The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Many Conferences, Few Halls

By Alec Luhn

November 15, 2010



Deputy Prime Minister Igor Sechin speaking at a Venezuelan business conference held at the President Hotel. **Igor Tabakov**

Yekaterina Degtyaryova, director of software marketing at Hewlett-Packard Russia, says companies' hands are tied when booking a conference in Moscow.

The standard package of conference services covers the basics but doesn't include breakfast, printed conference materials or help with registration, as Degtyaryova would like. She says companies seeking a centrally located hotel with a full package of services have few options.

"Can I recommend such a facility in Moscow? No," Degtyaryova said.

Space for business conferences in Moscow is growing, with the opening of new hotels. But while this increase offers conference clients greater choice, finding flexibility and quality can still be difficult, a problem that hotels themselves acknowledge.

"There are a lot of halls, but for now good service is lacking," said Tamara Afonina, marketing

communications manager at Swissotel Hotels & Resorts.

“It's possible to come across bad service, such as when a problem arises during the event and the staff can't solve it, or the food is bad, or there's not enough personnel for the event,” she said, adding that Swissotel employs cross-training so its staff will understand the problems other departments face.

Ninety-eight hotels — many with conference halls — have been constructed in Moscow over the past decade, and another 21 hotels are in the pipeline.

But there are only about 20 four- and five-star hotels with top-notch conference halls in the city, said Irina Barskaya, director of Infor-media Russia, a conference organizing agency. And of those, only two hotels that meet her agency's requirements for status, size and layout flexibility were built in the past two years, she said.

PricewaterhouseCoopers books conference space only in four- and five-star hotels because they offer the required infrastructure, central location and status needed to present the company in a good light to conference-goers, said Anna Kogossova, PR assistant manager at PwC in Russia, which holds about 10 large conferences a year in hotels and other venues.

A hotel's reputation — along with number of attendees and the kind of conference services package needed — influences the price of holding a conference there, Kogossova said. An average half-day conference for 200 people with catering and audio-visual equipment in a four- or five-star hotel near the city center costs 300,000 to 400,000 rubles ($9,750 to $13,000), Kogossova said. When time for setup and takedown is included, the room usually has to be rented for the whole day. The Radisson Royal's 420-square-meter conference room, for instance, costs 315,000 rubles ($10,250) to rent for eight hours.

Besides hotel status, conference planners must also consider the timing of their event. Fall is the busiest time for corporate events, whereas beginning in December hotels see high demand for space to hold staff New Year's parties, said Vladimir Zenin, events and sales manager at the Radisson Royal Hotel Moscow, formerly the Hotel Ukraina, whose recently completed $300 million renovation included refurbishing its Soviet-era conference hall space with new interiors and a different layout.

Another concern is transportation and access to the conference location. HP holds 80 percent of its events in hotels on Tverskaya Ulitsa primarily because of the street's central location, Degtyaryova said. Many invitees work in the city center, so holding a morning conference nearby allows those participants to attend yet still have a normal working day.

“We usually look for venues with a central location that are close to the metro and offer the opportunity to park a car, an extremely rare opportunity in Moscow,” Degtyaryova said.

Service Package Problem

Degtyaryova noted the difficulty of finding a services package that fully suits conference organizers' needs. A standard package includes the room, limited catering, writing materials for participants and basic video and audio equipment, but the event invitation process, participant registration and printing of badges and conference materials are usually left up to

the conference organizer. As a result, companies often must hire an event organizing agency to help with these and other details, adding additional cost and making the overall process more complicated, she said.

“I can't recommend a place in Moscow where you could find a full package deal for organizing an event,” Degtyaryova said. “Like conference-centers in Europe, for example, to whom you can turn for event preparation, and where they have everything necessary to register customers, audio support ... and a location in the center of the city.”

Furthermore, events often start at 8 or 9 a.m., so participants haven't always eaten breakfast, but few services packages provide more than cookies in the morning, she said.

Yelena Bylinkina, PR manager Infor-media Russia, agreed that services packages can be inflexible in Moscow.

“If they offered something on top it would be good, extra options that don't come in the standard [conference] package,” she said.

At the Radisson Royal, conference room rental includes a choice of chair setup, screen, flip chart and markers, mineral water, and pens and pads. The simplest services package costs 3,300 rubles ($110) per person and includes a buffet lunch and morning and afternoon coffee breaks, whereas the most expensive costs 4,730 rubles ($150) and includes a buffet lunch, three coffee breaks, and a dessert before departure.

A final hindrance to conference planning in Moscow is the urban infrastructure in general, most notably the city's notorious traffic problems.

“I mean, if we speak about Moscow as a whole ... then because Moscow has crazy traffic, there isn't the possibility of inviting large delegations” from outside the city and from abroad to conferences, Afonina said.

Companies interviewed for this article said demand for conference services is only expected to grow.

Conferences provide an alternative method for businesses to advertise their services, Kogossova said, adding that PwC holds conferences to bolster customer loyalty as well as attract new customers. The company organizes conferences mostly to market its brand, she said.

“A conference is considered support of client relations or a way to distribute information about our services and to share our expertise, which is a bit wider than just the marketing motive,” she said.

PwC did not see much of a lull in conferences and events following the 2008 crisis. “There was not a long silence after the crisis; business is active,” Kogossova said.

Neither did overall demand for conference planning services change drastically at The Moscow Times Conference Department during the crisis, said department director Olga Moiseyeva. The department organized 38 events in 2007, 39 in 2008 and 39 in 2009, with a variety of partners, including PwC.

But Barskaya, of Infor-media Russia, said demand still has not reached pre-crisis levels. “Currently, there is the feeling that the crisis has ended and the demand for halls is increasing,” she said.

Original url: https://www.themoscowtimes.com/2010/11/15/many-conferences-few-halls-a2990