous to the participation. In order to increase the added value, events won't just offer interactive workshop formats and presentations, but also cooperate increasingly with regional institutions and companies to generate authentic and location-specific experiences. Local teams of experts, so-called »Local Experts«, deal with current developments and trends in their own region (start-up culture, artistic offers, regional productions, etc.) and are available to event organizers in an advisory capacity.



»Overall, the trend moves away from mega-resorts to small, individual and modern hotels. And guests attach great importance to social responsibility. In some cases, they first look at career pages or comments on Facebook to see how employees and the neighborhood are treated before they decide to book a stay.«

Markus Marth / Managing Director Schani Hotels (May 2022)

HOW SHOULD THE HOTEL INDUSTRY RESPOND TO THE CHANGES IN COMPETENCES?

- Changing requirements for hotel employees when hosting meetings and events. Training and further education in technical and digital areas are becoming increasingly important.
- Cooperation with municipal institutions and the creative industries to expand the range of offers is becoming more important.
- In the future, hotel employees will be needed in particular as matchmakers with a strong ability to network and a natural welcoming culture.
- Soft skills such as empathy, passion and a basic understanding of customer concerns form the basis of the competence profiles.
- Community building and community management in-person, hybrid and virtual become a new importance.



Event space with feel-good atmosphere - small event space in the Hotel Schani in Vienna.

4 Outlook

This white paper »FutureHotel - Business Travel and Events in a Post-Corona Era« describes the current changes in the event industry, especially since the Corona Pandemic. The field of action is one of ten fields of action in the trend map developed as part of the FutureHotel Innovation Network. The module of business travel and the MICE industry is expanded upon, based on the classification of this field as a key factor with a high influence on the design of the hotel of the future.

The analyzes and research confirm the assumption of a strong connection between the hotel industry and business events, especially in the area of business travel. The permanent consideration of the interface between the branches is unavoidable in the future and requires sustainable, interdisciplinary cooperation with actors from both sectors. Regular exchange is highly recommended for creating a resilient ecosystem.

The white paper series entitled »FutureHotel - Post Corona Hotel Era« consists of three short studies that build on one other, each of which takes a closer look at the other fields of action on the trend map and draws conclusions for the hotel industry. The following white paper will be dedicated to the field of action and the future trend »Co-Spaces and Communities«. Furthermore, the FutureHotel Innovation Network is continuously working on the further development of future concepts for the hotel of tomorrow. Information can be found on the website of the joint project: [FutureHotel - Deutsch](#).

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How will we participate in events in the future - virtually, hybrid, or in multiple locations at the same time? Why will we still travel physically to an event? What motivates us to attend an event? Will we travel less often in the future, instead exploring cities on site when we travel and combining networking, working, and experiencing over several days?

The »FutureHotel - Business Travel Events in a Post Corona Hotel Era« whitepaper presents changes in the events industry and the office and work environment, particularly in the area of business travel, as well as the specific impact on the hotel industry.

Business events and the entire MICE industry are highly important for the hotel industry due to both the importance of business travelers and its role as a possible venue, there is a special focus on the developments and future trends in this area for the design of the hotel of tomorrow.

Since the Corona Pandemic, the orientation of events has changed rapidly and the event landscape has become increasingly diverse. In addition to physical participation, virtual participation is often necessary. Spatially distributed events are just as much a part of the everyday event context as hybrid experiences with virtual speakers or participants. Due to the virtual participation possibilities at events, it can be assumed that in the future every visit to an event will be based on a conscious decision.

In order to motivate participants to attend events on-site, the new requirements and participant motivations must be more clearly identified. The whitepaper therefore first analyzes the changed attendee needs and then describes future potentials for the hotel industry accordingly.

The future potentials are based on the following field of actions:

- Design of emotional and flexible spaces
- Pop-up locations with surprise effect
- Use of metaverse in the event context
- Spatially distributed events and their potential
- Co-creative workshop formats
- Bleisure travel events
- Mental health and spirituality in the event context
- New fields of competences
- Cooperations with local experts

The whitepaper »FutureHotel - Business Travel Events in a Post Corona Hotel Era« is the second part of a short series on trends in the Post Corona Hotel Era and was published as part of the FutureHotel Innovation Network. Further information about the network and current research results can be found on the following website: www.futurehotel.de.

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