
Convention Center Telecommunications & Technology Survey

Developed by



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Introduction

This report by Red 7 Media Research & Consulting and Smart City provides the venue and event industry with a study of convention center technology and telecommunications trends. The report provides the findings from a survey of leading U.S. convention center executives as well as destination marketing executives on venue technology and telecommunications.

In June 2011, Red 7 Media Research & Consulting launched a survey on convention center technology and telecommunications issues to 292 convention center executives along with leaders at CVBs. Sixty-three responded for a 21.5% response rate.

The data is presented in an Executive Summary along with the complete survey findings.



Executive Summary

The key survey findings are summarized here.

- Over 70% of venue managers recommend that show managers need to be better informed about the need for constant investment in infrastructure, the cost to deliver wireless services, and the capabilities of wireless networks.
- Sixty-four percent of venue managers and CVB stakeholders feel that show managers have unrealistic expectations when it comes to what they want and what they are willing to pay for in terms of telecommunications and technology services.
- A significant 85% of venue managers and CVB stakeholders feel the most important topic for facility staff education relates to wireless network capabilities.
- Ninety percent of venue managers and stakeholders say that telecommunications and internet can or should be exclusive at facilities. Consistency and offering reliable quality services were identified as important factors by facility managers in maintaining exclusivity over technology services.
- Less than half of the respondents (41%) currently outsource their internet and data services.
- Convention center managers and stakeholders feel that building technology service providers should offer the following, in order of importance, tiered wireless pricing options (76% of respondents), free Wi-Fi sponsored by an event (54%), and free Wi-Fi in public spaces (42%).
- The main benefits of outsourcing venue telecommunication services are considered to be:
 1. It simplifies processes, according to 59% of respondents
 2. We do not have the resources to maintain systems in house, 54%
 3. It brings in an additional revenue stream, 49%
- Over half of the survey respondents indicated that show managers do not specify a service level or speed when they ask for free Wi-Fi.
- The top three technology products that are considered the most important for venue customers to be successful are wired, basic 256k wireless, and streaming.
- The survey asked “What causes your customers to be frustrated with event technology?” and for the answers to be considered separately for show managers, exhibitors and attendees. Some of the key findings are that pricing is considered

more of an issue for show managers than their exhibitors, (although show managers often raise the pricing issue on the behalf of exhibitors). Venue managers feel that the main issues for exhibitors are considered to be that they get frustrated with complex order forms and they are “unsure what to order” in terms of technology services.

- A significant 86% of venue managers and CVB stakeholders say they are interested in having a permanent digital signage system in the public areas of their facilities. Fifty-six percent of the respondents see a number of ways in which a digital signage system can add value. The two most popular uses are considered to be for way-finding and building information, and then advertising opportunities.
- The main benefit of a digital signage system is considered to be the ability to drive new revenue.
- Only 25% of U.S. convention centers that responded to the survey are currently directly connected to the main convention hotels via fiber, copper or wireless.
- The “connected campus” concept is seen as beneficial to a majority of the facility industry. The most appealing features of the connected campus for customers are considered to be the ability to provide an improvement of the attendee experience, an extension of show information, and offering integrated Wi-Fi.
- There is mixed opinion on whether 4G will significantly impact venue technology revenue. But those that do see an impact expect revenue to decline by in the range of approximately 10% to 25% percent.

Complete Survey Results

The complete survey results are presented in this section of the report. Some of the totals may not equal to 100% due to rounding.

Survey Results

Convention center managers and CVB stakeholders feel that building technology service providers should offer the following, in order of importance: tiered wireless pricing options (76% of respondents), free Wi-Fi sponsored by an event (54%), and free Wi-Fi in public spaces (42%).

1.) Which wireless products and services should a technology service provider offer? (Please check all that apply.)

	%
Tiered wireless pricing options	76%
Free Wi-Fi sponsored by an event	54%
Free Wi-Fi in public spaces	42%
Free Wi-Fi in the entire building	25%
Other	8%

Other verbatim responses

- Also offer free Wi-Fi in two cafe areas.
- Free Wi-Fi in designated public spaces.
- Free Wi-Fi in hot spots.
- Must be willing to cut deals.
- Recognizing that wireless cards are becoming almost a standard and a means of not having to pay for the in-building (or in hotel) service, sooner or later it becomes a moot point when everyone has a way around it.

Over half of the survey respondents indicated that show managers do not specify a service level or speed when they ask for free Wi-Fi.

2.) Typically, when Show Managers ask for free Wi-Fi in your facility, which services are they asking for?

	%
Basic – 256 K	34%
Faster – 512 K	3%
Premium – 1056 K	10%
They don't specify a service or speed	54%

3.) If you offer free Wi-Fi throughout your facility would this impact how you fund system upgrades and maintenance in the future?

Verbatim responses

- Absolutely as we need to re-coup the capital costs where possible and if it's continued to be a free service there is no ROI which makes it hard to justify improvements and upgrades to folks deciding on your budget.
- Absolutely!
- Absolutely.
- Absolutely. Eliminating a revenue stream means that the operating budget has to be covered by another revenue stream, or that the service is frozen at current levels until a failure takes the system down.
- Budget line item
- Free Wi-Fi throughout the facility has an impact on exhibitors who use Wi-Fi to promote their products in exhibit space and meeting rooms. The cost of providing Wi-Fi services has a budgetary impact to convention centers. The cost for the infrastructure upgrades has to be supported in some measure. Either in the form of a user rate structure or an add-on to rental or other services.
- Haven't run the numbers yet but it would be a significant cost and some lost revenue to consider.
- No (*four mentions*)
- No, still need to upgrade and stay current with trends, customer expectations and service levels, regardless if it is free or paid. just because it is free, doesn't mean it can be outdated or substandard service
- No. We use capital funds to invest in new upgrades and technology and operating dollars to maintain equipment. Funds obtained from wireless revenues are rarely needed to support the wireless.
- Not currently
- Nothing is for free!
- Part of our capital budgeting process.
- Possibly, however we feel this is a valuable selling point for the facility.
- The revenue generated/projected has never been sufficient for covering what a real system upgrade of any substance would cost.
- There would be no upgrades unless alternate funding could be allocated to the system. Not to likely in today's economic climate.
- Through sponsorship
- We currently offer complimentary Wi-Fi throughout the facility.
- We do offer free Wi-Fi at low speed with option to upgrade for a charge. This does not impact funding for the system.
- We would be critically hurt in a main revenue stream and the ability to stay current with technology as it changes would be limited since there would be no revenue attached to the improvements/upgrades
- Yes (*twenty-one mentions*)
- Yes it would someone has to bear the cost of the maintenance and personnel costs.
- Yes, a significant part of the revenue goes toward maintenance and upgrades to the system.
- Yes, as free Wi-Fi would not be generating revenue we would have to consider cost when doing upgrades and maintenance.

- Yes, revenue less with same or greater support required
- Yes, there has to be a way, other than just goodwill or marketing, to support the cost of providing the service.
- Yes, Wi-Fi is not free as some meeting planners seem to think. There is a cost to keep the system up and operational.
- Yes. Wi-Fi is currently a revenue generator, so loss of that revenue would impact overall building funding.

The top three technology products that are considered the most important for venue customers to be successful are wired, basic 256k wireless, and streaming.

4.) What technology-specific products do your customers need to be successful? (Please check all that apply.)

	%
Wired	91%
Basic 256k wireless	88%
Streaming	84%
Private Networks	66%
Webcasting	62%
Digital Signage	59%

The survey asked “What causes your customers to be frustrated with event technology?” and for the answers to be considered separately for show managers, exhibitors and attendees. Some of the key findings are that pricing is considered more of an issue for show managers than their exhibitors. Also, venue managers feel that exhibitors can get frustrated with complex order forms and that feel exhibitors may be “unsure what to order”.

5.) What causes your customers to be frustrated with event technology? Please respond considering show managers, exhibitors and attendees separately. (Please check all that apply.)

	Show Managers	Exhibitors	Attendees
Pricing	45%	33%	22%
They don't understand the products	35%	38%	27%
They are unsure what to order	30%	58%	12%
Quality of services provided	34%	47%	18%
Order forms are too complex	30%	61%	9%
Other	30%	20%	50%

6.) Please provide any additional comments related to what causes your customers to be frustrated with event technology?

Verbatim responses

- All three customer groups complain about pricing. We don't usually have complaints about quality.
- Clients almost have an expectation that WIFI will be free. Not sure who would pay for it. Thanks Panera Bread :(
- Everyone thinks that Wi-Fi in Buildings is the same as you at home network. They don't take in to account that there are hundreds of users sharing the same spectrum.
- Everyone wants free Wi-Fi, however attendees become frustrated if it is not high speed and secure???
- Feel like they can get things cheaper at buildings that give it free but don't consider that free is mostly the slowest of slow and not suitable on an exhibit floor
- For the customers not familiar with using a Convention Center vs. a Hotel - they often times find in "too expensive" and don't see any value of why they have to "pay" for service.
- Lack of bandwidth/ free wireless access in public spaces.
- Price and not knowing what they really need.
- Pricing
- Pricing is the number one issue for all - show managers, exhibitors and attendees.
- Show managers need to become engaged in educating their exhibitor and attendees through proactive marketing in exhibitor kits and registration forms specific to the difference between residential access at home and commercial access when away from home.
- The biggest frustration is the conflict between cell phone/wireless VS in house services from Wired to wireless and customer not understanding what can and cannot be controlled and serviced by the building techs.
- The items in Question 5 relate to all elements -- show managers, exhibitors, and attendees. Just depends on the situation.
- The labor associated with the delivery of the services.
- The size and construction of a typical convention center ensures that exterior signals don't penetrate into the building unless the building contains several repeaters on property. Given that cellular and Wi-Fi service is proprietary to ATT, Verizon, Sprint, etc., in order to accommodate each network you need a repeater for each network on property. The providers won't provide this unless it's financially worth their while (i.e., roaming fees). Users don't care, because it's free in Starbucks. Someone's got to pay for it.
- There is often a misunderstanding of what it takes to provide and support a quality service. This is compounded when certain services are expected to be complimentary.
- They want faster speed/more bandwidth for no cost
- Using their own technology and equipment, expecting the facility to make it work
- We provide free wireless throughout the facility, therefore the frustrations are limited. Our system is intended for casual use and not formal presentations and we stress to clients that if the connection is essential, they should opt for a wired solution.

A significant 86% of venue managers and CVB stakeholders say they are interested in having a permanent digital signage system in the public areas of their facilities.

7.) Would you be interested in having a permanent digital signage system in the public areas of your facility?

	%
Yes	86%
No	14%

Fifty-six percent of the respondents see a number of ways in which a digital signage system can add value. The two most popular uses are considered to be for way-finding and building information, and then advertising opportunities.

8.) If yes, what would the digital signage system be used for? (Please check all that apply.)

	%
Way-finding and building information	54%
Advertising opportunities for local, regional and national sponsors	40%
Sponsorship for the building	35%
Sponsorship for both the building and Show Managers	35%
Sponsorship for Show Managers	27%
<i>All of the above</i>	56%
Not Applicable	4%

The main benefit of a digital signage system is seen to be the ability to drive new revenue for the facility.

9.) What benefits do you see in having a digital signage system?

	%
Additional revenue opportunity for the facility	76%
To maximize marketing opportunities with target customers	67%
To remain competitive in the industry	76%
Other	24%

Other verbatim responses

- Already have digital signage

- Customized signage with logos, programs, announcements, changes...cuts down on printed signage
- Emergency communications
- Event information
- Helps show management drive revenue for them as well as the facility
- Our Center has had digital signage in place for 8+ years
- Promotional opportunities to steer visitors to other attractions in the city.
- Provide clear show information to attendees
- Revenue for Shows
- Way-finding
- Way-finding
- We already have a digital system
- We have digital but it is not permanent. We felt necessary to be able to remove if we had to

Only 25% of U.S. convention centers and CVBs that responded to the survey say the main venue is currently directly connected to the primary convention hotels via fiber, copper or wireless.

10.) Are you currently directly connected to the main convention hotels via fiber, copper or wirelessly?

	%
Yes	25%
No	74%
Unknown	2%

The “connected campus” concept is seen as beneficial to a majority of the facility industry.

11.) Do you see benefits in connecting the nearest 3 to 5 main convention hotels via fiber to your center to create a “connected campus”?

	%
Yes	61%
No	39%

12.) Does this or would this type of “connected campus” assist you in booking additional convention and corporate business?

	%
Yes	42%
No	58%

The most appealing features of the connected campus for customers are considered to be able to provide an improvement of the attendee experience, an extension of show information, and offering integrated Wi-Fi.

13.) If yes, what “connected campus” features do you think would appeal most to your customers?

	%
Improvement of attendee experience	84%
Extension of show information	74%
Integrated Wi-Fi	71%
Increased opportunity for sponsorship	68%
Remote registration	65%
Other	10%

Other verbatim responses

- OCCC has event path and connected to convention hotels
- Reminder when back at the hotel room of details for evening, next day events, housekeeping details, etc.
- We have a custom intranet that allows direct communication to all of our properties.

There is mixed opinion on whether 4G will significantly impact venue technology revenue. But those that do see an impact expect revenue to decline by approximately 10% to 25% percent.

14.) Do you see 4G significantly impacting your technology revenue?

	%
Yes	41%
No	43%
Don't know	16%

15.) If yes, by how much?

	%
10% decrease	38%
25% decrease	38%
50% decrease	17%
75% decrease	8%

16.) How do you plan to coordinate 4G with existing products?

	%
Allow cellular carriers to build-out systems	26%
Install a Distributed Antenna System (DAS) network	24%
Outsource Solutions	6%
Unknown at this time	54%

The main benefits of outsourcing venue telecommunication services are considered to be:

- It simplifies processes, according to 59% of respondents
- We do not have the resources to maintain systems in house, 54%
- It brings in an additional revenue stream, 49%

17.) If you do outsource your telecommunication services, why do you outsource and how does it benefit your business? (Please check all that apply.)

	%
It simplifies processes	59%
We do not have the resources to maintain systems in house	54%
It brings in an additional revenue stream	49%
We cannot afford to invest in the infrastructure	33%
I do not know enough about telecommunications to manage this service in house	31%

18.) If you do not outsource telecommunication services, why not?

Verbatim Responses

- Do not outsource
- Mandated controls as a department of the City
- More control
- N/A telecomm is in-house
- Over the past 12 years we have built a capable team fully capable of delivering show services.
- Quality control, customer service, revenue to venue
- This isn't a core competency. Leave it to those who do it every day.

19.) Which current services do you outsource or manage in-house?

	Outsourced	In-House	Both In-House & Outsourced	Not Applicable
Internet and Data Services	41%	52%	7%	0%
Telephone Services	39%	54%	7%	0%
Audio Visual	53%	9%	35%	4%
Food & Beverage	62%	35%	4%	0%
Utility Services	25%	56%	15%	4%
Electrical Services	26%	55%	17%	2%
General Service Contractor	66%	4%	15%	15%
Security	33%	31%	30%	6%
Cleaning	31%	36%	27%	5%
Digital Signage	15%	49%	11%	25%
Other	11%	11%	0%	78%

Over 90% of venue managers and stakeholders feel that both food service and telecommunications and internet can or should be exclusive.

20.) Which of the following services and items do you feel can/should be exclusive at a venue? (Please check all that apply.)

	%
Food Service	94%
Telecommunications and Internet	90%
Electrical	78%
Plumbing	70%
Cleaning	34%
Security	34%
Audio-Visual	14%
General Service Contracting	4%

21.) How does having an effective exclusive service partner enhance your building's reputation?

Verbatim responses

- All services are seen as the buildings any way even if they are contracted out, so having quality service provided by an outside contractor is paramount to our desire to provide quality customer service.
- Better able to control the quality of the services provided.
- By providing a level of expertise, resources and comfort to our client that couldn't be matched by providing the service in house.
- Consistency and accountability.
- Consistency in customer service, pricing and simplicity
- Consistent controlled services
- Consistent customer service & constant infrastructure improvements
- Control your own destiny, quality, efficiency, ROI
- Depends on the services being provided
- Exclusive offers consistency and familiarity with facility, create seamless relationship
- Exclusive service partners bring a higher level of service and expertise and increase the level of service to the end user which in turn helps the building reputation
- Helps increase the venue's ease of use.
- Industry recognition and consistent level of service can be expected by events.
- It allows the Facility to train, develop and communicate the "company philosophy" as opposed to a "fly by night" company.
- It ensures accountability and conformance with our objectives for the overall experience.
- It is such as asset to have people within the facility that are available at all times to assist clients as a need arises. We also have the ability of packaging services to be able to offer more competitive pricing
- Knowledge of facility operations & clients
- Maintain service standards, can troubleshoot problems quickly, seamless experience for the planner and guests.
- More control over quality of service and safety
- Overall do not sense that it does.
- Protects in a case such as F&B
- Quality control
- Quality controls
- reliability and protection of asset
- Reliability of service and expertise to our show managers, exhibitors and attendees.
- reputation is based on quality and price regardless of in house or contracted
- Should act like an extension of building staff; not just an exclusive. Consistent level of service.
- stellar reputation in product that we produce
- The center gets a bad rap when an outside service provider comes in and delivers poor service. At least with exclusive services we can address the issues and have the vendor correct same.
- They have national accounts and provide quality service
- They make the Center responsible for its own reputation.

-
- They provide professional services, knowledge, customer relationships, event history on shared customers, resources, funding and added value/revenue.
 - We are responsible for all that takes place. It is our reputation and if we can't control the contractor, we are guilty by association.
 - We have the best companies in the industry that can provide the latest services available
 - We only have 2 so we are very popular with Show management. The cost to do business in our facility is very low.
 - Yes

22.) What is the best way to educate people on the difference between exclusivity and outsourcing?

Verbatim responses

- Advertise and network
- By providing the best services through partnerships and communicating to your clients on the benefits of those services. If you do your research and properly design your contracts, each partner can bring specific knowledge of their product to each event, which enhances the guest experience.
- Clear and concise communication.
- Direct conversation and deal making
- During sales process and event guide
- Exclusivity tends to insure that consistent service is provided in a timely manner.
- Experience
- Face to Face conversations and good information/content in promotional pieces and on web site
- Good question, don't have a suggestion.
- Industry education
- Information from sales team
- It would seem that anyone in the industry would know the answer to this.
- Knowing the facts...outsourcing is typically more expensive
- People's minds are pretty much made up, and there isn't a lot of respectful listening going on.
- Probably through industry forums, articles in industry publications would be the best way to address the whys and benefits of each.
- Promoting the advantages of what you have to offer so that it becomes a benefit to the group.
- Talk to them
- There is an assumption that national planners are not educated? Some are and some are not.
- They should not know that others are providing service. (should be integrated in service model)
- Tie to something they understand
- Unsure.
- Use event guide to explain, art of contract, savvy sales people, showcase your exclusive in marketing pieces

Over 70% of venue managers recommend that show managers need to be better informed about the need for constant investment in infrastructure, the cost to deliver wireless services, and the capabilities of wireless networks.

23.) What are the most important topics and industry issues that you feel Show Managers need to be better informed about? (Please check all that apply.)

	%
Need for constant investment in infrastructure	74%
Cost to deliver wireless services	74%
Wireless network capabilities	70%
Wired network capabilities	47%
Other	9%

Other verbatim responses

- Limitations of wireless service.
- Newer technology and interference from exhibitors to wireless service
- Overall cost of facility operations
- They need to be better informed about what they/their exhibitors/attendees need to accomplish, and leave the technicalities to the service provider to deliver. Temporary solutions for advances greater than a specific facilities infrastructure can be implemented.
- Total cost to provide service. Someone on site to hold clients hands when they don't understand their technology.

A significant 85% of venue managers and CVB stakeholders feel the most important topic for facility staff technology education relates to wireless network capabilities.

24.) What are the most important topics to educate Facility Staff on? (Please check all that apply.)

	%
Wireless network capabilities	85%
Wired network capabilities	62%
Cost to deliver wireless services	54%
Need for constant investment in infrastructure	46%
Other	10%

Other verbatim responses

- All of the above.
- Asking the right questions of all the customers - who are not technical people - what do they need to do, what are they willing to pay to do it, and do they understand the

difference in price when it comes to half-speed or full speed and does it matter for what they are trying to accomplish.

- Customer service
- Limitations of wireless service
- On-site customer service

Sixty-four percent of venue managers and CVB stakeholders feel that show managers have unrealistic expectations when it comes to what they want – and what they are willing to pay for – in terms of telecommunications and technology services.

25.) Do you feel that Show Managers have unrealistic expectations when it comes to what they want and what they are willing to pay for in terms of telecommunications and technology services?

	%
Yes	64%
No	36%

Additional Comments, Verbatim Responses

- But it depends on the manager. Some are realistic, others not.
- Could be answered either way. Some understand the reason for the expense and some do not. All are trying to keep their own cost in line.
- Generally, they lack an appreciation for the true cost to the building owner to provide free service. i.e. capital investment costs, maintenance costs, customer service costs. “Free comes with a very hefty price”
- I would say it depends upon the show manager. But many want quality services for little or no cost to them even if they can make money off the services. There needs to be revenues generated by the facility to maintain it in the condition show management wants it to be in and there is a cost to do this and some of the costs need to be offset by enterprise revenues from these events.
- IT is costly, and most planners do not want to pay for it.
- It is helping to communicate a year or more out so they have time to figure out what they need and properly budget
- Needs to be presented as part of the total package vs. stand-alone telecom/technology services... show managers are more interested in the total cost vs. the pieces.
- Not just technology. The model of how we do business is outdated. Sooner or later a Center will step up and break the model. Who will be first?
- Only highly technical shows seem to have unrealistic expectations. The typical Show Manager seems to understand costs better, than the one running a highly complex and technology focused show.
- Show managers no longer serve an operational apprenticeship, and neither know nor care about the cost of delivering products and services. These are assumed to be included in a fixed-price contract.
- Some of the confusion is based on rental price structure. Although some Centers offer “free Wi-Fi” their rent may be double.
- The same way that pay phones went away, eventually some of these services will be so easily delivered around us, that fighting it is ridiculous. As facility owners/operators,

we're better positioned long term to make sure the municipalities we serve are bulking up all their capacities and infrastructure citywide, which ultimately is to our end-users benefit.

- They don't want to pay for ANYTHING. They don't care if it costs money the favorite line is "then I will go where I can get it for free"
- They have no idea of infrastructure costs.
- They simply want all services for free.
- They want it all for free!
- Without question

Methodology

In June 2011, Red 7 Media Research & Consulting launched a survey on convention center technology and telecommunications issues, trends and benchmarks to 292 convention center executives along with leaders at CVBs. Sixty-three responded for a 21.5% response rate.