

Maritz helps clients determine ROI from meetings

BY RICK DESLOGE

Maritz, the travel, motivation and research firm, has developed a set of guidelines to help its clients determine when a face-to-face meeting is worth the cost — and when they would be better served with a less-costly teleconference.

Chris Gaia, vice president of marketing with one of the Maritz businesses, Maritz Travel Co., said Maritz started doing its research as the recession took hold in 2009 and businesses began slashing their travel and conference budgets. At the same time, improved technology made video meetings and conferences easier and less expensive, he said.



CHRIS GAIA

Face-to-face meetings better capture an audience's attention

Maritz came away with three broad, strategic reasons face-to-face meetings pay off. When a business wants:

- To capture attention, particularly when introducing a new product or initiate something new at the company,
- To inspire a positive emotional climate, as a way to catalyze collaboration and performance, and
- To build human networks and relationships in a field where information can be shared quickly.

“Our clients were coming to us asking us to help figure this out,” said Gaia, who

leads a team of five Maritz executives, including people from Maritz Research and Maritz Institute, looking at the future of business meetings.

Maritz, a \$1.1 billion-revenue company, was not immune from the downturn. Its own revenue dropped 21.4 percent from its fiscal 2009 to fiscal 2010.

Oxford Economics USA, a global research consultancy that tracks the travel field, noted in a September 2009 article on “The Return on Investment of U.S. Business Travel” that meeting and incentive travel “have been recently maligned in public forums as excessive.” That report found that for every dollar invested in business travel, companies realize \$12.50 in incremental revenue, and that eliminating business travel can reduce a company’s profits by 17 percent in the first year.

Meanwhile, other industry reports, including one released last August by the Carlson Wagonlit Travel Management Institute of suburban Minneapolis, found that virtual meetings, including video conferencing, are increasing at a rate of more than 10 percent a year. That report, “Meetings and Events: Where Savings Meet Success,” was based on survey research of 222 meeting planners carried out between September 2009 and March 2010.

While Maritz acknowledged the growth of virtual meetings, it focused on face-to-face, large group meetings, because those require the greatest investment and biggest expectation for a return on the investment. The Maritz paper, “The Future of Meetings: The Case for Face to Face,” appeared last September in the Cornell Hospitality Industry Perspective, a publication of Cornell University’s hotel administration

program.

Maritz clients now use a combination of meeting formats: completely virtual, all face-to-face or a hybrid of the two. Although Maritz declined to discuss the amount it’s spending, Gaia said the company is committing research dollars and consulting time to work with client companies.

Gaia said Maritz’s motivation is to make sure its clients have strong data to determine when face-to-face meetings make sense, and when they should opt for a teleconference.

For example, a company should consider a virtual meeting when it is sharing information — such as training meetings — and is not expecting a lot of collaboration from those receiving the information, Gaia said.

“When you need people’s undivided attention, that’s the time for the face-to-face meeting,” he said.

A case in point was a 2008 Starbucks corporate meeting called by CEO Howard Schultz, and cited in the Maritz paper, where Schultz saw the importance of capturing his managers’ full attention during the company’s turnaround effort. Schultz decided to spend the money for 10,000 store managers to meet in person in New Orleans.

He was later quoted in the Harvard Business Review saying he would not have turned things around at Starbucks if he hadn’t had the face-to-face meeting.

For Maritz, the next step is more research, Gaia said. The company is planning studies that will be able to measure a positive emotional response from face-to-face meetings.

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