

IMEX Global Data Exchange: March 2005

How German meetings managers buy

Joint meetings research by the German specialist magazine *Conference and Incentive Management* and IMEX highlights the significance of keen prices and astute bargaining.

Insights into attitudes towards meetings venues, the prices of conferences, and the loyalty of organisers towards hotels are revealed in a new survey of the German market. The research involved a total of 130 corporate buyers and agencies, and was conducted jointly in December 2004 by Frankfurt-based *Conference and Incentive Management* magazine and IMEX. The response represented 13% of the sample, who on average are each involved with over 70 events annually, and for 45% of whom annual total budgets exceed 500,000 Euros. Approximately a third of the events took place outside the country.

negotiate tariffs

German decision-makers appear keen to negotiate tariffs, with 11% being the average saving achieved, and 1 in 3 seeking up to 20%. The highest figure mentioned was 50%, but some argue that such 'bazaar-like bargaining' is not for them. On the other hand, a half of all organisers could point to overall annual savings on their conference budgets: a total reduction of around 25,000 Euros was achieved by 50% of buyers, with 1 in 8 reporting a figure exceeding 100,000 Euros.

Such sensitivity to prices, however, may not be enough to influence the organisers' choice of hotel(s). Nearly 80% claim to select the 'best hotel for each event', with consideration of accessibility and location mattering more than the quality of meetings facilities, tariffs, leisure amenities, or the standards of dining. An average of three or four proposals is considered for each event, but nearly 70% opt to select from their list of 'preferred partners'.

The poll also identified the sources of information that meetings buyers use when making decisions about destinations. Whilst 77% read trade journals, the internet

(at 75%) and industry exhibitions (at 72%) were also key sources. Educationalists to potential venues influenced 60%.

Decision-making

Decision-making is rarely in the hands of one person. Nearly half (46%) explain that the go-ahead is given by 'management and the board', and a further 23% refer to 'marketing and other departments'. For over half (55%) of organisers the actual purchase is made on-site, with under 10% of events booked on-line. However, around a fifth expect to buy more events on the internet in future.

Looking ahead, a quarter of buyers expect their budgets to increase during 2005, with 55% reporting no change in comparison to last year.

- Ends