

## IMEX 'Snapshot Poll': MICE sector 'still holding steady'

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An IMEX 'snapshot poll' of the MICE sector in late November 2008 suggests that demand is still holding steady in many countries, and the situation is certainly not all gloom and doom as a consequence of the global economic downturn. More than 125 industry agencies and corporate buyers representing a dozen countries in Europe (plus Scandinavia and Russia) participated in the email research. Among job titles of respondents were: president and ceo; gm; manager, conferences and events; pco; MICE sales manager; training and events manager; procurement consultant; technical director M+E; and association meetings manager.

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### expectations

First, the industry experts revealed how has been their experience of 2008, as **Table 1** reports:

#### **Table 1: How is your MICE business for this year in terms of profits?**

* Profits are up	13%
* Profits are down	18%
* Profits are much the same as 2007	69%

Given that most of this year has been characterised in many countries by challenges of one sort or another (rising fuel costs, banking uncertainties, debt issues, stock exchange volatility etc.), then the 2008 outcome and comparison with 2007 is certainly satisfactory.

Second, the MICE specialists were invited to look ahead, as **Table 2** identifies:

#### Table 2: How are your forward MICE bookings for 2009?

* Advance demand is up	13%
* Advance demand is down	23%
* Advance demand is much the same as 2008	64%

Given the downbeat expectations of official and media commentators for next year, it is arguably to the credit of the MICE sector that more than three-quarters of those questioned are not currently anticipating a fall in their business.

## equilibrium

How, then, to explain this relative equilibrium (compared to other industries) within the conference market in the face of so many global uncertainties? **Table 3** offers an insight:

**Table 3: Ranking of factors that might explain why the meetings sector is proving resilient to the global downturn**

<i>* Meetings allow organisations to react quickly and concertedly to economic challenges</i>	1 <sup>st</sup>
<i>* Meetings allow organisations to train and motivate staff to respond more effectively to economic issues</i>	2 <sup>nd</sup>
<i>* Meetings help bring the whole organisation together to ensure a collective-team-response to economic circumstances</i>	3 <sup>rd</sup>
<i>* Meetings provide a psychological boost within organisations that ensures a greater competitiveness in tougher market conditions</i>	4 <sup>th</sup>
<i>* Meetings contribute to the essential functioning of work, irrespective of the economy</i>	5 <sup>th</sup>
<i>* Meetings reveal vital market intelligence and insights for organisations on how best to tackle economic concerns</i>	6 <sup>th</sup>

And how also to explain this relative equilibrium (compared to other industries) within the incentive travel market in the face of so many uncertainties. **Table 4** offers an insight:

<i>* The increase in staff morale that is an essential response to economic challenges</i>	1 <sup>st</sup>
<i>* The wider advantages that incentive travel-related rewards bring about, e.g. by finding ways to boost productivity, cut costs, or enhance efficiency</i>	2 <sup>nd</sup>
<i>* The boost in sales despite tougher market conditions</i>	3 <sup>rd</sup>
<i>* The scope that is created for customer and/or staff loyalty programmes at a time of change and flux</i>	4 <sup>th</sup>
<i>* The sales promotion advantage (through prize offers - vouchers – savings etc) that can be linked to incentive travel campaigns</i>	5 <sup>th</sup>

### **recognition at board level?**

Finally, this study sought the view of industry insiders as to whether MICE events are afforded sufficient recognition and appreciation at board level, and in consequence whether corporate budgets should be adjusted. Replies indicate a broadly equivocal assessment of the former, but arguably a more upbeat interpretation than expected of the latter.

Asked to vote on boardroom commitment or otherwise for meetings and incentives only a slight majority (53%) think that there is such support, including respondents in Belgium, Spain, Hungary, Switzerland and Russia. Contrasting comments include: 'no, because finance and profits are always top of the agenda, followed by efficiency and cost-cutting measures'; 'no, because MICE activities are still viewed as costs, not an investment'; 'yes, because overseas meetings are a strong instrument of corporate strategy'; and 'no, because there is so little understanding of how to measure the effects of MICE expenditure'.

### **cut MICE budgets?**

Slightly more than a third (37%) think MICE budgets should be cut by Boards (e.g. respondents in Switzerland, Hungary, Italy, Spain), whilst a slightly higher proportion (44%) are of the opinion that MICE funding should be left unchanged. Specific comments include: 'this would be a good compromise instead of cuts'; 'this would be deemed a success in these difficult times'; and 'reality has to be recognised in every market'. Significant, perhaps, is the more positive responses of around 1 in 5 (e.g. buyers in Germany, France, UK) who argue that this precisely is the time for spending on meetings and incentives to be increased. Such views refer to the arguments summarised in **Tables 3 and 4**. A specimen view supporting this case is that 'during difficult times it is even more important to remain competitive and maintain market share'.

To conclude: the days are long gone when business get-togethers and motivational programmes were delayed or abandoned at the slightest excuse. Now an altogether stronger lobby recognises their true worth and contribution – certainly to the point of preserving necessary budgets, or even, to have them raised.

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**IMEX would like to thank those industry professionals who contributed so thoughtfully to this research.**