



## **MMM - MICE market monitor 09 on the topics "Information sources and use of media", "Implications of the financial crisis" and "Criteria for selection of destinations"**

The German source markets are "world champions", and not only in terms of tourist travel. The German-speaking outbound MICE market is traditionally placed third in the meeting and incentive industry, directly behind the US and the British markets, which are in first and second place respectively. With the "MMM – MICE market monitor" market research study, tmf GmbH has been measuring the general business development of the important German-speaking outbound market on an annual basis since 2004. In addition, other complementary topical issues are covered. The goal of the study is to survey comparative numbers and data on the strong outbound markets Germany and Austria/Switzerland. The results are published in form of clearly laid-out diagrammes and indexes.

For Johanna Fischer, managing director of tmf GmbH, the foundation for successful destination marketing lies in market research. tmf GmbH is a pioneer in the field of market research in outbound European source markets. This pioneering role is built on well-grounded market knowledge, and coupled with excellent databanks, that allow a proper classification of the interviewees.

This is the sixth year in a row that tmf GmbH, with the support of IMEX Frankfurt, has conducted the "MMM - MICE market monitor" study. The participants in the study are corporate and agency planners from Germany and Austria/Switzerland. In conducting the study, over 440 event planners were surveyed. The high degree of participation guarantees a representative overview of the market. The analysis of market development, and the prognosis of future developments, is of particular interest to convention bureaux and suppliers in the MICE industry, giving them support for strategic decisions on their marketing plans. In addition to the MMM, tmf GmbH has carried out flash surveys since 2008. This captures short-term developments, such as the implications of the financial crisis.

Selected outcomes of the 2009 study were brought to a panel discussion with industry experts. This discussion, with a total of eleven agency and corporate planners, as well as Carina Bauer of IMEX Frankfurt and selected guests, helped to explore the outcomes more thoroughly and broadened insights through inclusion of complementary aspects of themes of the study. The summary of the expert's panel discussion is part of the "MMM 09 – MICE market monitor".

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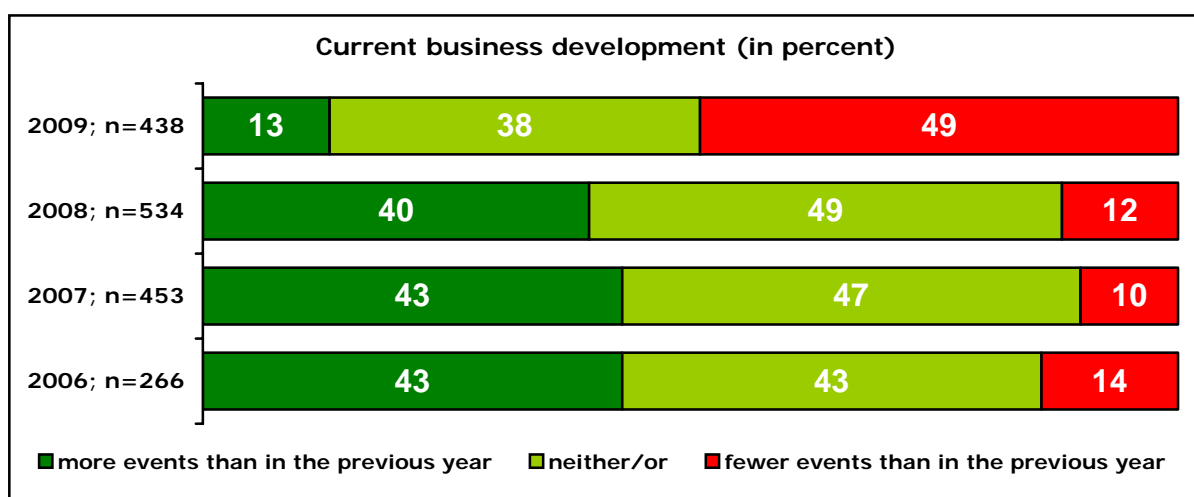
**Over 440 event planners from agencies and corporations surveyed**

In 2009, 219 corporate event planners (staff from event departments or other departments responsible for planning events), and 222 agencies (event and incentive agencies, PCOs, travel agencies with a MICE department) took part in the survey.

**The climate in the industry in times of crisis**

General business development over the last four years clearly shows the implications of the international economic crisis for the MICE industry. The situation in the industry has deteriorated, as was to be expected, along with the general economic situation. However, it should be noted that demand has by no means plunged. From 2006 to 2008, about 90% of the event planners surveyed mention having as many or more events to plan as in the year previous. This percentage sank in 2009 to 51%. The larger part of this group, i.e. 38% (of the 51%) of the interviewees does not see their business as impacted at the current time. On the other hand, 49% of corporate and agency planners expect fewer events.

A further indication for the climate in the industry is the cancellation rate. Cancellations are a response to the changed situation. This is something that primarily agency planners experience. In the expert's panel discussion, they confirmed that corporate clients are cancelling or postponing already planned events much more frequently. This also applies to events where cancellation fees are almost as high as the initial budget for the event itself. In times of crisis, it is much more difficult to justify organising events, from the point of view of company policy. Two flash surveys, carried out in October 2008 and March 2009, confirm this trend. The share of cancellations increased in the time period mentioned from 26% to 50%.



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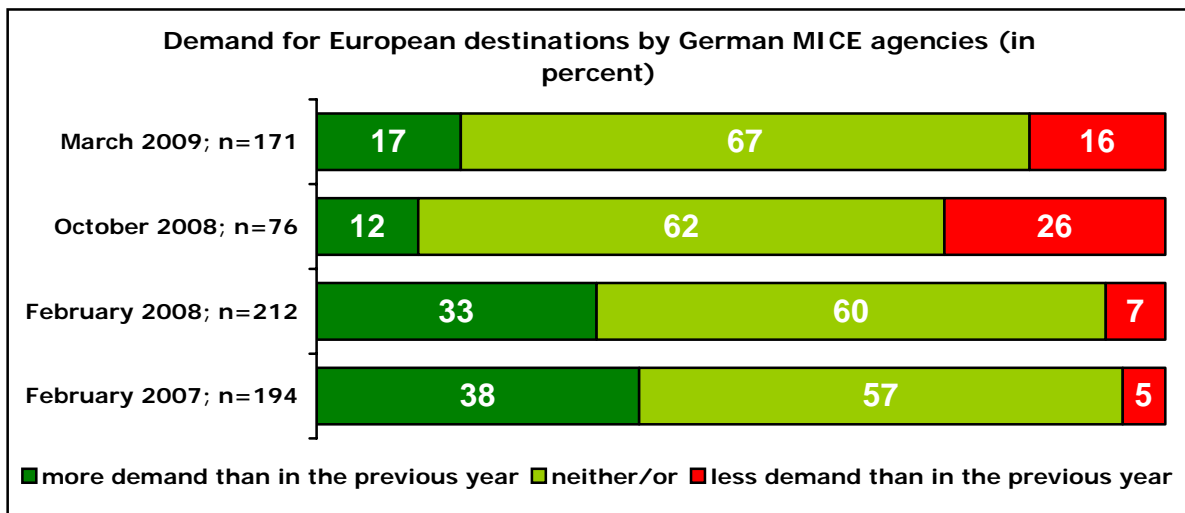


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### Europe continues to be popular

Demand for European destinations is stable, in the mid-term. From the perspective of German event agencies, the outlook has improved by 10 percentage points over the last six months. After a decrease in October, 84% of those interviewed expect the demand for European destinations to remain steady, or to increase. In October 2008, only 74% shared this opinion. However, in the previous years, (February 2007/2008), over 90% of those interviewed were of the opinion that European destinations were being booked as much or more than before.

European destinations have various factors in their favour: Travel to the destination is possible via direct flight connections, therefore resulting in a shorter overall travel time. According to planners, accessibility is the most important criterion for the selection of a destination. This development is boosted by the currently growing demand for politically correct events. Long-haul destinations are considered expensive, and justifying this at the current time is as difficult as explaining elaborate incentive trips.



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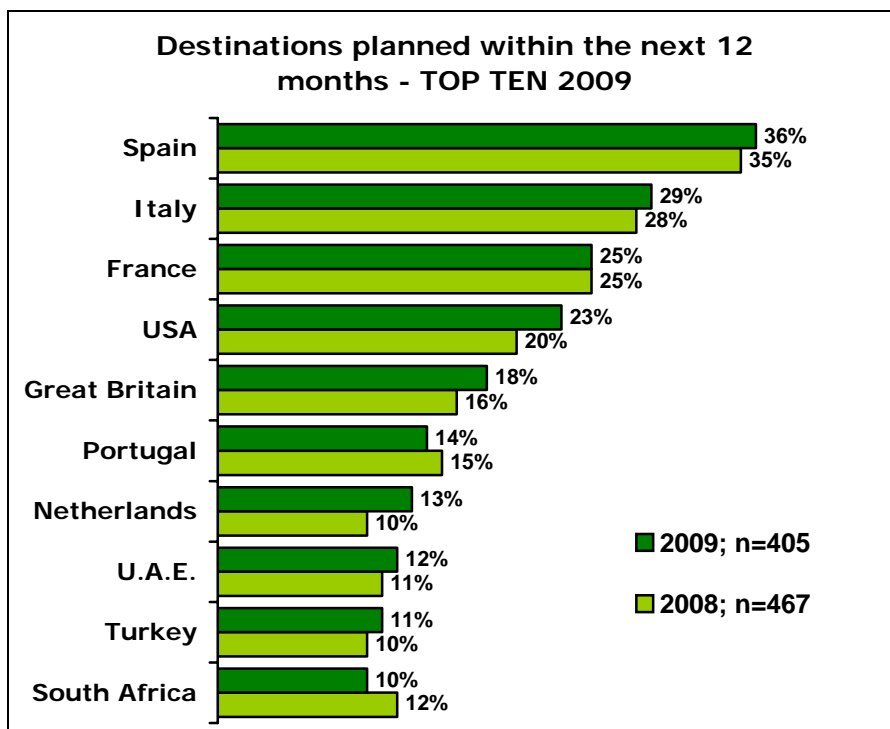
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### Where will most events be organised in the near future?

The top three in the ranking remain unchanged: Spain, Italy and France. The long-haul destination USA (4th place; plus 3%) and Great Britain (5th place; plus 2%) have gained in popularity overall with event planners. The price/performance ratio of these destinations has improved for the source markets mentioned because of improved currency exchange rates. The Netherlands also record a growth of 3 percentage points in popularity. As Germany's neighbour, the Netherlands may also profit from the direct travel possibilities by train, air and car. Industry experts have also confirmed that the criteria "good accessibility" and "short travel time" play an increasingly important role at present.



### Conclusion

In general, we can identify a lot of shifts and changes in the market. Additionally, the market expects and demands a higher degree of professionalism in marketing, sales and PR from destinations. It is worthwhile to make an effort to gain a share of this important source market. There is great potential for business, even in shaky times such as those we are experiencing this year. German-speaking planners are innovative, efficient and adapt quickly to new scenarios – market research provides you with the information you need, to know what is on their mind!

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