

## Post-IMEX forecasts from German visitors: 'more positives than negatives'

Elsewhere, IMEX has reported how some MICE buyers attending the exhibition in April 2008 reported booming market conditions whilst others noted an anticipated more gloomy times ahead. Opinions also varied over the estimated length, strength and likely long-term impact of any downturn. The prevailing impression, however, is that of an industry perfectly ready for challenging times and viewing the future more in terms of change than serious problems. In a parallel email questionnaire IMEX also sought the opinions of German buyers and suppliers who were at the show. They, too, were asked *'How do you think the current economic climate will affect the corporate/associations meetings sector?'*; and *'Do you think that the incentive travel sector benefits during challenging economic times because motivational programmes are essential for achieving corporate performance targets?'*

German visitor responses to both propositions were slightly more upbeat than those averaged out in the main report from among 46 countries around the world, as follows:

	<u>Worldwide</u>	<u>Germany</u>
* Optimistic outlook for meetings?	48%	54%
* Beneficial times for incentive travel?	59%	61%

In respect of the meetings market a common view is that such business get-togethers become proportionately more important the worse the economic climate, albeit with greater scrutiny over the costs, purpose, agenda and performance of the event. This is expected in some cases to lead to a call for greater budget transparency, the use of destinations and venues closer to home, and the probability of more intense ('concentrated') events involving fewer delegates. Some argue that electronic conferences will become more appealing, though most doubt that 'face-to-face' can be replaced. More worrying for some suppliers in the country is their assessment that demand from certain markets – notably the UK and USA – will temporarily be reduced. Two further points of detail are the expectations that meetings are bound to be booked 'at short-term notice', and that extreme price consciousness will mean more agencies having to compete to win an event tender. Winners in the new economic circumstances are likely to include more affordable

destinations (e.g. hotels in East Germany), venues close to airports, and locations reachable quickly by train.

Turning to prospects for incentive travel, certainly there are those who feel that entrepreneurs and corporate managers are now more likely to view incentives as a cost not an investment. On the other hand, more upbeat forecasts make reference to the timely potential for creativity, the scope for more local programmes, the increased relevance of targeting those involved by setting higher targets, and how motivation works especially well at times when staff are less able to afford to pay for their own holidays. Many German buyers predict the greater deployment of 'meetcentives' - incorporating executive rewards alongside training and teambuilding - and with less emphasis on 'entertainments' and luxury. Much depends on trends within airfares, according to some.

#### **'verbatim comments'**

Offering an insight into the range of opinions expressed on the two topics that make up this supporting report on the MICE industry outlook in Germany are the following verbatim comments:

#### **'How do you think the current economic climate will affect the corporate/association meetings sector?'**

- *'Positively. These kind of events advance business success. When the economic climate isn't very exhilarating, then meetings become so much more important!'*
- *'I foresee an uptrend throughout 2008 that stretches well into 2009.'*
- *'shorter distances will be travelled, plus extra emphasis on the environment.  
More green meetings.'*
- *'the meetings sector that incorporates advanced training will become increasingly important because human capital as a resource matters even more as economic development gathers pace.'*
- *'increased use of video conferences.'*
- *'the two strong sectors will be those offering either affordability or extreme luxury: it will be the middle ground without noticeable positioning that will most suffer.'*

- *'if meetings are worth doing then they are worth doing well, and whilst costs matter it will only be the smaller least essential events that will be cut.'*

**'Do you think the incentive travel sector benefits during challenging economic times because motivational programmes are essential for achieving corporate performance targets?'**

- *'I predict more efficiency, individuality, quality, and originality.'*
- *'I don't believe that travel alone can motivate unmotivated staff members permanently – so my answer is no.'*
- *'I can't tell if this is due to the economy, but in general there is a detectable increase in demand for incentive travel.'*
- *'I do believe so – as long as the cost/performance ratio is right.'*
- *'Yes, the incentive sector will grow, but there will be more smaller incentives.'*
- *'The economy is not the real issues ... the problem is taxation because many incentive concepts are no longer free to participants.'*
- *'More motivational programmes will become integrated within annual conventions.'*
- *'Demand will further increase for incentive travel but this is not due to the economic situation which I don't consider at all negative.'*

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**Note: IMEX would like to thank the many hundreds of German buyers and suppliers who contributed to this report. Further comments will always be welcome.**