

# Value Proposition and Member Needs Research Results

Prepared for:



NATIONAL ASSOCIATION OF  
CATERING EXECUTIVES

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# Study Background, Objectives, and Methodology

## Study Background and Objectives

- NACE is the first non-profit national organization for caterers, event planners, and event professionals. The association provides education, certification, and resources for the hospitality community.
- The current research has several defined objectives:
  - Understanding the value of membership and uncovering membership drivers and barriers to membership and renewal.
  - Ascertaining the strengths and weaknesses of NACE by understanding the importance of NACE benefits and services, and perceptions regarding how well they are delivered by the association.
  - Identifying the perceptions of NACE.
  - Uncovering challenges faced by caterers, event planners, and those in the hospitality profession.
- Current, former, and prospective members were invited to participate in this study.

## Methodology

- Marketing General Incorporated (MGI), specialists in marketing and research for professional and trade associations, conducted this study.
- Initial invitations were sent to survey recipients by email starting on May 1, 2017. Reminder emails were sent over the course of four weeks. The survey schedule is listed below:
  - June 20, 2017: Initial email with invitation link sent.
  - June 26, 2017: First email reminder notice sent.
  - July 5, 2017: Second email reminder notice sent.
  - July 10, 2017: Third email reminder notice sent.
  - July 14, 2017: Fourth email reminder notice sent.
  - July 14, 2017: Survey closed.
- NACE provided the participant email list, which contained current, former, and prospective members. Net of duplicate records there were 6,997 email addresses.
- In return for their participation in the survey, respondents were invited to submit their contact information for a chance to win one of two \$500 American Express Gift Cards.

## Response Rates

### Overall Response Rate

- 6,997 email invitations were sent to current, former, and prospective members of NACE. The emailed invitations resulted in 929 completed surveys and 160 partially completed surveys, providing a total sample of 1,089. The response rate is approximately 16% overall, an above average response rate.

### Margin of Error...What Is It?

- The margin of error for this sample is 3.0%.
- Since it is impossible to survey all catering and event professionals, statisticians use a random sample to estimate the population parameters and then generalize the results of the sample to the larger group as a whole.
- The margin of error, or standard error, is a statistical term used to measure the random fluctuations inherent in samples; the smaller the standard of error, the more accurate the measurement of the population or universe.
- This study's significance level of .05 carries with it a 95 percent confidence interval. The confidence interval is established as the likelihood that the same results would be achieved in a similar study, meaning that if we were to conduct this study 100 times, the same results, plus or minus the margin of error (3.0%), would occur 95 out of 100 times.

## Data Reporting and Interpretation

### Data Reporting

- Percentages within the report are rounded, so percentages may not add up to 100%. Additionally, for questions that allow multiple responses, as in “check all that apply,” totals may not add to 100%.
- In this report, questions are cross-tabulated in order to determine if there are differences between segments within the membership. However, results for segments represented by small samples should be seen as directional, and are indicated with an asterisk (\*).

### Data Interpretation

- For the current study, respondents were not required to answer every question. As a result, there are some questions that not all respondents answered. The number of respondents that answered a particular question is reported on the corresponding table or chart.
- When interpreting data, it is up to the researcher to attempt to understand why respondents are answering questions in a certain manner. It is not uncommon for responses to individual questions to seem, at times, contradictory. It is important to understand that each question is read and answered by the respondent as a separate question. And while the findings for two questions may appear to contradict each other, it is important to view the questions individually when interpreting their meaning.
- Furthermore, respondents answer attitudinal survey questions with an eye toward personal self-perception; that is, they answer questions in a manner that most closely aligns with how they view themselves.

# Segments

## Segmentation Information

- Within this study, the data is examined by different segments specified by NACE.
- The segments and their corresponding percentages within the data set are listed in the table.

Category	Respondent Type	Number of Responses	Percentage of Responses
	<b>All respondents</b>	<b>1,089</b>	<b>100%</b>
<b>Membership Status (Self-Report)</b>	Current Members	900	83%
	Former Members	153	14%
	Prospective Members	36	3%
<b>Age</b>	18-25	88	8%
	26-35	307	28%
	36-45	280	26%
	46-55	224	21%
	56-65	159	15%
	Over 65	31	3%
<b>Tenure in Profession</b>	Up to 5 years	237	22%
	6-10 years	227	21%
	11-15 years	181	17%
	16-20 years	145	14%
	More than 20 years	279	26%

# Executive Summary

## Executive Summary and Strategic Recommendations

### Personal Characteristics

- Most participants identify themselves as either event professionals (39%) or as catering professionals (29%).
- 56% of respondents focus primarily on celebrations.
- 32% of participants entered the profession while already working in another capacity within the hospitality industry. 22% switched to catering and events from an unrelated profession, and 20% have always planned to enter this profession.
- 26% have been working in catering and events for more than 20 years. 22% have worked in this profession for up to 5 years, and 52% have between six and twenty years of experience.
- When asked to define their specialty within the industry, about half of participants indicate they specialize in event planning/coordination (49%) and/or catering/food/culinary aspects (48%). More than one-third specializes in venue management (37%).
- 72% of participants do not hold any certifications. Of those who do, the CPCE is the most common (13%).
- 21% of participants work in small companies with up to five employees, but 44% of respondents work for companies employing more than 100 people.
- Revenue budgets tend to fall into four equal areas: up to \$250,000 (25%), \$250,000 to \$1 million (25%), \$1million to \$3 million (26%), and over \$3 million (25%).
- 79% of participants have either complete purchasing authority (38%) or partial authority where they need approval (41%).
- The items likely to be purchased within the next one to two years include food, alcohol, and office equipment, whereas the items most likely to be rented include décor and furniture.
- 56% of participants have earned a Bachelor's degree, and 75% are male.
- Over one-third of respondents are ages 18 to 35 (36%), and 47% are between the ages of 36 and 55.

## Executive Summary and Strategic Recommendations

### Membership in NACE

- Most participants identified their membership status correctly. However, 13% of former members and 16% of prospective members believe they are current members of NACE.
- 70% of prospective members are very or somewhat familiar with NACE. Only 3% of prospective members were unaware of NACE before this survey.
- Participants who have familiarity with NACE report that they most commonly learned about NACE through a personal referral (36%)—a friend, co-worker, professor—or from a current NACE member (32%).
- When asked why they joined NACE, current and former members indicate that creating a strong network of industry professionals (63%) and to build their business (41%) were top membership drivers. The youngest participants (ages 18-25) report that they joined NACE for career advancement opportunities.

***MGI Recommendation:** NACE enjoys strong name recognition, and many of the participants are correctly aware of their membership status. However, there are some respondents who incorrectly identified their membership status. This is often a result of unclear renewal messaging. Be sure to make renewal materials distinct from other information that you send to members. Word-of-mouth marketing is the strongest vehicle for growing awareness. If not already in place, create a member referral program to harness the benefits of this “free advertising.”*

### Most Valued Benefits

- For both current and former members, the networking events, the educational events and meetings, and the ability to stay current with access to information, news and trends about the industry are the most valued benefits of membership.
- For current members, the most valued benefits do not vary much based on age or tenure in the profession with the exception of a couple of segments that highly value the sense of community provided by membership in NACE.
- Former members are most likely to indicate they let their membership lapse because they did not feel that the benefits were worth the cost (36%), they had no time to attend meetings or events (36%), or membership was considered too expensive (31%).

## Executive Summary and Strategic Recommendations

**MGI Recommendation:** *The most valued benefits of membership are similar to the reasons members join NACE. Use this information when creating acquisition and renewal messages and campaigns in order to remind members and non-members of what NACE provides and what they do not want to lose access to. Emphasize that NACE membership is one of the most effective ways to build a network and thus a business. Highlight the education and certification offered by NACE.*

- Positively, 65% of current and former members are very likely to renew their membership, and 25% are somewhat likely to renew. Almost all current members indicate they plan to renew their membership; however, a majority of former members (52%) also indicate they plan to re-join NACE.
- Of those who plan not to renew, participants cite lack of value as the main reason (53%). After that, former members indicate they had a negative experience with the association (28%), and current members report they can obtain the same information elsewhere (28%).
- 93% of current and former members are very likely or likely to recommend membership in NACE.
- Of the prospective members, the top reasons for not joining focus on a lack of information on what NACE offers (33%) or how membership in NACE can be beneficial (29%).
- Aside from the cost of membership, prospective members want to know just how NACE membership can benefit them or their company (54%).

**MGI Recommendation:** *The likelihood of renewal and recommendation among current and former members is very high. Those who plan not to renew are struggling to find value and purpose in the membership. This speaks to a lack of engagement with the association. While name recognition for NACE is high, prospective members are uncertain as to what membership provides, and how it can benefit them. In renewal or reinstatement campaigns, remind members of the unique aspects of NACE and what it provides that other sources of information cannot. Encourage members to reach out to NACE if an experience or interaction is disagreeable, so that problems can be resolved and negative feelings do not fester. In acquisition materials, be sure to highlight not only the “features” of membership, but the benefits to being a member and the return they can expect on their investment.*

- 83% of current members and 51% of former members report they are/were very satisfied or satisfied with their membership in NACE.

## Executive Summary and Strategic Recommendations

### Perceptions of NACE

- Perceptions of NACE are highly positive. Participants are most likely to agree that NACE offers valuable networking opportunities (94%), is a reliable source of information on the industry (90%), and provides opportunities to share knowledge and best practices (90%). More than half of participants feel that NACE is an indispensable resource for them (58%).
- Former members are more likely to agree that the CPCE designation improves their job prospects (83%).
- Current and former members believe that NACE excels in providing networking opportunities (86%), occasions for sharing best practices and knowledge (79%), and in their communication about renewals (76%).

***MGI Recommendation:** Since perceptions of NACE are so positive, highlight those aspects of NACE that are highly respected. If possible, include testimonials from those who have the CPCE designation as to how the credentials have improved their business, job prospects, or credibility. Emphasize the opportunities that NACE provides for networking and knowledge sharing.*

### Professional Challenges

- Participants recognize that the profession has changed since they started. More than half cite an increased use of social media (54%), greater competition in the space (34%), and the amplified use of technology at events (31%).
- Those who have been in the profession for more than 15 years also report that clients themselves are more knowledgeable about what they want when planning an event.
- As noted, the advent of social media is a huge change in the profession, and it is being used in multiple ways. 80% of participants use social media to market their own business, and 76% use it to promote an event. 64% showcase their venues through social media platforms.

***MGI Recommendation:** Social media and the use of technology has become a key component in this industry. Provide seminars or educational events that can focus on the ways and means of using social media for their business and for clients. This is especially important to older participants.*

## Executive Summary and Strategic Recommendations

- When asked about the challenges in the profession itself, participants are most likely to cite budget constraints (48%) and having to do more with less (43%). Increasing costs (38%) and the acquisition and retention of quality employees is also a challenge (41%).
- On a personal level, participants struggle with maintaining an acceptable work/life balance (39%), increased competition (35%), and working within a client's budget (28%). Those over age 65 are more likely to struggle with the changing technology.
- With the changes in the industry, participants acknowledge that they may need to improve some skills sets. Those skills needing the most work include the use of technology (38%), business development (37%), and negotiation skills (33%).
- Participants ages 35 and under want to improve their managerial skills, while those over age 55 want to improve their presentation skills.

***MGI Recommendation:** Assist members and non-members with their challenges by creating educational programs or member benefits that can directly address their pain points. Target specific audiences, either by age or tenure in the profession, when promoting educational topics and events.*

### Needs Assessment

- Current members were asked to evaluate the importance and the quality of delivery for benefits within specific categories.

### Educational Opportunities

- The NACE Education and the NACE Experience Conference and Expo are considered the most important educational opportunities offered by the association.
- The NACE Business Academy is considered least important of the educational opportunities, and also considered less relevant compared to other educational options.
- For four of the six educational opportunities evaluated, members indicate that improvements are needed in order to meet their needs.

## Executive Summary and Strategic Recommendations

### Networking Opportunities

- The NACE Local Chapters and the Member Directory are rated as the most important networking options.
- Fewer members are aware of the Member Virtual Hangouts, and it is not used by 37% of members.
- Of the four networking opportunities measured, members report that three need improvements in order to meet their expectations.

### Information Resources

- The Code of Ethics is the most important information resource available through NACE. Scholarships are considered second-most important. The scholarships tend to be rated as most important to those newest to the profession and those under age 36.
- The NACE One Awards and the NACE Blog are rated as the least important of the information resources, but NACE is meeting needs and expectations with these benefits.

### **Educational and Networking Preferences**

- More than half of participants pursue education and training to better their knowledge on trends in the profession (59%) and/or to increase their skill level in specific areas (55%).
- Participants up to age 45 seek education opportunities to increase their credibility in the profession, while those over age 45 pursue training to help develop and market their business more efficiently.
- Live meetings are preferred by two-thirds of the participants (67%). Of the live meeting formats, half-day meetings and small meetings with fewer than 50 attendees are most preferred (63% and 47%, respectively).
- Participants with up to ten years' experience prefer mid-sized meetings with 51-250 attendees over one to two days.
- Topic relevancy is the greatest factor in deciding whether to attend a live meeting (60%). Location (56%) and the ability to fit a meeting into one's schedule (54%) are also factors considered when making the decision to participate.

## Executive Summary and Strategic Recommendations

- Of the participants who prefer an online format (30%), the pre-recorded, on-demand online courses are more preferred (73%), followed by the on-demand webinars (66%).
- Participants prefer that educational events are held as luncheons (42%) and networking events held after work or in the evening (72%).

***MGI Recommendation:*** *Topic relevancy is the main factor as to whether someone will attend an educational program. Consider offering a greater variety of small-sized programs to meet the needs of the varied specialties within the profession. When promoting the live events, highlight the networking aspects and the ability to build their business through increased contacts. For those who prefer an online format, ensure a variety of options to choose from that will meet their needs.*

### Topics of Interest

- The topics that garnered the most interest include programs specific to one's specialty (95%), client management (88%), and social media for business development (86%). The youngest participants (ages 18-25) are highly interested in topics regarding management skills (93%).
- Most participants have a basic knowledge relevant to the education they seek, and would prefer that the topics of interest be presented at an intermediate or advanced level.
- Just over half of participants are interested in virtual meetings (54%).

***MGI Recommendations:*** *Consider topics that gathered the most interest when developing educational programs. Use targeted marketing to emphasize programs with specific topics among specific audiences.*