

Emerging Markets Dialogue: Number Two

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A panel of nearly 100 meetings and incentive travel specialists from 10 'emerging' markets have contributed in detail to the latest IMEX 'Dialogue' survey. This continuing discussion will be updated later in the year. The majority of those interviewed hold senior management or director-level positions.

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Further expansion in MICE demand is confidently predicted by representatives within each of the countries surveyed. Asked how they viewed the future, replies varied from 'very good' (an expert in **India**), to 'we experience a 20% increase every year' (**Hungary**), to 'this market just keeps on growing' (**Brazil**). In statistical terms at least 90% of respondents anticipate significant annual growth. Estimates of 30% annual growth for their organisations are acknowledged, although the average is nearer 10-15%.

factors

Factors that are contributing to this optimistic scenario are well documented. Media reports forecast increases in GDP during 2005 in emerging countries that range from 4% to 8.5%. Albeit with variations, their economies are growing rapidly, flows of inward foreign investment are rocketing, and the manufacturing skills base is widening. Equally positive are contextual considerations such as political stability, economic liberalisation, sound fiscal management, and advantageous commodity prices. With the caveat that long-term forecasting is always unpredictable, the overall perception is that business awareness in these countries is spreading, and that a services-led and consumption-driven model of development is taking hold. Whilst the numbers participating in MICE-related travel remain relatively small in comparison to developed markets, the overall the long-term prognosis remains buoyant. China, India, Brazil and Russia are fast acquiring significant global economic status.

patterns

Respondents to the IMEX poll offer more detailed insights into what is obviously a rapidly evolving situation. For example, the introduction of a low-cost airline is

expected to help grow the market in **India**. The accelerating structural transition from state-run, or state-controlled, to privately-owned firms is fuelling the enterprise market that underpins MICE demand in **Croatia**. The inclusion of **Bulgaria** in the European Union is expected to further energise the meetings and incentive market. In **Poland**, companies are rapidly embracing travel and event-based strategies for motivation and marketing communications. It is reported from **Russia** that a growing proportion of categories of industry are now becoming involved in incentives and/or teambuilding projects. A comment from **Slovenia** is that whilst changes during the last five years have been rapid, 'we are expecting even faster developments to come'.

contrasting experiences

Buyers in emerging countries inevitably look for a contrasting range of international experiences to offer their meetings delegates and incentive participants. Such examples include a desire to 'mix work and leisure' (explains an organiser from **Brazil**), the search for 'exotic destinations that are different from the local culture' (**Serbia and Montenegro**), 'affordability' (**India**), and 'novelty value' (**Russia**). This mix is summed up by a planner from **Hungary** as comprising 'new impressions, good services, culinary delights, and fresh challenges', and by an incentive specialist in **Croatia** as a continuing need for 'something extraordinary'. It is not unusual for long haul destinations to be especially desirable, with a buyer in **Slovenia**, for example, referring to the Caribbean, Latin America and Australia. An organiser in **Bulgaria** highlighted the appeal of the United States.

The expansion of international MICE demand does, however, create special challenges for managers in emerging markets. According to a specialist in **India** the two most pressing problems overseas are providing good Indian food, and coping with high currency exchange rates in host countries. Problems of language are mentioned by organisers in **Brazil, Romania and Slovenia**, and elsewhere there are references to issues of cultural customs and religion (e.g. by planners in **Hungary and Slovenia**). A **Russian** buyer refers to the need to avoid heavy alcoholic drinks such as whisky or vodka and instead to offer only beer and wine.

These points aside, it can be concluded that key drivers of meetings and incentive travel demand in emerging countries increasingly tend to match those that

characterise the more established, or 'classic' MICE markets. Concepts like theming, customising, individualising, and relationship-building are therefore already firmly on the planning agenda.

Ends.