

## **IMEX Research: Quarterly IMEX Barometer Of Business Tourism Confidence September 2005**

### **The upturn in the MICE market is maintained, but rising costs cause increasing concern, and the late meetings trend accelerates**

The demand for meetings and incentives predicted for the year ahead will be the highest-ever recorded by the IMEX Barometer of Business Tourism Confidence survey, launched 15 months ago. The latest poll involved around 175 decision-makers in 11 countries around Europe, and was conducted in August/September. Sentiment in the MICE sector clearly continues to improve, but with one proviso; budgets per participant are growing far more slowly.

Findings this quarter indicate that a record 79% of buyers and agencies anticipate growth (whether defined as 'significantly' or 'slightly' up) in the number of their events. This tops the 76% recorded in June, but importantly the figure incorporates a rise to 31%, from 18%, who forecast a 'significant' increase in their demand. In contrast there has been a dip, from 55%, down to 49%, in the numbers predicting either 'slight' or 'significant' budgetary growth. Perhaps also important is a highest-ever proportion (46%) forecasting 'no change' in their spending.

### **Explanations**

Explanations vary by country to account for this picture, with some markets reporting improved economic confidence (e.g. Netherlands), but others less so (e.g. Portugal). Similarly, and apparently tugging in opposite directions for different buyers, are factors like increased opportunities arising through globalisation versus down-sizing in companies as their specific markets become more competitive. Such complexity does not, however, mask the basic upward trend, and frequent reference is made to the positive effect on demand of the accelerating flow of new ideas, new markets, and new destinations.

It is a positive snapshot of current demand further emphasised by buyers/agencies when ranking those factors which most influence their decision-making. Their primary concern is, unsurprisingly, the growing expense of meetings and incentives, followed by security considerations, the world economic outlook, and then the

challenges of their particular business sector. Note may be taken that growing numbers now also draw attention to the need to demonstrate event ROI, as well as the extra thought that they are giving to an enhanced role for a virtual, or electronic, contribution to meetings.

### **frustrations**

Each IMEX Barometer concludes with a section noting trends and inviting a list of the day-to-day frustrations of buyers. The former continues to be dominated by reference to later and later meetings (a development expressed by some as the copying of the prevailing pattern in leisure markets), with well over 1 in 3 (40%) admitting their contribution to this process. But whilst finding short-notice availability is a key issue, it is not yet as challenging as other frequently-cited frustrations. For agencies these include (in order of importance), the 'shopping-around and budget squeezing' tendencies of clients, and often their 'indecisiveness', and increasingly also the 'unethical competitive practices' of rival agencies. In contrast, buyers are more likely to bemoan the 'ever-changing staffing of hotels and agencies', plus the 'complications that arise with airlines' when participants cancel, or make alternative plans. Reference is made additionally to the 'seeming incompetence of some venue staff', and there is a growing feeling that 'site inspection visits are less freely available than hitherto'. One congress manager listed four things he would like to change, as follows: 'the unprofessionalism of 'wild partners' who ruin the industry's reputation' ... 'the blinkered outlook of clients who do not see, nor are concerned about, nor are willing to pay for, the volume of work required to provide services for them in the best possible way' ... 'the client who expects 'miracles' at very short notice' .... and 'service suppliers who are all too often let down by their weakest link'.

### **multi-cultural factors**

Interestingly, there is increasing discussion of the multi-cultural factors that can affect global events. These include the contrasting attitudes that exist around the world in respect of the speed of decision-making, payment procedures, the contracting of facilities, and the transparency or otherwise of tariffs and invoices.

Ends.