IMEX Global Data Exchange
December 2007

Quarterly IMEX Barometer of Business Tourism Confidence: October – December 2007

Optimistic outlook for the year ahead

The positive outlook identified by IMEX in the meetings industry last summer has survived financial and economic uncertainties in several countries. However, sellers' market conditions coupled with ever-later decision-making by clients continue to bring complications to the smooth functioning of the sector. The views of over 150 buyers in 16 European and Nordic countries are reflected in the poll, together with two dozen in a USA 'focus group'

Note: The October 2007 and December 2007 surveys were combined deliberately to avoid the risk of unrepresentative findings arising from recent volatile stock exchange functions.

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MICE events planners in Europe and Scandinavia remain strongly optimistic about the future. The growth in confidence identified in the July-September poll remains virtually intact: 71% currently anticipate 'significant' or 'slight' growth in the next 12 months, a dip of only 2%. In similar vein budget increases continue to be forecast with 53% acknowledging that their spending in the next 12 months will be 'significantly' or 'slightly' up (compared to 48% at the last poll). In contrast the outlook is somewhat less positive in the United States (cited reasons include exchange rates plus fears of economic downturn) with comparable proportions of 50% and 54%, both down on the percentages of last summer (from 54% and 60% respectively).

This generally positive scenario, however, masks several distinct changes in emphasis within the IMEX ranking of factors affecting buyer decision-making. The latest hierarchy of responses was as follows (in order):

Table 1

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

Changes of interest in Europe/Scandinavia are: the new emphasis on the 'particular markets' of the respective buyers; the continuing rise in relevance of 'virtual meetings' and the additional attention being placed on ‘multi-cultural issues’. In the United States a new focus on the office time ‘lost’ associated with MICE events is revealed and perhaps correspondingly a growing interest in the possibilities inherent in electronic meetings, and also in environmental issues.

short lead times

Meetings and other events continue to be booked with shorter lead times, a trend now noted by 69% of buyers in Europe/Scandinavia (up from 65%) and by 82% in the USA(80%). The hierarchy of identified explanations for this is as follows:

Table 2

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

Whilst the situation in Europe/Scandinavia has not changed significantly there is a new sense in the USA that economic uncertainties have emerged (market pressures; internal decision-making) and now outweigh concerns about saving money or potential external threats to events.

IMEX quarterly polls typically expose what may be called ‘buyer irritations’ (verbatim comments) that are intended to serve as a ‘prompt’ for industry discussion. A selection from this research follows (with country of source):

- *‘flight ticketing generally, plus lack of air capacity, and generally trying to match flights with availability in hotels’* (**UK**)
- *‘attendees are never satisfied whatever the standards that are achieved’* (**USA)**
- *‘unfair competition from unprofessional agencies’* **(Italy)**
- *‘late decision-making, late amendments and cancellations, no-shows’* (**Germany**)

- *'the procurement ethos of wanting higher and higher quality at unchanging or reduced prices' (**UK**)*
- *'venues remain inflexible over prices, terms and conditions, and cancellation policies'* (**France**)
- *'MICE suppliers who promise more than they can deliver, are unreliable, and whose staff keep changing'* (**Holland**)
- *'voicemails'* (**UK**)
- *'clients who 'shop around', asking as many as 6 or 7 agencies to pitch for the same programme'* (**Germany**)
- *'procurers who only care about costs, not value'* (**Belgium**)
- *'participants who vote to visit destinations where there is insufficient capacity'* (**Sweden**)
- *'invoicing mistakes and late commission payments by hotels' (**UK**)*
- *'hotels stealing your clients by going directly to them offering better rates'* (**Spain**)
- *'incomplete responses to the RFPs I send out – likely to get worse as hoteliers become even busier'* (**USA**)

environment

Barometer respondents offer contrasting views on the relevance of the environment to the meetings sector. There are still those who deny that a problem exists … *'this issue has been hyped out of all proportion – the planet is just changing naturally'.* Some think that *'other industries have the responsibility of reacting first'.* Others argue that all that matters is '*to create quality events*', though there is the compromise suggestion that '*we must learn to work both ecologically and economically'.* On a more positive note (for those concerned about climate change) are the remarks: '*avoid non-green suppliers'* … *'select destinations for their eco-credentials'* … *'its everyone's role to offset their emissions, aim for greener meetings, and to follow industry guidelines'.* Many feel that venues ought to be *'more clear in presenting their green credentials'.*

CSR school projects

Increasing numbers of buyers refer to CSR initiatives intended to mark the conclusion of successful international events, many projects focusing on schools. Examples include making gifts and donations, maintenance work, and specialist support for teachers. In response to an acknowledged new emphasis on multi-cultural compliance the tips offered by buyers include providing prayer rooms, serving appropriate foods, and subsidising (with bursaries) greater attendance by delegates from emerging countries. More organisers now work harder to expose their events to authentic experiences of local culture. One helpful suggestion is to employ an external adviser to review all conference collateral to ensure that the planned content is not too 'westernised'.

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- Ends