IMEX Research: July / August 2007

Quarterly IMEX Barometer of Business Tourism Confidence
Positive outlook spreads

A quickening of the tempo of the meetings industry, supported by increased levels of optimism towards the future, are characteristics that stand out in the latest IMEX quarterly survey of key MICE markets. The research was conducted during July and August in ten European countries, and for comparative purposes also the USA and Russia. The views of approximately 200 buyers in total are represented.

Across Europe not only has there been an increase in the proportion of planners anticipating growth (whether 'significant' or 'slight') in the number of events that they expect to arrange in the next 12 months (now totalling 73%, compared to 65% in the last poll), but significantly many are also expecting their budgets to expand. This marks a definite departure from several recent IMEX polls which have strongly emphasised the 'freezing' of meetings expenditure. On this occasion, however, the percentage of organisers anticipating increased spending (whether 'significant' or 'slight') in the 12 months ahead has shot up to 48% and coincides with a drop to 42% (from 65% in the last quarter) in the number predicting 'little' or 'no' budgeting change. In the USA the expectations of around 54% of buyers point to growth in the probable number of their events, with 60% saying that their budgets will increase. Equivalent figures in Russia are more dramatic as this relatively new MICE market continues rapidly to evolve, with comparative percentages of 81% and 71% respectively.

Further contrasts between MICE markets are reflected in **Table 1** which identifies the relative importance of factors which buyers say most influence their decision-making. The hierarchy of answers was as follows (in order):

Table 1	Europe		USA	Russia
	April / June	July / Sept		
* *The growing costs involved in meetings/incentives*	1^{st}	1^{st}	4^{th}	4^{th}
* *Uncertainty as to the real return on investment that these events represent*	2^{nd}	4^{th}=	3^{rd}	5^{th}
* *The state of particular markets in which you operate*	3^{rd}	6^{th}	1^{st}	6^{th}
* *World economic/financial circumstances*	4^{th}	2^{nd}	5^{th}	3^{rd}
* *Time constraints: delegates are away too long from their offices*	5^{th}	3^{rd}	8^{th}=	1^{st}
* *One-off factors internal to your organisation*	6^{th}	4^{th}=	6^{th}	2^{nd}
* *A growing sense that meetings/incentives might not be very environmentally-friendly*	7^{th}	10^{th}	10^{th}	10^{th}
* *Security issues caused by the threat of terrorism*	8^{th}	7^{th}	2^{nd}	8^{th}
* *Complications that arise from issues such as multi-culturalism, delegate preferences, etc.*	9^{th}	9^{th}	7^{th}	9^{th}
* *The growing scope to replace face-to-face events with virtual (or electronic) meetings*	*10th*	8^{th}	8^{th}=	7^{th}

Whilst the relatively small sample size in each country offers more of an impression than a clear-cut statement of fact there are contrasts between the countries which deserve comment. Costs, unsurprisingly, are characteristically a leading issue; so, too, are concerns about meetings ROI; and also world economic/financial circumstances (the research coincided with recent stock exchange jitters). For business in Europe the factor of time spent by delegates away from their offices counts for more than it does in the USA, but conversely security matters are a more dominant concern for planners across the Atlantic. One-off circumstances within organisations are always going to have a bearing on decision-making, but the influence of external trends in the industry (e.g. the environment, multi-culturalism) is still relatively low. Is there a sense that buyers are beginning to acknowledge the potential of electronic participation in meetings more than hitherto? - perhaps the next IMEX survey will illustrate this more clearly?

shorter notice booking

Meetings continue to be booked at shorter notice, a trend now recognised by nearly two-thirds of buyers (65%) in Europe (up from 60% last quarter), 80% of buyers in the USA, but only 35% of buyers in Russia. The hierarchy of identified explanations for this also varies by region (again note the limitations of the sample size in interpreting such differences):

Table 2

	Europe April / June	Europe July / Sept	USA	Russia
** Waiting to see if the budget is still available*	*1st*	*1st*	*4th*	*5th*
** Reasons related to our internal decision-making*	*2nd*	*2nd*	*3rd*	*3rd*
** Reasons related to competitive pressures in our market*	*3rd*	*4th*	*5th*	*1st*
** Too busy to start planning any earlier*	*4th*	*3rd*	*6th*	*6th*
** Uncertainties over possible external events (terrorism; extreme weather, health scares)*	*5th*	*6th*	*2nd*	*2nd*
** Hoping for lower prices in venues*	*6th*	*5th*	*1st*	*4th*

From these rankings it can be argued that European buyers are most influenced by factors within their organisation (i.e. budgets, plus other unspecified reasons); that US buyers are more anxious to obtain lower prices, but always with an eye on external circumstances; whilst organisers in Russia place least emphasis on budgetary or price considerations, but most on the 'outside' factors both of their marketplace, and arising from global influences.

frustrations

IMEX Barometer polls traditionally list a cross-section of buyer frustrations (verbatim comments) as a contribution to industry debate. A selection from this research follows (with country of source):

- *'our clients still put too much pressure on our agency to make their events more exclusive but at prices that are hardly allowed to increase' (**Spain**)*
- *'late changes in participation, requirements, plans, timings etc.' (**UK**)*
- *'to have undertaken all the research for a client and being sure of a good programme (price, destination, conditions) only for the event to be cancelled or given to another agency to arrange for no apparent reason' (**Portugal**)*
- *'there are still too many venues which refuse to pay commission to agents yet continue to solicit our bookings' (**UK**)*
- *'the increasing lateness in event planning which rarely leaves enough time to ensure the best preparation' (**Germany**)*
- *'the increasing use of the internet as a cost comparison process that therefore squeezes our profit margins' (**Italy**)*

- *'unfriendly sales staff in venues, especially some of the big chains' (**UK**)*
- *'the sellers' market in venues in many leading destinations which makes them difficult to deal with, less willing to negotiate, and renders long-term relationships of little consequence' (**USA**)*
- *'struggling to get enough venue and destination information and overcoming the complexities of communication' (**Russia**)*
- *'when I have planned a date for our event and then cannot get the hotel space at that time' (**Sweden**)*
- *'too much staff-cutting in this industry (including the most experienced personnel) which makes traditional methods of working and planning more difficult' (**Netherlands**)*
- *'venues and DMCs who do not make sufficient allowance for the different business approaches and requirements of the various countries and cultures that want to use them' (**France**)*

environment

In broad terms, buyers in the USA are the most concerned to be seen to be responding to climate change when planning their events, those in Russia the least, and even in major European markets both positive and negative opinions continue to be voiced. Characteristic examples of current attitudes of US planners include: *'destinations should be forced to display environmental leadership when responding to bids' …*and *'the greener the city or venue, the more these should be rewarded with our business'.* The responses of Russian buyers include: *'this is not an issue for the meetings sector, but for our government',* and *'we have no knowledge of what it means to organise a 'greener' meeting'.* Among opinions from Europe are: *'we should only use venues accessible by public transport and cut down on junk printing, e.g. copies of speakers' slides'* (UK) … *'I don't think our industry can do much to influence climate change'* (Portugal) … *'we could all calculate and offset the cost of CO2 emissions for every delegate'* (Italy) … *'if we substitute face-to-face meetings with net technologies then we may help the planet but damage executive relationships'* (Germany).

multi-cultural meetings

Finally, some examples from USA buyers (who in this research typically work either for globally-focused corporations or international associations) of how they are responding to the need to make multi-cultural allowances when planning events. Among their tips are: *'ensure that each culture is recognised and that a translator is on hand for every language'; 'bring in a* *specialist from each of the represented countries to join your planning team'; 'ensure that participants from emerging countries pay less'; and 'avoid sensitive political anniversaries or religious holiday periods'.* From European buyers came the observations: *'work to acclimatise all attendees gently into accepting that they can only benefit from the mixed-culture event'* (Italy); and *'I don't believe multi-cultural considerations need special attention as long as planners are sensible and their delegates are tolerant and intelligent'* (Switzerland).

- Ends.