

IMEX Global Data Exchange: May 2005

Post-IMEX research:

'Doomthinking' declines with optimistic meetings/incentive travel outlook

Optimism is returning strongly to the meetings/incentive travel sectors after three 'soft' and challenging years, according to a post-IMEX poll of hosted buyers. The findings are based on a sample of 400 executives representing 20 countries. Key descriptive words being used by decision-makers are 'bullish', 'buoyant', 'upbeat', 'promising' and 'expansive'.

Frequently expressed was the impression that there could be growth in the business tourism market over the next 12 months of from 5% to 10%. The confident mood that 'there is a lot going on' is tempered only by reference to the threats of higher fuel prices, international terrorism, and national disasters. Some say that pent-up demand following 9/11 is now being released.

appropriate budgets

The perception is emerging that client companies are again allocating appropriate budgets for meetings and incentives, that events will again grow in size and that average lead times are lengthening; that said, last-minute requests are still common. There is a stronger appreciation that corporate events are not 'costs', but an essential part of the process of marketing goods and services. A commonly-held view is that electronic communication has served to interfere with human contact and that people are again very eager to meet with one another in order to exchange information, develop skills, and expand business. According to one buyer, 'doomthinking' is a thing of the past.

'new' venues

Those who attended IMEX stressed that the search continues for 'new' venues. Meetings and incentive travel destinations can be identified as 'new' because currently such places are still evolving into the market, or because they are novel to the buyers concerned. Innovative ideas can also rejuvenate the image of a country in the eyes of decision-makers. Each of these categories of 'newness' is no doubt

reflected in the answers of hosted buyers who listed those new places that 'caught their interest and attention'. They say the challenge is to find locations 'that are not overdone'. One approach to this is for clients to prefer second- or third-tier towns and regions in a particular country, with the further advantages these often offer of lower prices and easier access using 'no-frills' airlines. An introductory list of recommended new destinations would include the slightly less well-known countries of Brunei, Cameroon, Cuba, Korea, Muscat, Myanmar, Romania, Qatar, Tanzania and Uruguay. Examples of other emerging destinations that are often identified are the Baltic States, Croatia, Poland, and Slovakia in Europe; Vietnam in the Far East; Chile, Ecuador, Panama and Venezuela in Central/Latin America; and Botswana, Namibia, Senegal and Tunisia in Africa. Interest in China is particularly strong at present, and is expected in coming years to spread out from its better-known cities and tourist attractions. Oil state destinations in the Middle East are characterised as being 'especially innovative'.

'discoveries'

Buyers also reported some of their 'new' discoveries (both regions and products) in destinations with which they were already familiar. Among these are congress centres in spas in Bulgaria, France and Greece; Ireland outside Dublin; Brazil for its 'upmarket' appeal; so-called 'smaller' countries like Borneo, Monaco and Jordan; the trade-fair facilities in India; luxury train operators; yacht charters; anywhere recently made more accessible by direct flights; the 'romantic' cities of Germany; lower profile cruise-line companies; and designer 'hip' hotels in all locations. Other event planners explained how they had benefited from talks with DMCs representing cities/areas that they now intended definitely to begin to use; among examples are Aberdeen, Atlanta, Casablanca, Galapagos, Lapland, Melbourne, Nuremburg, Seoul, Yucatan, as well as those centres where globally-branded hotels are shortly to open.

Equally encouraging for the industry is the opening up of new MICE markets, in many cases fuelled by their strong economic growth upwards of 7.5% a year. The most talked about are China, India and Russia, but there are further examples in East Europe, the Far East, and South America.

difficulties

The difficulties experienced in recent years have brought changes to the sector that buyers predict are set to continue. For instance, costings remain tight; the emphasis is on greater creativity, even so-called 'crazy' ideas; security-concerns are paramount; and levels of professionalism are expected to be very high. Where tax regimes are strict it is more likely that meetings and incentives (or 'MeetCentives') will include training and teambuilding activities. Because of competition (and electronic communication) there is a strong sense that demand is 'moving much quicker', and that clients are 'less loyal and more likely to shop around for agencies'. A worry for intermediaries is that corporate buyers are using the internet more and more, with the consequence that extra emphasis has to be placed on originality and imaginative thinking.

Underlying trends for meetings/incentive travel themes continue to highlight the importance of healthy lifestyles and wellness, together with a growing concern for the environment in the context of evidence for climate change. Others question whether overly-hedonistic programmes are any longer politically correct in developing countries and instead may appear socially irresponsible. Many report the increased use of technology to augment decision-making before and during conferences, especially by associations.

Inevitably, global patterns are made more complex by local or regional circumstances. Those areas affected by the 2004 Tsunami are recovering, but only slowly. Germany is currently a 'big' destination because of the 'halo effect' of next year's World Cup. The French market is again placing greater emphasis on outbound MICE events, as also report buyers in Australia, Brazil, Norway and North America. Generally speaking there is a strong interest from within Europe for good value travel to the United States and the Caribbean.

'overtaking 2001'

The conclusion of the majority of buyers is that meetings/incentive travel demand is now overtaking the levels reached in 2001, and on a broader global basis than before. Much depends on economic and political stability, and there is no doubt that that the market overall has become more competitive. Nevertheless, there is much

to be confident about, for as one IMEX exhibitor put it, 'I get the feeling that ours is one of the few booming industries nowadays'.

- Ends