

QUARTERLY IMEX BAROMETER OF BUSINESS TOURISM CONFIDENCE – APRIL 2009

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Slowdown but not 'Meltdown' as MICE sector retains investment status

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Corporate fears that market share will be lost if their 'investment' in meetings and incentives is cut, is viewed widely by the MICE sector as the prime reason why the market currently is down, but definitely not drastically. There is also a consensus that the more emphasis that is placed on demonstrating event productivity at boardroom level then the more likely this 'containable' position will continue.

These conclusions, drawn from around 100 replies from the latest IMEX Quarterly Barometer (research conducted in March/April) reflect opinions in more than 10 countries across Europe and Scandinavia. Job titles of respondents include: director; ceo; general manager; dmc; consultant; event planner; and president. *This April 2009 Barometer has been limited to key statistical findings pending a major post-IMEX assessment of opinion within the industry planned for June/July.*

Forecasts for the year ahead feature in **Table 1**:

Table 1(a) Likely numbers of meetings/incentives to be staged in the 12 months ahead compared to the last 12 months.

	Europe and Scandinavia	Europe and Scandinavia (plus Finland, Russia and Latvia)	Europe and Scandinavia (plus Finland and Russia)
	April 2009	January 2009	October 2008
<i>'Significantly' or 'Slightly' up</i>	28%	31%	54%
<i>No change</i>	43%	44%	30%
<i>'Slightly' or 'Significantly' down</i>	29%	25%	16%

Table 1(b). Likely budget for meetings/incentives in the 12 months ahead compared to the last 12 months

	Europe and Scandinavia	Europe and Scandinavia (plus Finland, Russia and Latvia)	Europe and Scandinavia (plus Finland, and Russia)
	April 2009	January 2009	October 2008
<i>'Significantly' or 'Slightly up'</i>	22%	26%	42%
<i>No change</i>	42%	40%	35%
<i>'Slightly' or 'Significantly' down</i>	36%	34%	23%

Whilst these indications point to a marginal 'slowing down' in the market, in no sense is there a 'meltdown'. True, some respondents identify examples of cancellations, postponements, reduced duration and participation, shorter distances travelled, and limited expenses, but demand involving associations and the public sector is much less affected, whilst that for business events generally is holding up.

Where 'frustrations' are mentioned these tend to focus on the need for more objective ways of assessing the value of MICE events, and also on increasingly late decision-making by companies.

Table 2 ranks those factors that industry specialists say matter most in their decision-making process. This 'Snapshot' confirms many of the observations revealed above.

	Europe and Scandinavia	Europe and Scandinavia (plus Finland, Russia and Latvia)	Europe and Scandinavia (plus Finland and Russia)
	April 2009	January 2009	October 2008
<i>* The growing costs involved in meetings/incentives</i>	1 st	1 st	1 st
<i>* World economic/financial circumstances</i>	2 nd	2 nd	4 th
<i>* A growing sense that</i>			

<i>meetings/incentives might not be very environmentally -friendly</i>	3 ^d	5 th	6 th
* <i>Time constraints: delegates are away too long from their offices</i>	4 th	3 ^d	5 th
* <i>Uncertainty as to the real return on investment that these events represent</i>	5 th =	6 th	2 nd
* <i>The state of particular markets in which you operate</i>	5 th =	4 th	3 ^d
* <i>Security issues caused by the threat of terrorism</i>	7 th	8 th	8 th
* <i>The growing scope to replace face-to-face events with virtual (or electronic meetings</i>	8 th	9 th	7 th
* <i>Complications that arise from issues such as multi-culturalism, delegate preferences, etc.</i>	9 th	7 th	10 th
* <i>One-off factors internal to your organisation</i>	10 th	10 th	9 th

Particularly intriguing is the additional significance being attached to the environment. Recent media reports suggesting how serious global warming is becoming/could become may explain this extra emphasis.

Table 3 ranks those reasons that explain why MICE events are booking later, an interpretation unchanged since January. Opinion is split roughly 50:50 between those acknowledging, and those denying, the shorter lead time trend.

	Europe and Scandinavia	Europe and Scandinavia (plus Finland, Russia and Latvia)	Europe and Scandinavia (plus Finland and Russia)
	April 2009	January 2009	October 2008
* <i>Waiting to see if the budget is still available</i>	1 st	1 st	1 st
* <i>Hoping for lower prices in venues</i>	2 nd	2 nd	3 rd
* <i>Too busy to start planning any earlier</i>	3 rd	3 rd	5 th
* <i>Reasons related to our internal decision-making</i>	4 th	4 th	2 nd
* <i>Reasons related to competitive pressures in our market</i>	5 th	5 th	4 th
* <i>Uncertainties over possible external events (terrorism; extreme weather, health scares)</i>	6 th	6 th	6 th

Finally, the Barometer invited views on issues related to the centralised purchasing of MICE events, and the possibility that the web will become a stronger influence in this sector.

Table 4(a) Do you view the increasingly widespread practice of centralised procurement of meetings and incentives as being good for the industry?'

	January 2009	October 2008	July 2008
<i>'Strongly agree'</i>	9%	10%	11%
<i>'Agree'</i>	28%	37%	29%
<i>'Neither Agree nor Disagree'</i>	40%	35%	38%
<i>'Disagree' or 'Strongly Disagree'</i>	23%	18%	22%

Table 4(b): 'Do you envisage that the internet will become a more powerful component of the MICE booking process (research ... online RFPs ... web bookings etc?)

	April 2009	January 2009	October 2008	July 2008
<i>'Strongly agree'</i>	31%	25%	34%	23%
<i>'Agree'</i>	47%	51%	40%	42%
<i>Neither Agree nor Disagree</i>	5%	6%	19%	20%
<i>'Disagree' or 'Strongly Disagree'</i>	17%	18%	7%	15%

To sum up: there remains much to be confident and positive about within the meetings and incentive travel market. Some industry experts admit that they are facing difficult circumstances, but the underlying strengths and values of face-to-face events mean that there is everything still to play for.

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IMEX would like to thank those industry professionals who responded so thoroughly to this research. The next Quarterly Barometer will appear in July.