

UNICEO

UNITED NETWORKS OF
INTERNATIONAL CORPORATE
EVENTS ORGANIZERS

CORPORATE EVENTS SECURITY IN THE NEW CRISIS ENVIRONMENT

The impact of terrorism on corporate events.



United for **our events success**

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Editorial

The world and especially Europe has become the target of individuals intent on imposing their ideas by spreading terror through terrorist attacks with high media impact.

These attacks on ordinary citizens are committed by ordinary individuals in areas crowded with people. These characteristics make the events sector particularly vulnerable (as we saw during the recent events in France) because it brings together a large number of people in one place.

At the time of choosing the UNICEO slogan to guide our action, we had no idea how important it would become. Because the values conveyed by our industry are the indirect target of these attacks. Values based on relationships, welcoming, sharing and coming together between individuals.

At a time when the followers of destructive ideologies seek to destabilize us, only unity among people of good will can stop them; Now our motto makes even more sense: **United we are stronger!**



Laurent Fuchs
Executive Director UNICEO

As it is in business, trust is necessary to attract and retain tourists and clients in a destination. One of the consequences of the attacks in recent months is unfortunately an impact on confidence among travelers and professionals who are affected at the heart of their activities.

In France for example, the situation is worrying and the authorities should ask themselves about the future of leisure and tourism business, an activity that directly and indirectly provides millions of people with jobs. Travelers demand safety for goods and people so that all conditions are met to ensure the success of their events.

Beyond the specific events such as terrorist attacks, major European capitals such as Paris, London, Brussels and Istanbul must address how to reassure, capture and retain demanding and volatile corporate customers. Strong signals must be given to ensure the safety of travellers and participants at congresses and conferences.

In this study we asked event organizers generally and UNICEO Members specifically. The answers and stories give us a guiding path and guidance that, despite the lack of permanent solutions, can help professionals understand these complex situations and not feel so alone when a disaster strikes at a conference or seminar.



Daniel Verschaere

Directeur Marcom at Wavestone
Vice-President UNICEO France



Press review

Global tourism rosy but destinations fragile

Despite terrorist threats in different parts of the world, the lights are green in the global tourism sector.

The market always bounces back, it's very resilient," comments Chris Goater, spokesman for the International Air Transport Association (IATA), which expects a 6% growth in passenger traffic in 2016.

The World Travel & Tourism Council (WTTC) believes that the growth of world tourism will reach 3.5% in 2016 and that **"the desire to travel surpasses the feeling of fear."**

In fact, the consequences of attacks are limited. "Out of the four categories of crisis (health, environmental, political, terrorism), a study showed that the attacks are those that have the least impact in terms of loss of attendance and time to return to normal: 13 months on average, against 21.3 months after an outbreak or 26.7 months after political unrest.

The situation may be different in Turkey, which has suffered numerous attacks in recent months.

Southern Europe (Italy, Spain and Portugal) and Asia fallback destinations.

Preliminary figures for 2016 show a good level of international tourists (+ 5.1% in February compared to 2015). Sub-Saharan Africa (+ 11.7%) and Pacific (+ 8.3%) fared particularly well, and growth is also strong in Europe (+4.2%) and the Americas (+ 6.6%). Canada has announced a 11% increase in tourism spending in the first quarter.

In terms of bookings, compared to the previous year, the Union of French tour operators noted in May a decrease in Tunisia (-59% in visitors), Turkey (- 62%), but also in Morocco (- 17 %) in favor of Southern Europe: Portugal (+ 30%), Spain (+ 8%), Italy (+ 2%), or more distant destinations such as Indonesia (+ 43%), Thailand (+ 17%) and Cuba (+ 36%) or French Polynesia (+ 18%).

The Balearic and Canary Islands take the first two places in our top five holiday destinations, followed by Italy; and when it comes to flights, the Iberian Peninsula takes the lion's share with Lisbon and Barcelona at the top," notes the online travel company Opodo.

Portugal set a new record in 2015 by welcoming 10.2 million foreign tourists, 9.7% up from 2014.

West Africa under surveillance

Tourism development in West Africa is also hampered by the jihadist group Boko Haram attacks.

The eight state members of the Economic and Monetary Union of West Africa (UEMOA) recorded a downturn of 6% in 2015, especially after the attacks against the Radisson-Blu in Bamako.

Ivory Coast, who pulled out of the game, also suffered an attack in March against the resort town of Grand-Bassam.

In Tunisia, the difficult return to confidence

Tourism is a key sector in Tunisia. It represents 5.8% of GDP (12.6% with indirect activities), 8.4% of the investment and 400,000 jobs, according to the WTTC. It had already declined after the political upheavals of the Arab revolutions of 2011.

But the year 2015 was the final blow for the sector, after two attacks by the Islamic state, which killed 21 people in the Bardo Museum in Tunis in March, and 31 tourists, mainly British, on a beach in Sousse, three months later. Britain has also recommended to avoid the destination to its nationals.

Tourism had already fallen nearly 30% in 2015 compared to 2014, reaching its lowest level in decades. It continued to drop sharply in the first half when it showed a decrease of 21.5% compared to the previous year, according to Tunisian government figures.

In Egypt, five years of decline

The situation in Egypt has many similarities with that of Tunisia. The country, which attracted more than 15 million tourists in 2010, has been destabilized by the Arab Spring and the successive political crises in Cairo, moving the country from the 25th to the 34th world tourist destination. Terrorism risk is indicated by the French Foreign Ministry, particularly in Sinai and in the desert areas of the west. And the attack by ISIS on 31st of October 2015, against a tourist flight departing from Sharm El Sheikh, has halted foreign visitors still further.

There were only 9 million visitors in 2015 and the outlook is not good for 2016. In February in Sharm El Sheikh, only 30% to 40% of the hotels were occupied. The sector, which accounts for 11.4% of GDP represents more than one in ten jobs in Egypt (2.6 million people), but this figure is expected to decline, according to the WTTC. Sharm El Sheikh, the pearl of the Egyptian tourism has become a "ghost town".

Collapse of international tourism in Turkey

Ataturk Airport is the tenth most important airport in the world; it hosts more than 42 million passengers per year. This is the main point of entry to Turkey, sixth most visited global destination. But this enthusiasm was dampened by the bombing that killed twelve German tourists on January near the Blue Mosque and four tourists on March in Istanbul's famous Istiqlal Avenue.

Whether attributed to ISIS or the PKK autonomists, over 50 attacks occurred in a year and a half, causing at least 200 fatalities. Foreign tourist arrivals fell by 35% in May, falling to their lowest level in 22 years, according to the Department of Turkish tourism. The fall is of 23% since the beginning of the year, with a massive disaffection among Russian nationals (- 92% due to diplomatic tensions with Moscow), but also German, Georgian, French and British citizens.

Strong concerns for France

France remains the world's leading tourist destination, with over 84 million visitors in 2015, and the organization of the Euro contributes to its high visibility. However, the events in November 2015 contributed to the decrease in foreign visitors (- 8% in January).

The Paris region is particularly affected, with a drop in international visitors in the first quarter: - 56% of Japanese, - 35% of Russians, according to the regional tourism committee. Added to this were industrial action and poor weather leading to concern in the government who announced an 'emergency economic committee' in July. The sector accounts for 2 million jobs and 7% of French GDP.

Tourists do not only shun the pyramids of Egypt or the temples of Luxor. The Arc de Triomphe and Notre Dame towers suffered in the first half of the year a decrease of 35% and 23% in visitors respectively, according to figures released in August by the Regional Committee of Tourism and Paris Ile-de-France.

Worried about their security, foreign tourists avoid France in general and especially Paris. In the first half of the year, half a million fewer tourists stayed at hotels in Paris compared to the first half of 2015.

In total, 14.9 million hotel bookings were registered in the first six months in Ile-de-France, which marks a decrease of 6.4%, driven by strong disaffection among international customers (- 9.9%). In Paris itself, the situation is worse (-11.4%). Japanese, Chinese and even Italian tourists flew to Spain or Greece, giving Paris a wide berth.

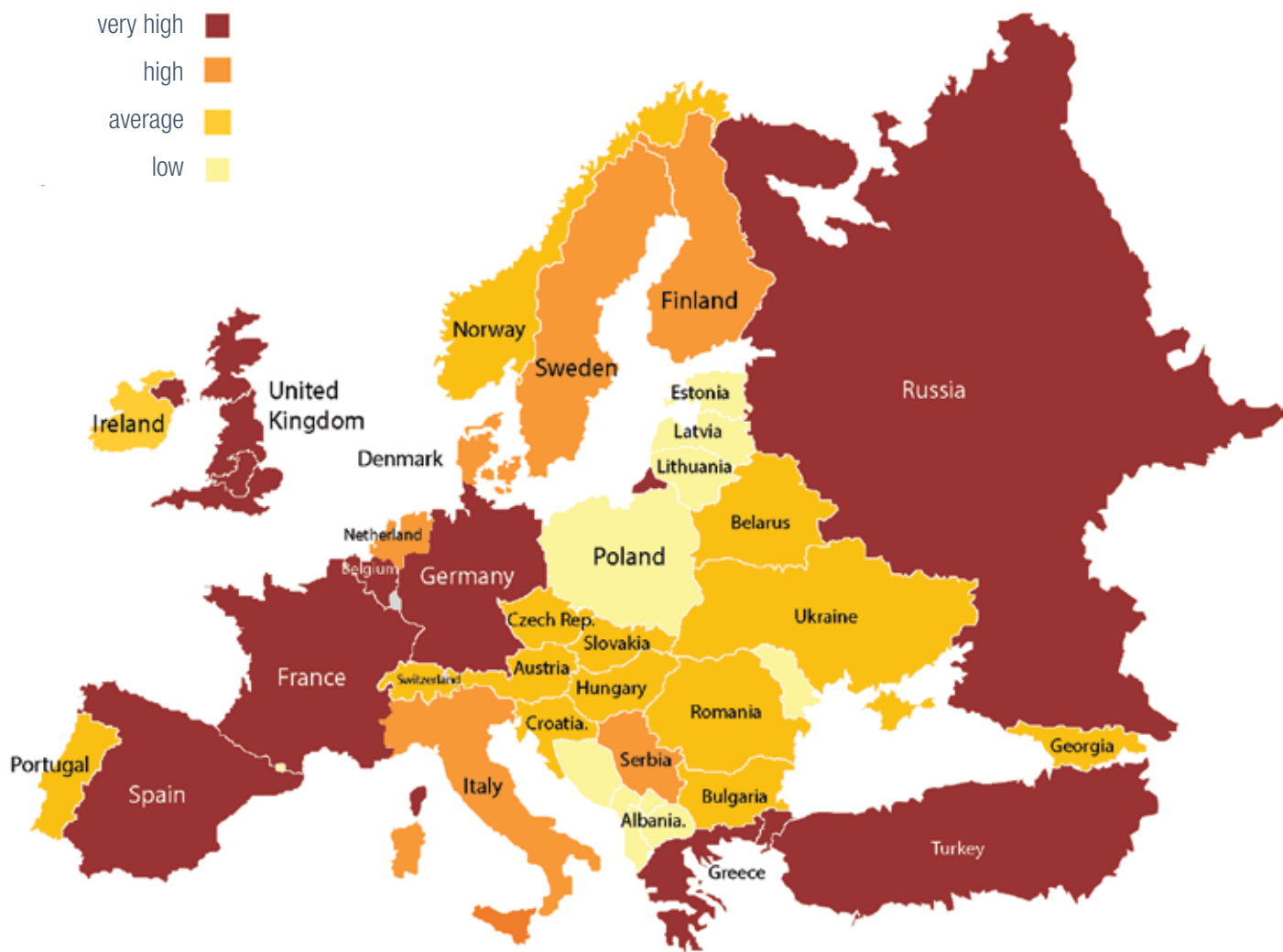
For Paris and its region, an "industrial disaster"

Between January and August. And if the situation continues at this pace, it will mean 1.5 billion euros less in annual revenue in an unprecedented drain on the French tourist industry.

Consequently, "some of the 75,000 very small companies involved will not survive this year" warns Mr. Valletoux. For him, this "industrial disaster" may lead to a "major social crisis" that could affect some 500,000 jobs in the region. And he calls the authorities to put in place without delay "an emergency plan" to help tourism businesses to go through this crisis. After the Council of Ministers on August 3rd, the government had promised "the spreading of tax and social contributions and Bpi France interventions on liquidity and capital." He announced, moreover, a communication plan to restore the tarnished image of France abroad.

Sources : le Monde, le Monde Diplomatique, les Echos, les Echos du tourisme)

Countries at risk



Source: Foreign Office - UK

The aim of this study is to provide a reference point and to share the experiences of our Members and their responses to the new security challenges.

The situation

The increase in terrorist acts in recent months has had a direct impact on company events, **a particularly vulnerable sector** that involves the use of transport, gatherings of people, and the use of private and public places.

Following recent events in Paris, Brussels, Nice, Turkey, Germany, Tunisia and Morocco, we found among our Members a disparity of reactions, awareness of emerging issues and measures put in place to address them.

The study

This study analyzes the current security policies in companies, associations and institutions; the impact of the attacks on the events especially in the choice of destinations and measures put in place to deal with this new situation.

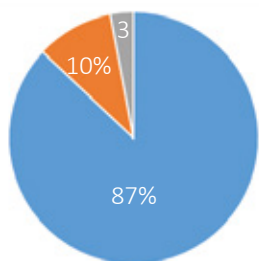
To examine these issues, we interviewed over 1,200 UNICEO Members with a response rate of nearly 35%.

The questions

- ➔ What has been the impact of terrorist acts on our Members' events?
- ➔ How have this vulnerability and the new risks been taken into account? What kind of short and medium term changes have companies brought into their risk management process for their events?
- ➔ What are the challenges ahead / to come?



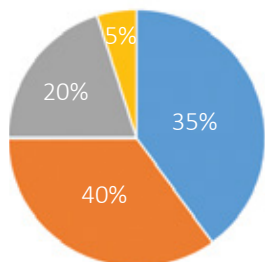
The companies



- Corporations
- Associations
- Institutions



+ de 5000 collaborators
1000 to 5000
From 500 to 1000
less than 500

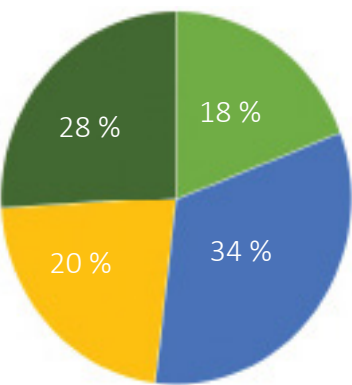


- Stock Exchange
- Multinational delegations
- Small & Medium size
- Public companies

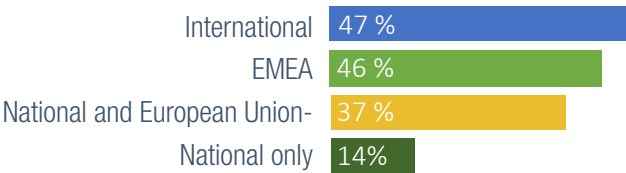
The respondents

Participants in this survey are all **senior decision-makers for events** (B2B, B2C internal and public events, conferences, conventions, ...) with a leading position in marketing communication, purchasing or logistics departments of major **international corporations and associations**. They are mainly responsible for strategy (57%), organization (55%) procurement (30%) and marcom (39%).

The respondents' events



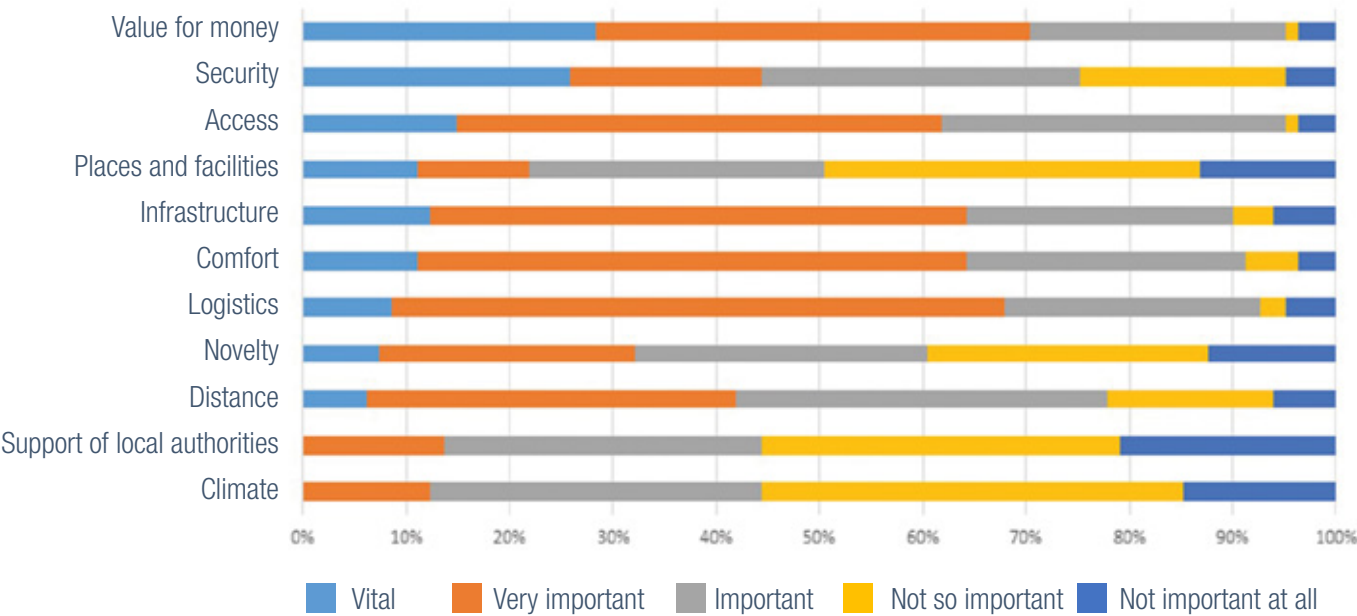
- Less than 5 events per year
- From 5 to 10
- From 10 to 50
- More than 50



Types of events:

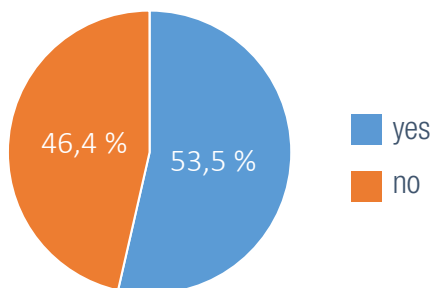
- meetings
- workshops
- trade shows / exhibitions
- conferences / seminars
- incentives
- team building
- board meetings
- B2C
- product launches

The key decision factors for an event (prior to the terrorist attacks)



Your company security policy

Your company has defined its own rules in terms of security for travel & events?



Regulations related to safety are complex, events highly disparate, some companies limit themselves to following the instructions of their Headquarters but others have set up training and protocols to enforce the rules and make sure they are respected.

Some companies also implement specific measures related to people's safety but they remain confidential and the companies do not reveal these matters. Specific rules may also be applied (not group travel, accommodation in different hotels, ... etc.).

"A special team monitors security alerts at any time and decides restrictions based on risk and its impact on the business (Multinational - energy)

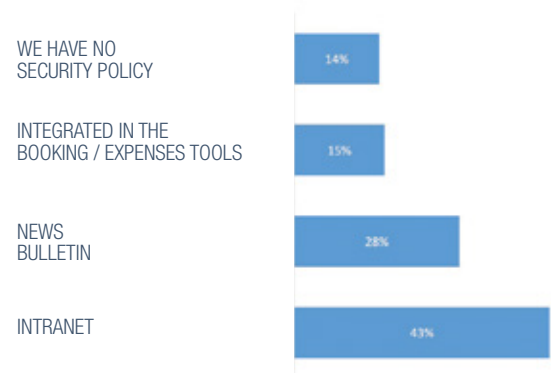
"We try to discourage employees to travel together; we specifically set a rule of a maximum of 5 managers on the same flight " (Pharmaceutical Laboratory - Europe)

"We interrupt trips and events in one country as soon as the terrorist alert is at level 4" (Inssurance - Benelux)

"MFA information Transmission, Ariane registration portal, insurance contract" (Institution - France)

"We are forbidden to travel in some countries. Movements are tracked through SSF. " (Logistic Company- Multinational)

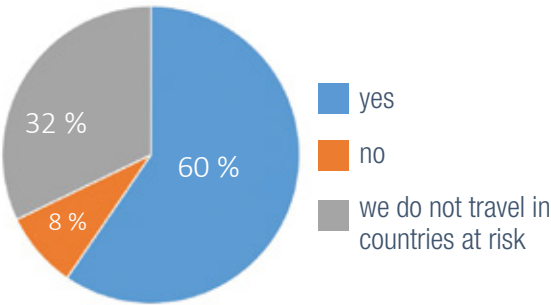
The security policy is communicated internally through:



“The security manager attends meetings where destinations and places are selected to define their compatibility with the Group requirements with regards to safety standards” (Automotive group - France)

Most companies do not communicate their security policy directly to employees and limit communications to urgent information that is always provided by conventional channels (intranet, emails, newsletters). A still significant number of the companies surveyed do not have of a security policy. Some perform a comparative analysis with the companies from the same sector but with a more mature experience in terms of security.

“We have informed and updated our employees on the alert level and advised not to travel during the highest alert periods (Automotive group - Asia)



Your company follows the guidelines of the Ministry of Foreign Affairs for travel of your employees in so-called “countries at risk”?:

Caution is the mother of safety as these results indicate Companies follow the official guidelines of their Headquarters or do not take the risk of traveling to countries listed. The remaining trips to countries at risk are usually approved by the Board or, in some companies, by the Security Department.

“We carefully study HSSE safety standards in selected places for our events” (Oil company - Middle East)

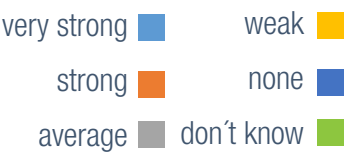
Wherever possible we follow the guidelines of the Ministries. We also search for information on other sites or on the Internet.” (Transportation company- France)

Often trips are reduced to a minimum: appointed driver during airport-city-hotel transfers, forbidden to leave the hotel after the workday. Note that these rules have been in force for a long time in countries such as Algeria or Lebanon where conventions and exhibitions take place under close control and with almost “military” supervision.

The impact

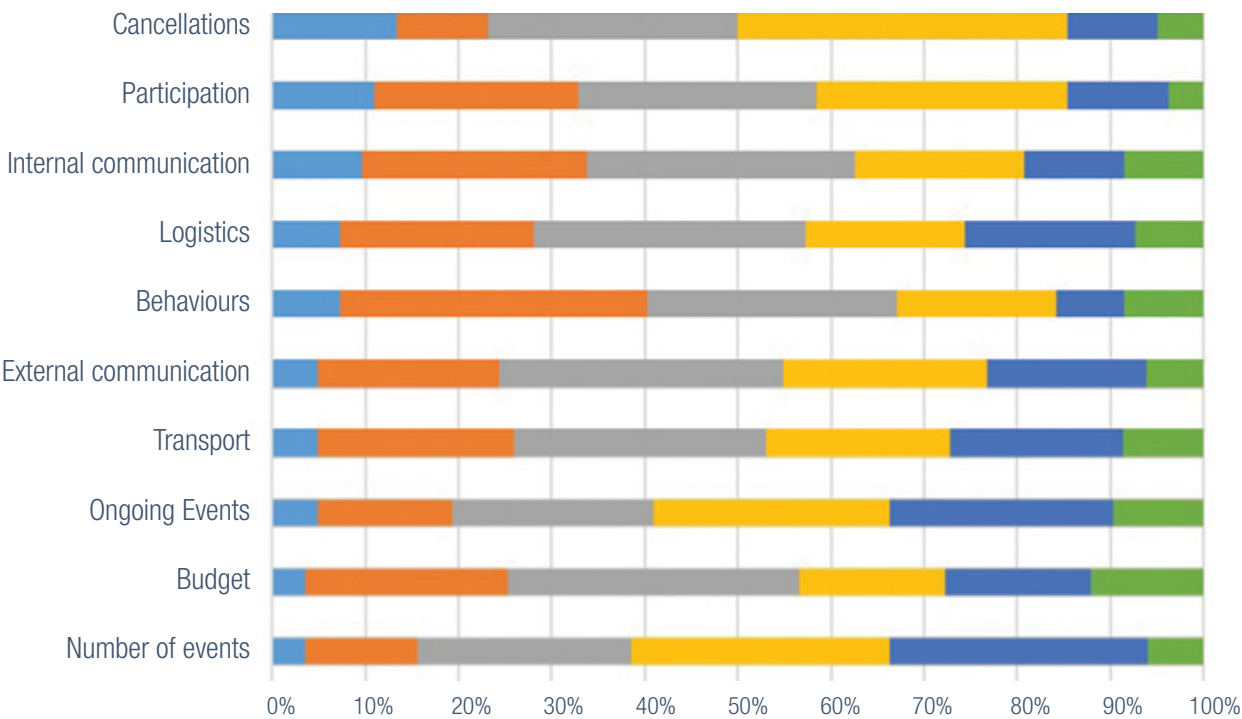


The impact of recent acts of terrorism (2015-2016)



It is found that the impact on budgets and participation is relatively small in relation to the magnitude of the facts. Cancellations are marginal and more focused on the participants than the events themselves.

On the other hand, there is a strong mobilization of communication or logistics departments that must adapt to the emergency. The major impact is on the behavior of participants and employees who need to be reassured and motivated.



Following the attacks in Paris or Brussels you/your company have:



Cancellations and postponements of shows, exhibitions and corporate events were numerous. However, for corporate events, the number of reports was higher than cancellations in particular for budgetary reasons and communication. Many programs have been adapted and activities reworked including those that were held in public places.

Counter to what one might think, companies have not modified too much the duration of events and have not reduced the number of participants without powerful reasons. Communication departments have been working at full capacity to contact, inform and reassure stakeholders.

"The participation of the public at our Parisian events fell sharply (-30 to 40%). We had to reconsider some destinations (Turkey, Egypt)."

(Automotive group - Multinational)

"No impact. We organized an event in Paris the week following the attacks. Participation was optimal and customers happy that we had not cancelled."

(Asset Management - UK)

"Paris and Brussels are no longer considered as potential for our incentive programs." **(Pharma - Russia)**

"After the destruction of the Russian plane, we changed our destination for two conferences in Europe: 4,000 participants from Eastern Europe (diverted to Cyprus and Japan) and 1,000 Central European participants (diverted to Spain) "

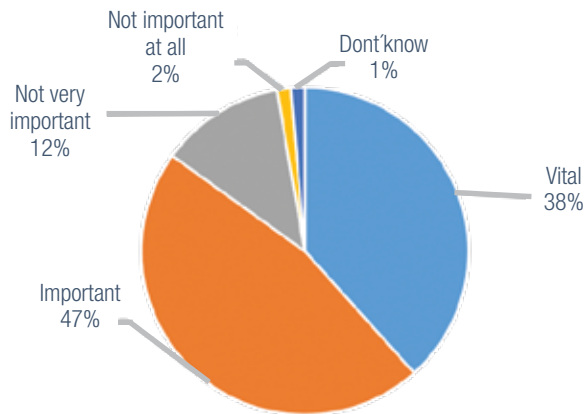
(Cosmetic company - Multinational)

*"We chose not to communicate anything to participants or employees"***(Banking- Hongrie)**

"We finally changed the destination to a more secure location (after 3 attacks in Turkey)"

(Technology Company - Germany)

In the deciding factors for an event, what is the importance of security today?



A real change can be seen in the importance of the safety factor with regards to the results before the attacks: The sum of the companies considering it “vital or very important” passes approximately from 45% to nearly 85% today.

It then becomes, like budget or communication, a key element in the strategy and control processes. Many companies strengthen their security department by appointing a manager , engaging external consultants in this field ... etc.



The reactions



Measures that has been put in place

Have you made changes in your event organization over the past months?

Companies are cautious and think carefully before choosing a destination. Information about those involved and the implementation of additional security measures are the key points of the new decision-making process.

"We decided not to change anything in order to avoid increasing our participants' worries."

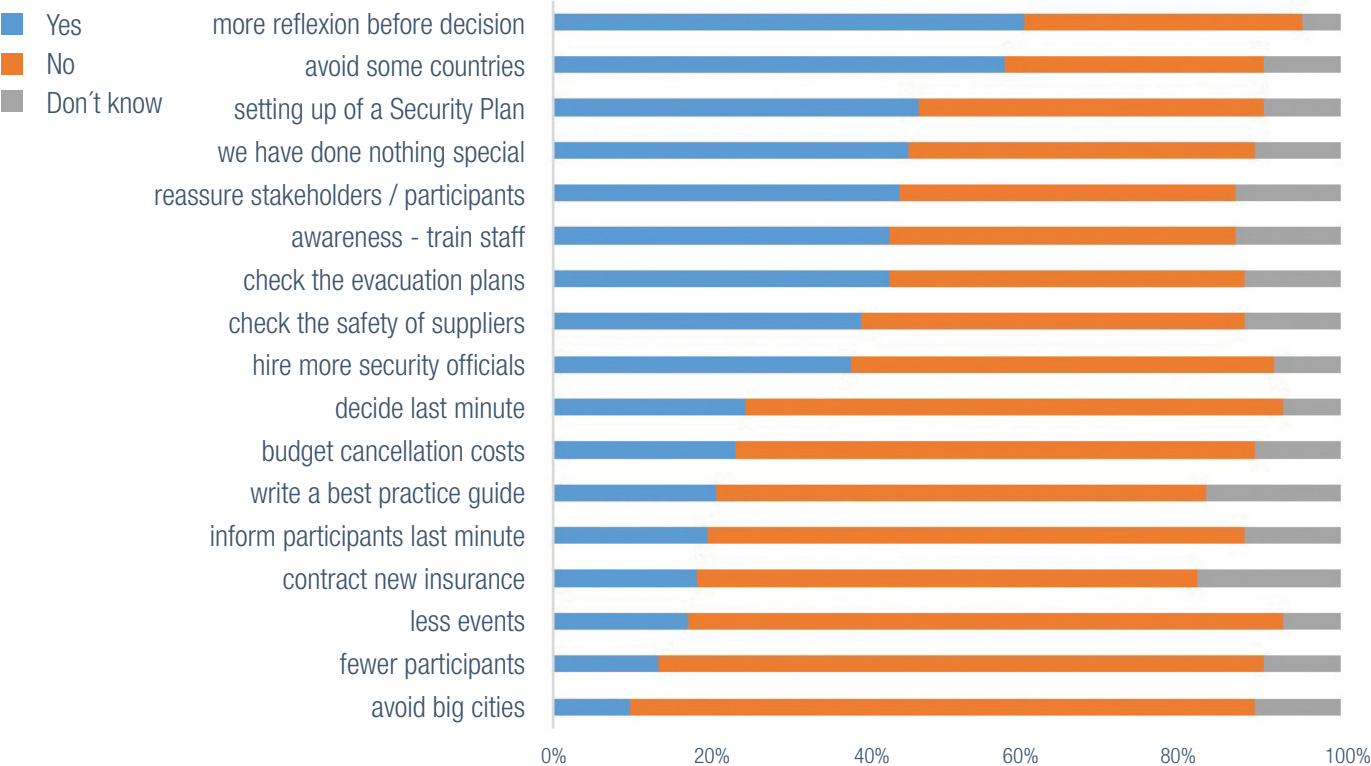
(Association - International)

"Increased communication following our company travel and events procedures and policies"

(Pharmaceutical Laboratory - Europe)

"Instructions and emergency contacts available 24h"

(Association - France)



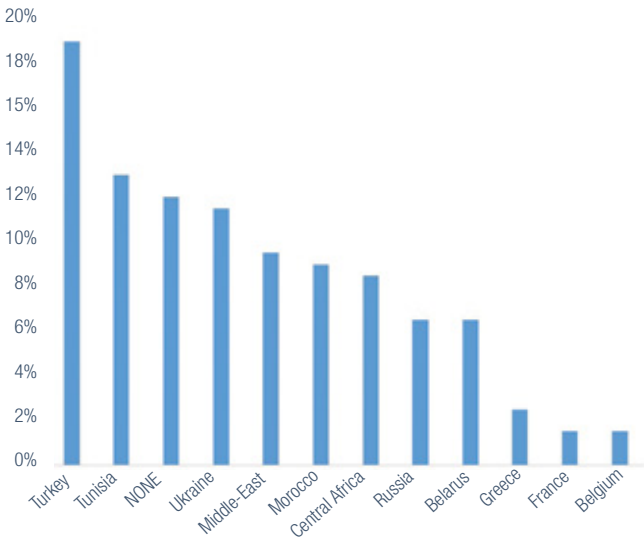
Countries or area you have decided not to use any more:

In the list of the most avoided countries: Turkey, Tunisia, Ukraine, Middle East and Africa in general which are of course the countries that experienced an attack recently, with the exception of France and Belgium where the confidence remains high despite repeated attacks. This confidence is very likely due to enhanced security measures that have been put in place.

For Ukraine, the Middle East and Morocco, it seems that the main reason is an uncertain geopolitical context.

“We made best use of direct flights and avoided war zones, but we didn’t blacklist any destinations”
(Asset Management - International)

“Our decision not to use certain countries is temporary until security returns to an acceptable level”
(Technological company - Germany)

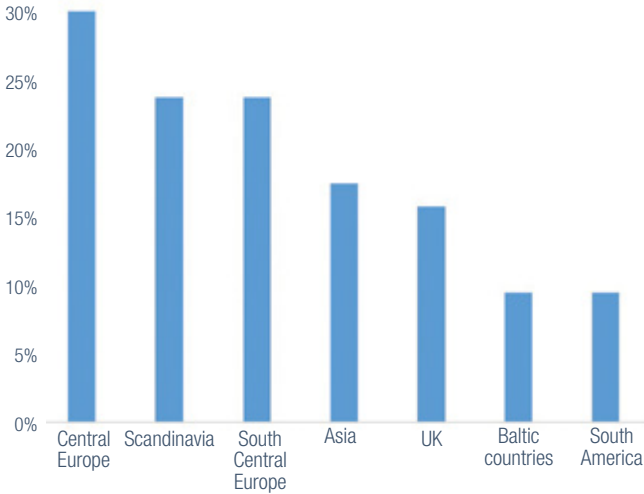


“ In 2016, most of our conferences were planned in France but following the recent attacks, we turned more towards international destinations”
(Banking association - International)

Have you decided to look at new destinations?

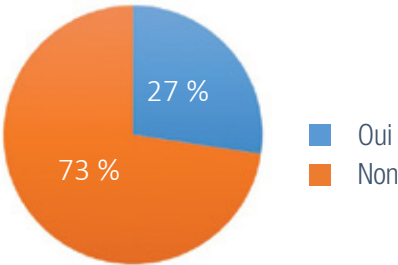
It is found that 78% of participants choose destinations in Europe, with a preference for the countries of Central Europe and Scandinavia (over 50%). If we sum up European destination, we reach 78%, a quite substantial figure.

“Berlin, Lisbon, Valencia, Dublin, Stockholm, Slovenia (Ljubljana,Bled), Oslo.”
(Food Company - International)



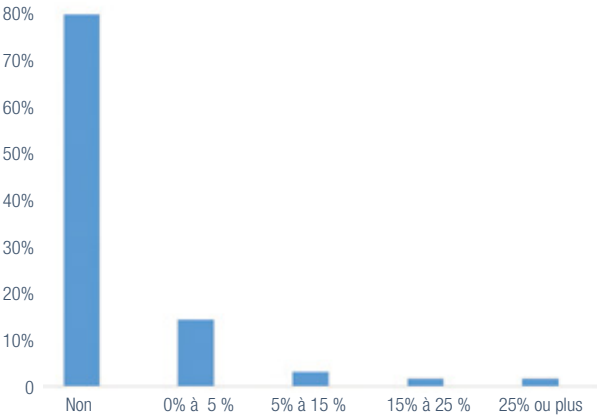
Have you replaced some international events with national events?

We see that already more than a quarter of the companies surveyed have decided to exclusively choose destinations in their countries. In France for example, cities like Lyon, Marseille, Strasbourg and Biarritz. Companies appear to choose destinations where attacks are most unlikely. It will be interesting to see if this trend continues in the coming months.



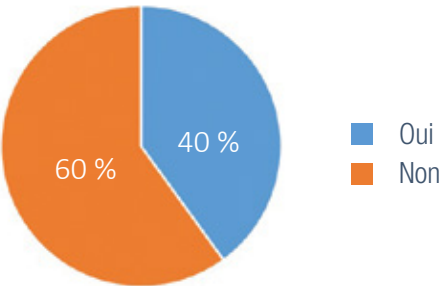
Have you increased your security budget for events?

80% of respondents stated they have not increased their security budgets; there seems to be a significant gap between the perception of the facts and actions carry out internally. 20% of companies have decided to increase their budget but in a very small proportion (between 1 and 5%), which does not leave much room for significant changes. It seems that companies prefer specific actions during events such as the increase of security staff.



The measures put in place make your workload more complicated, heavier?

The opinions are very divided! Depending on the company we talk to, the workload varies and difficulties increase particularly in businesses with over 10,000 people present on 5 continents who have new constraints particularly for safety and communication departments.



“We had to create a new security plan”
(Insurrance - Belgique)

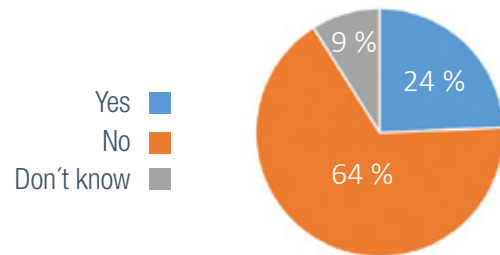
“Absolutely no change” (Finance - Multinational)



Challenges

Do you think the European countries affected by the attacks should be included in risk countries?

Almost 3 out of 4 think that affected European countries (France, Belgium, Germany, etc. ...) are not included on the list. of countries at risk, probably as a result of the many security measures that were taken. There are clearly two trends and double standards between Europe and some Mediterranean countries...

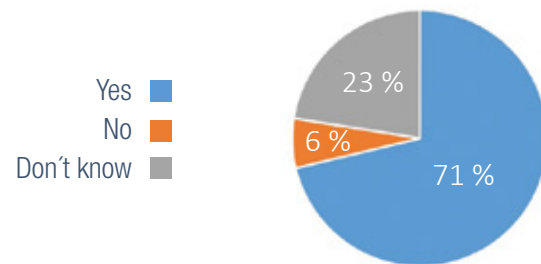


"Not because these acts are still isolated and infrequent plus in very attractive destinations. It would be useful to include them in a list of "nations at risk" if the attacks were becoming frequent . In any case we must take into account that these acts can take place in any European country. "
(Pharma company - International)

"We should include them according to the attack risk level decided by the country. Once back to normal (as Paris now), take them off the list."
(Medical association - International)

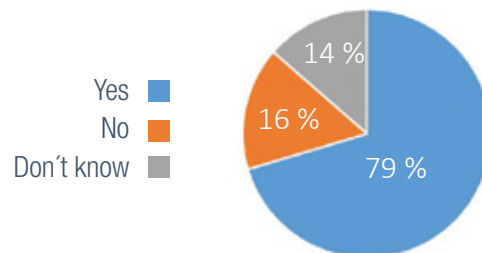
Do you think there will be more terrorist attacks in Europe?

Three quarters of respondents believe that terrorists acts are firmly rooted in everyday life and that in the months and years to come we will have to live with a permanent threat of terrorism. The risk is integrated into all the strategies. Even only if a quarter of respondents agree that today European countries should be included in the high-risk list, subconsciously it's already a given.



Do you think your company would take further action if there were more terrorist attacks?

Most of the corporations are in a action / reaction mode and many decisions are made last minute. With the proliferation of incidents, they should anticipate more and prepare for a new mode of operation where safety is integrated in all strategy processes.

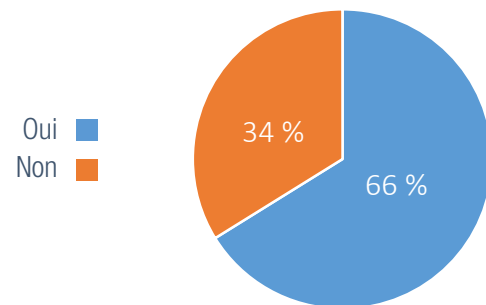


"If the frequency of the attacks was to increase the additional security measures implemented by the authorities in particular in transport, including airports would entail important delays that would significantly impact event schedules."
(Pharma company - International)



According to you, the measures put in place will be effective?

All respondents are unanimous. Whatever the measures adopted, it will be very difficult to prevent new attacks. On the other hand, more than a third of the participants think that the measures taken are effective in raising awareness among event participants of the importance of vigilance, safety measures to adopt and how to react to crises.



"We can not control everything: kamikaze attacks can be carried out anywhere and anytime whatever the measures in place."

(Pharma company - International)

"They are are useful at least to raise awareness and as a warning" (Toy manufacturor - International)

"Even if the effectiveness of the measures is very limited information and preparation are very important"
(Beverages company - International)



The Conclusion

Corporations have reacted to risks related to terrorist attacks by changing their views and inclinations in particular in the choice of destinations for meetings and events.

Security is now a priority ahead of attractiveness or even budget and although the events sector benefits from global growth (+ 5% this year), this fact result hides a profound upheaval.

Many attractive and cheap Mediterranean destinations became at risk; companies introduce hard competition which favors the emergence of new destinations that take advantage by positioning regularly in the corporations final selection lists . We can see how countries such as Croatia, Greece, Portugal, Bulgaria and Montenegro benefit from this situation.

France is at the moment, the big loser and Paris fell sharply not only because of the attacks but also the state of

emergency, that, if it can help reassure the local population, discourages events organizers who see their task becoming complicated.

For a country like France, returning to being a leading tourist destination requires above all an action plan that must be implemented by the political authorities in collaboration with industry professionals. This needs to be done in order to support the return to safety and help destinations, companies and industry players to restore confidence.

When facing an exceptional situation that is likely to persist, exceptional actions must also be taken in consensus with all stakeholders.

Daniel Verschaere - Laurent Fuchs

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UNITED NETWORKS OF
INTERNATIONAL CORPORATE
EVENTS ORGANIZERS

2017 EUROPEAN CONGRESS

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