

**ME PRODUCTIONS**  
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## IN DEPTH: HOSPITALITY QUARTERLY

Event planner adjusts to war, terror threat

John T. Fakler

The threats of domestic terrorism and the U.S. war with Iraq are hindering firms that coordinate and produce corporate tradeshow and conferences.

While ME Productions continues to bring in business, the current trends have the Pembroke Park party planner deeply concerned, said PR and marketing director Linda Hamburger.

"The sense of agoraphobia and the fear of open spaces and being in crowded, public places is on the rise," she said.

"I do know that since 9-11 we have seen a shift and corporate clients are more conservative," she said. "Social sales continue strong and growing - weddings, bar and bat mitzvahs, and private parties for special occasions remain consistent."

It is difficult to get a crowd for a special event, even in good times, Hamburger said.

But now people are becoming more fearful of leaving what they perceive as a safe place. With the current military action in Iraq, high gas prices, terrorism threats and the economic slump, the trend to hibernate is growing.

Corporate anxiety rose when President Bush beat the drum for war in the Middle East and criticized the U.N. Security Council, ME Productions President Jim Etkin said.

Unlike the cancellations that immediately followed the Sept. 11 terrorist attacks, Bush's foreshadowing of war reduced the chances that a similar reaction would occur.

But some good has come from the bad and a little creativity has helped ME Productions weather the desert storm.

"We are fortunate," said Etkin, who made two big strategic moves to stay afloat. "We started a social division. That's been terrific for us. Then we started an Orlando office. Even with the falloff there, going from nothing to something is something we are looking forward too."

But cancellations could affect personnel in South Florida, Etkin added.

"After Sept. 11, we only laid off three people and made several other people part time for about six weeks," he said. Revenues are about the same as last year.

The idea, Etkin said, is to "follow the clients and see how we can support them."

Many organizations have cut overhead and non-income producing expenses, he said.



Hamburger said people could choose a second-tier city - maybe Tampa, instead of New York. People may feel comfortable traveling someplace that's not considered target for terrorists.

Setting up meetings as regional, rather than national, another idea.

If attendees can take a train or chartered bus, rather than make their travel part of the event, the idea of attending to more people. Stopping in different areas for meetings and site visits along the way is also advised.

"We're seeing fewer companies and industries planning," Hamburger said. "But domestic travel remains high, and our main market is Florida."

Meetings are still happening, and plenty of hotel rooms are available, Etkin said.

South Florida's hotel occupancy rates ended 2002 on a high note, Bobby Bowers, an analyst with Smith Travel Research, an industry tracker in Hendersonville, Tenn.

Through mid-March, however, occupancy nationwide was down 10 percent, and rates were flat, he said.

"January looked decent, February worse and in March the trend is continuing," Bowers said. "The war and the economic downturn have really thrown a wet blanket on anything that can be done on the business side, they aren't planning anything."

While occupancy and room rates in the Miami area were down 10 percent, March-over-March, Florida was off 3 percent, according to a recent Smith Research report.

No one is flying in or out of the country, said Etkin, who spoke with a corporate planner who didn't plan any more meetings for June and beyond. The attitude, he said, is to deal with something you know is going to happen.

"Drive-tos," as opposed to "fly-tos," is one shift in corporate behavior Etkin doesn't see changing anytime soon. "The airlines are getting killed, but the hotels are doing fine. More people are going local than flying all over the country."

Companies are scaling back the size and visibility of their events, Etkin said. Business managers are looking at the cycle of corporate meetings, questioning their purpose and examining if they have the money for it, he said.

"A lot of the meetings have been sliced and diced and canceled already," he said.

Even so, lower-key affairs can cut dollars spent in half and still serve an important purpose, he said.