

Quarterly IMEX Barometer of Business Tourism Confidence

The meetings industry within Europe is the focus for the first 'Barometer' for 2007, and the essential pattern of recent years continues: a growth in the number of planned events, but a lesser increase, or even no increase at all, in the size of appropriate annual budgets. The issue of costs therefore continues to influence decision-making, perhaps resulting for some in the sidelining of interest in ancillary considerations such as social and environmental responsibility.

The first IMEX Quarterly Barometer of Business Tourism Confidence for 2007 incorporates the views of over 160 meetings and incentive travel decision-makers in 14 countries spread across Europe, plus Scandinavia, and Russia. As always, the buyers occupy senior positions (e.g. director; president; marketing manager; ceo; travel procurement manager; md; secretary-general; owner; director for purchasing, etc.), and the range of work situations includes meetings specialists, motivational experts, events organisers, and association planners. Compared with last October the proportion anticipating 'significant' or 'slight' growth is around the same at 64% (set against 67% three months ago, and 62% the quarter before), whilst the percentage reporting 'no change' in the size of their budgets for the year ahead is down a little, from 69% to 61%.

In open comments explaining this scenario there are characteristic references to 'clients expecting better value for money' ... 'increasing price pressure in key destinations such as Barcelona or Berlin' ... and the success of many associations 'offsetting cost rises by securing additional sponsorship funding'. Essentially it is widespread industry competitiveness that ensures that budgets remain tight.

So it is no surprise that within the 10 factor listing of influences that affect their decision-making the buyers again identify 'growing costs' in first place, with concerns 'over the time spent by delegates away from the office' climbing to second spot from third. Perhaps a marker for 2007 are the rises to third and fourth ranking, respectively, for the considerations, 'world economics/financial circumstances', and

'the state of our particular markets'. The result is the apparent downgrading of interest in 'return on investment' to fifth position. Other concerns include: security (up from 10th to 7th in the hierarchy); the environment (dropping to 8th from 7th); multiculturalism (dropping to 9th from 6th); and the anticipated threat that electronic, or virtual, meetings might replace face-to-face meetings (dropping to 10th from 9th position).

shorter notice

Whilst there is a reduced confirmation among respondents in Europe that meetings bookings are occurring at shorter notice (56% agree with this compared to 68% and 58% respectively in the previous two quarters), the key explanation remains unchanged for the third consecutive poll, namely 'reasons related to internal decision-making'. Allied to this sense that corporate or association issues of policy continue to be the chief dynamic behind the late meetings trend are the second and third answers – i.e. 'waiting to see if the budget is still available', and 'reasons related to competitive pressures in our market'. The anticipation of lower prices in venues dropped back in importance (perhaps because tariffs are easier to negotiate during this season?) from 2nd to 6th, more in line with the positioning of this factor last summer. The possibility therefore arises that reasons for last minute decision-making will vary within the year, as further quarterly surveys may reveal.

frustrations

Each IMEX survey invites, and attracts, a variety of comments that express concerns, or frustrations, within the meetings sector, and by inference encourages an all-industry discussion and response to these. Twenty such challenges follow, using verbatim text: 'Clients who look only at price, not quality' (a **German** buyer); 'late requests to change travel and hotel plans' (**UK**); 'variable European VAT' (**France**); 'the problem of finding reasonably priced hotel accommodation for association delegates' (**Denmark**); 'the pressing need to learn more about the association participants in order to add more value to their attendance' (**Belgium**); 'working to make sure that events are seen as part of the broader marketing mix' (**UK**); 'financial problems and contradictions that arise from bureaucracy' (**Russia**); 'being dictated to by price benchmarking for air travel and hotels' (**Switzerland**); 'increasingly ugly competition between agents – a new cut-throat mentality and loss of professional fair play' (**Germany**); 'the arrogance of suppliers in a sellers' market'

(**Holland**); 'restrictive competition between hotels in a destination that leaves you trying to bargain as if in a bazaar' (**Italy**); 'insufficiently effective and advanced information technology that makes travel buying difficult' (**UK**); 'difficulty in getting proper prices for rooms – not mad rack rates' (**UK**); 'lack of collaboration between suppliers in many destinations' (**Belgium**); 'venues that raise their prices as soon as they discover that a major event is taking place' (**Austria**); 'the loss of good contact with airlines in general .. clients who do comparative price-research on the internet .. and tour operators who offer cheap holidays and claim that these are incentives' (**Belgium**); 'the growing arrogance towards smaller or less well-known MICE specialists exhibited by airlines and hotel groups' (**UK**); 'constant demand by clients for more services at less cost' (**Holland**); 'difficulty in getting seats for groups on airlines, and sensible booking conditions' (**Austria**); and 'a general and growing lack of professionalism amongst suppliers' (**Holland**).

environment

In an apparently contradictory way the recent extensive media coverage on the topic of climate change is prompting some event organisers to feel less, rather than more, inclined to introduce measures to help the environment. Arguing this way are those who respond (verbatim comments): 'it's all too much hype and hubbub – a changing planet is normal'; 'as a business we are too busy to take political responsibility'; 'flight taxes will not make any difference to global warming'; 'it is clearly a world problem that can be tackled only by rich countries'; and 'if we pursue this argument logically it would mean the end of international MICE events and our industry'. In contrast are the following more positive responses: 'we are helping by merging our smaller events into a bigger, more compact, and harder-working one'; 'we are reducing travel distances by using destinations nearer to home'; 'we are making our meetings greener and more sustainable'; 'we never forget that every little counts when it comes to reducing energy consumption'. A further thought – 'there is still too much print in this industry – all promotion can be done online'.

Asked to what extent multi-cultural considerations are affecting their work, a growing proportion of buyers now offers specific examples of their responses to this challenge. Examples are: 'we run our own cultural training events to ensure that no *faux pas* are made'; 'we always take cultural factors into account in the design, content, and structure of our meetings programme'; 'we specifically plan for a wide

geographical spread of speakers, chairs and rapporteurs'; and 'we aim to mix different cultures together, e.g. new states, plus those economies in transition, plus representatives of market-leading rich countries'. A further thought: 'always highlight the positive differences between countries to ensure a better overall outcome'.

Finally, the topic of social responsibility. On the one hand a cited example of a 'legacy initiative' intended to mark the conclusion of an event was the 'raising of money to help an orphanage in Thailand'. At the same time, however, another organiser warned of the risk of 'making those in the host community feel demeaned, inferior, and even irritated'.

- Ends.