



Measuring Face Value

How face-to-face meetings
are driving UK business growth



Foreword

As the UK's leading hotel chain, welcoming millions of business guests each year, Premier Inn understands how valuable face-to-face interaction is for our customers. Guests stay with us when they're travelling to all kinds of business meetings – from site visits and conferences to new business pitches and brainstorming.

Now, thanks to the work of the Centre for Economics and Business Research published here in our latest report, we can share the precise impact that such face-to-face meetings have on UK businesses and the economy at large.

In producing this report, we discovered that the era of video calls, teleconferencing, email and instant messaging has not made face-to-face communications obsolete. In fact, we've been reminded that, no matter what the industry or size of company, there are significant gains to be made when a business includes some degree of face-to-face interaction in the mix.

Without a doubt, digital communication delivers enormous benefits to business. The speed at which it allows us to work has, in itself, been transformative. However, as we venture further into this exciting digital world, I hope that this report shines a light on the significant value of meeting face-to-face.

Karen Plumb

**Director of Business to Business,
Premier Inn**



Summary

Business is founded on relationships between people, from suppliers to end customers, and few will dispute that the stronger these relationships are, the more likely it is that they will result in success for all involved.

Nonetheless, in a world of evolving technology it's easy to assume that alternative means of communication can replace face-to-face meetings and the challenge can sometimes be to appreciate the value of being 'in the room'. Video and teleconferencing, messaging apps and online platforms are effective tools for keeping in touch, but less so for truly building relationships.

And now, this report, commissioned by Premier Inn and researched by the Centre for Economics and Business Research (Cebr) demonstrates that meeting face-to-face makes a tangible contribution to the success of British companies and the UK economy as a whole.

The bottom line

- Face-to-face meetings in all their forms contribute £193.3 billion annually to the UK economy. [1]

The business boost

- On average, every UK business enjoys an annual revenue boost of £147,200 from meeting face-to-face. [2]
- This research has found that the increase in revenue varies according to size of business. Where small companies can each expect an income boost of £43,200 on average per year, mid-sized businesses will each see a gain of up to £3.7 million per year. [3]

- Companies based in London benefit the most from meeting face-to-face, with a £248,100 average annual boost to revenue, followed by businesses in the West Midlands (£174,500) and the South East (£156,800).
- Companies in the North East enjoy the greatest spending to revenue ratio - an average gain per company of £5.34 from every £1 spent. [4]
- Manufacturing companies benefit the most from face-to-face meetings, seeing an average income boost of £514,000 per company, followed by businesses in the retail industry, which see an additional £378,000 in income as a result of meeting face-to-face.

Big wins

- Businesses benefiting from a revenue boost as a result of face-to-face interaction reported that 36% of the increase arose from new business meetings, equivalent to an average of £52,400 per company each year.

How face-to-face happens

- Types of face-to-face engagements vary, and include trips to visit existing customers, meetings with prospects, conferences, site visits and networking events or supplier meetings.
- Companies are most likely to engage in face-to-face meetings when they are seeing prospective clients or visiting existing ones.
- Mid-sized businesses are the most likely to visit trade fairs, and large companies are the most likely to attend networking events.

The Bottom Line

“Half the battle is just showing up”

Professor Stephen Hawking

From meeting suppliers to site visits and attendance at trade fairs, we can demonstrate that businesses across the UK still value face-to-face interactions and are putting their money where their mouths are.

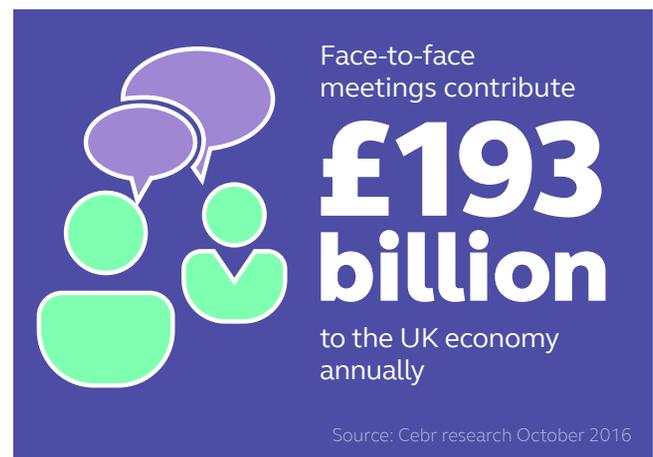
The average UK business spends £100,800 per year on making face-to-face happen. This ranges from £15,600 per year for each small organisation (with less than 50 employees) to £75,600 for mid-sized businesses (50 – 249 employees).

Spending also varies across sectors, with finance and accounting taking the lead with an average of £170,400 spent annually.

In terms of regions, London invests the most in getting to face-to-face meetings (at £154,800 per company each year) closely followed by the North West (at £132,000), with the North East investing the least (at £22,800).

A significant number of businesses continue to recognise the value of meeting face-to-face. They understand the financial and non-financial benefit it brings, in terms of looking clients and prospects in the eye, reading body language and getting a better sense of the context in which they're operating. This has recently been backed up by a UCLA study (August 2016) showing that 93% of communication effectiveness is determined by non-verbal cues, none of which can be established on a conference call.

So while developments in technology were once thought to be at risk of overshadowing the importance of face-to-face meetings, this analysis shows that the threat is unfounded.



The Business Boost

The business case for an increased time investment in meeting face-to-face is clear from the findings of this report. Revenues grow on the basis of personal interactions which build trust, understanding and agreement.

By meeting in person, we've found that the average UK business sees a £147,200 annual income boost. How that boost differs according to company size, sector and region is as follows:

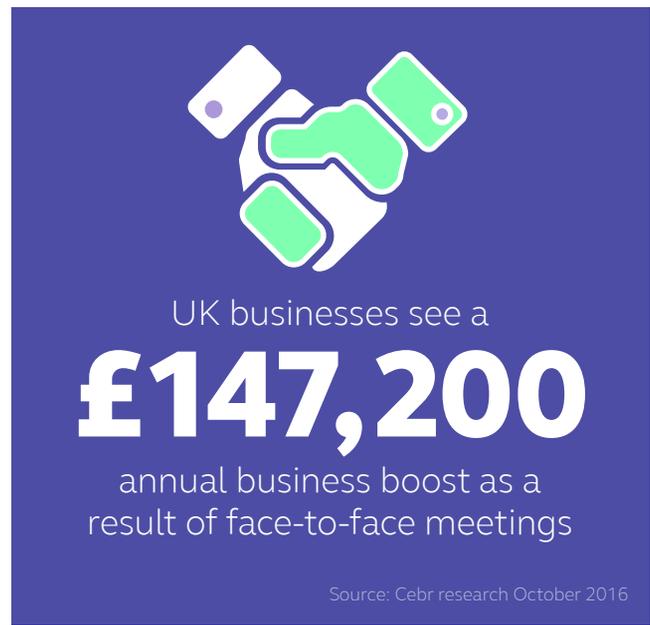
Company size

The revenue boost varies according to size of business. Where each small company can expect an income boost of £43,200 on average per year, each mid-sized business will see a revenue gain of up to £3.7 million per year.

Sector

Everyone reacts well to human contact, and this is true whether you work in construction, manufacturing, sales or retail.

Manufacturing businesses benefit the most from face-to-face meetings, seeing an average income boost of £513,100 per company, per annum. Retail organisations notch up significant gains, each generating an additional £378,000 income per year as a result of meeting face-to-face. The property (£175,000), IT & telecoms (£150,000), and transport & distribution (£130,000) sectors are enjoying significant revenue boosts too.



“Whilst our research does not prescribe a single, optimal balance of face-to-face and virtual communications, it clearly demonstrates that businesses should be striving for a blend of both. The proven financial contribution of face-to-face meetings to our economy is considerable and shows no signs of diminishing.”

Nina Skero,
Senior Economist at the Centre for
Economics and Business Research

The Business Boost

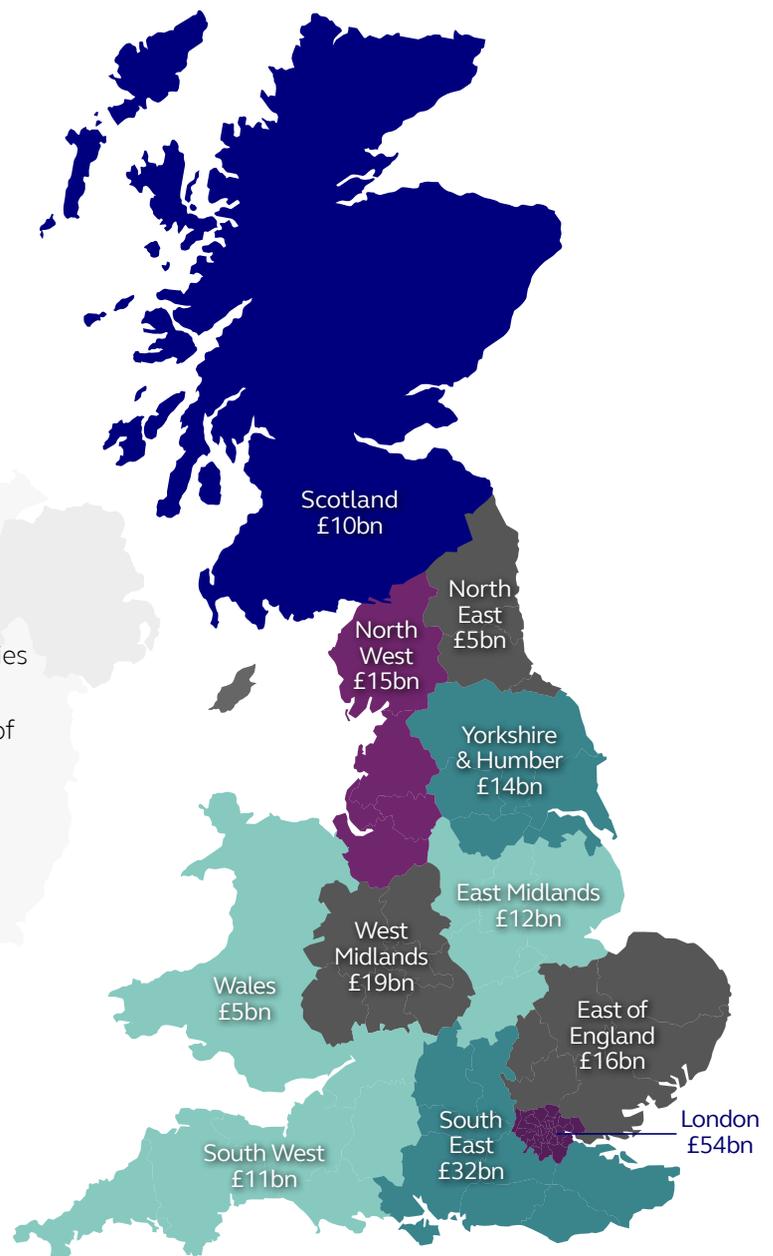
Region

Our research has found that it's London-based businesses that benefit the most from face-to-face meetings with a £248,100 average annual revenue boost for each company.

Businesses in the West Midlands rank second with a £174,500 annual income gain per business, followed by organisations in the South East each seeing a £156,800 increase in revenue annually. The top three are followed by Yorkshire and the Humber (£142,900), the East Midlands (£133,500) and the East of England (£124,400).

Interestingly, companies in the North East see the highest return on investment. On average, for every £1 spent doing business face-to-face these companies see an increase of £5.34, equating to a 434% return on investment. This is followed by firms in the East of England, which see a return of investment of £2.96 for every £1 spent and then the West Midlands, where businesses see a return of £2.55 per £1 spent. Elsewhere, companies in Wales (£1.83), the East Midlands (£1.70) and London (£1.60) also see a return on investment.

Across the UK as a whole, face-to-face meetings contribute a significant amount to each region's economy, as the map below shows:



Regional contribution of face-to-face meetings

Big Wins

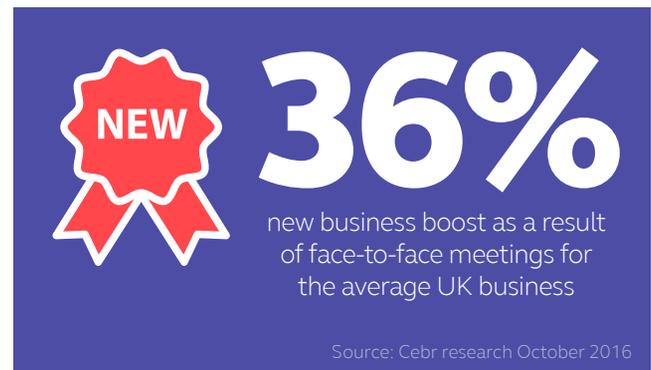
“You will never see eye-to-eye if you never meet face-to-face”

Warren Buffett, Chairman and CEO of Berkshire Hathaway

The Cebr research shows that relationships really do count when winning new business. For those businesses that saw revenue increase as a result of face-to-face meetings, 36% of that was the result of new business meetings, or £52,400 of the £147,200 total annual revenue boost per company.

The proportion of overall revenue boost arising from new business meetings ranges from 57% in the medical and health services industry, 49% in the property sector, 41% in the construction industry and IT & telecoms industries and 40% in the finance and accounting sector.

Across the UK, firms in the South East see the greatest boost from meeting face to-face with new business prospects, with 43% of the total revenue gain in this region coming from business development, followed closely by organisations in Scotland, where over a third (39%) also see this boost. Elsewhere, Wales (37%), Yorkshire and the Humber (36%), the South West (35%) and London (34%) all benefit from significant boosts as a result of these new business opportunities. All regions see 30% or more of their revenue boost coming from new business.



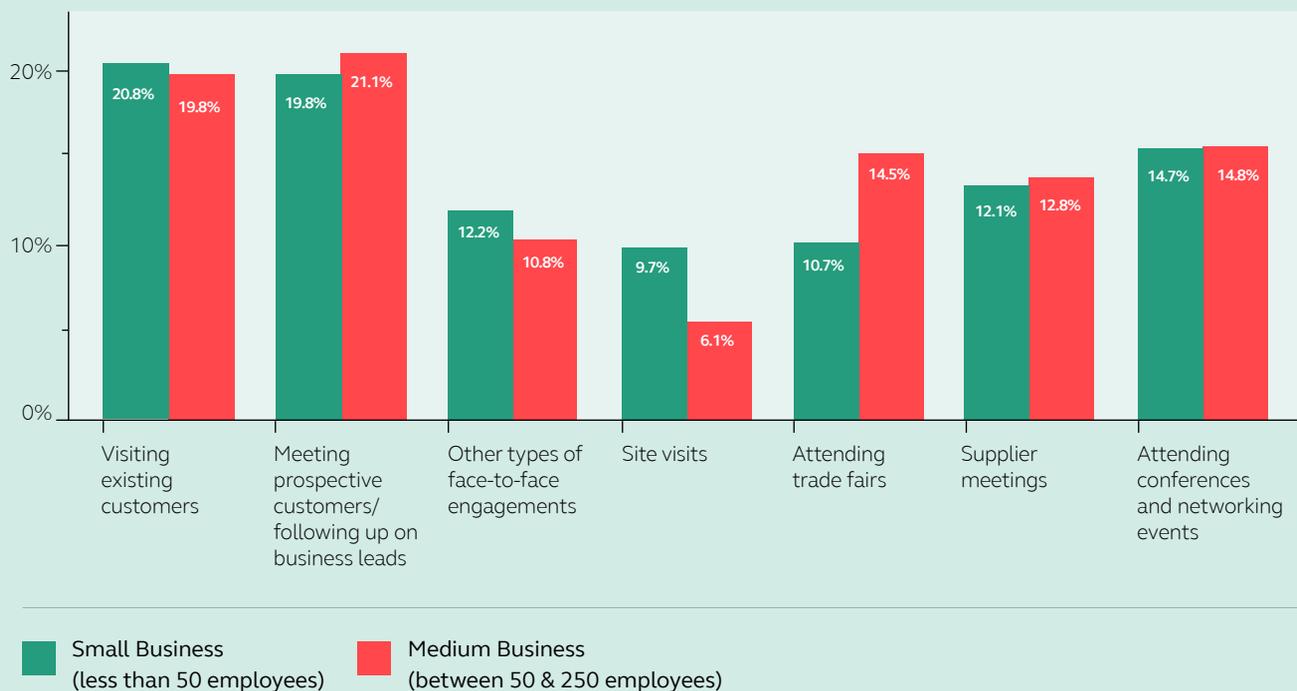
How Face-To-Face Happens

It's important to remember that meetings don't just take place in a boardroom. Networking or sales events, informal coffees, site visits and trade shows all provide opportunities to create more meaningful relationships that help companies do better business.

According to this research, the most popular type of face-to-face interaction is visiting existing customers (70%), followed by meeting prospective clients (68%). Attendance at conferences and networking events (58%), supplier meetings (46%) and trade fairs (45%) are also popular.

The following table shows the varying types of meetings that companies of different sizes are most likely to attend:

Common types of face-to-face engagements for UK businesses are:



Personal and Profitable

There's no denying it, face-to-face works.

We've all been guilty of surfing the web or replying to emails when we're on a conference call or participating in a webinar instead of listening to someone. This sort of multi-tasking isn't an effective way of working as we're not truly present in the meeting. However, when we're in the same room, there's little option but to pay full attention to what is being said.

Only when you build connections by meeting in person can you develop strong relationships and avoid the misunderstandings that might occur via screen or over the phone. It's then far easier to spot behavioural nuances and subtle body language changes to help you read different situations and get a better understanding of meeting outcomes. Just a cross of the arms, or a look to the door can tell you if a meeting is going well or not.

“If you are in a room together, everyone has to get stuck in and contribute”

This increased participation can also help people get a better idea of different personalities. Reading the room to spot levels of enthusiasm and involvement cannot be done in anything other than a face-to-face situation.

By taking the time to have a discussion in person, you build a much better understanding of what makes an individual tick, whether that's finding out what football team they support, how old their children are or discovering another shared interest.

In terms of business sales and development, our ability to listen to the needs of clients and prospects means we can often go beyond the initial agenda. This can lead to additional business opportunities that wouldn't have come up had you not been in the room together.

The ability to show and read emotion and interpret body language is invaluable. Building a sense of alignment on key issues, hosting a lively discussion and quite simply being able to look people in the eye are all powerful communications tools. Not only does face-to-face cement and build relationships but it underlines the idea of 'you get out what you put in'.

Denise Taylor,
Chartered Psychologist



Getting The Most Out Of Meeting Face-To-Face

If you are one of the many thousands of people who travel to meet their customers or prospects face-to-face, here are some great pointers from expert business psychologist, Denise Taylor:

- 1.** If you're on the train on your way to a conference or a big meeting, use this time to prepare your thoughts and plan in advance for any questions that might come your way.
- 2.** Read your notes and highlight the key things you want to get out of the meeting, whether it's a site visit, a networking event or a client briefing. Knowing what success looks like from the outset will help you to steer your contribution in person.
- 3.** Think about where you are going to meet. An informal boardroom isn't for everyone, so think about meeting somewhere like a café if you want to get together in a more relaxed environment.
- 4.** Find out about who you're meeting. We build relationships more quickly when we have things in common so take the time to find out about the people you will be meeting. This can help to break the ice. Use LinkedIn and ask colleagues for insight. When attending a conference, you can often get a list of attendees in advance.
- 5.** Anticipate success. Be positive and pay attention to what is said, and not said, so you can reach the best possible conclusion. Active listening is important and going into a meeting feeling distracted or negative is unlikely to produce the best result.
- 6.** Follow up. We are social beings and enjoy developing relationships with others. Providing something tangible after a meeting will demonstrate our commitment to building a good relationship. Be clear on your action points and follow up within 48 hours – aiming to strengthen your relationship as you do so.
- 7.** Plan to stay in touch with regular ongoing contact to remind individuals that they are front of mind. Setting reminders is a useful way to manage this.

Conclusion

Worth £193bn to the UK economy and more than £147,200 for the average business, far from being replaced by email or video or teleconferencing, this research shows that securing face time with clients and customers has never been more important, across sector, size and region.

In short, it's worth the effort and pays dividends in a number of ways. So next time you need to plan a meeting, think whether you'd benefit from investing the time to meet face-to-face.

About the research

- [1] The analysis was conducted by Cebr at firm level and then scaled up based on the total number of registered private sector businesses with employees in the UK which is 1.3 million as reported in the ONS Business Population Estimates.
- [2] The boost to revenue data comes from a YouGov survey conducted specifically for this research. Total sample size was 637 adults, fieldwork was undertaken between 15th - 22nd August 2016 and the survey was carried out online. The average revenue figures are based on data from Business Population Estimates.
- [3] These calculations are based on two figures. First, the % revenue boost as reported by small, medium and large companies in the YouGov survey and second, by the average turnover per business for small, medium and large companies as reported in the Business Population Estimates.
- [4] Refers to gains over and above those that could have been realised via digital interactions.

About Cebr

The Centre for Economics and Business Research (Cebr) is an independent consultancy with a reputation for sound business advice based on thorough and insightful research.

About Premier Inn

Premier Inn is the UK's leading hotel brand with an unrivalled understanding of the needs of business travellers.

Every year, Premier Inn offers millions of business guests a great choice of hotels in over 740 locations across the UK.

Premier Inn was named the UK's top-rated travel brand 2016 and the top-rated hotel chain for 2015 according to Which? This year 89% of Premier Inn hotels achieved a TripAdvisor Certificate of Excellence, awarded to hotels that achieve outstanding guest reviews. On the YouGov Hotel Brand Index, Premier Inn has been rated the "Best Value" hotel chain since 2011.

In October 2016, Premier Inn was named Best Budget Hotel Chain at the Business Traveller Awards.

All Premier Inn bedrooms feature en-suite bathrooms, a luxurious Hypnos® bed, a choice of pillows, TV with Freeview and free Wi-Fi. Every one of our UK hotels has a restaurant on site or close by, offering a wide range of options including breakfast and great value meal deals.

Premier Inn offers its own payment solution, Business Account, which provides companies with a simpler way to manage their hotel expenditure - www.premierinn.com/business Terms and conditions apply.

Measuring Face Value



To discuss your business hotel requirements, call 0333 003 2412

