



Executive Summary: Current trends in the German, Austrian and Swiss outbound conference and incentive market

TMF GmbH/IMEX Trend Study 2006

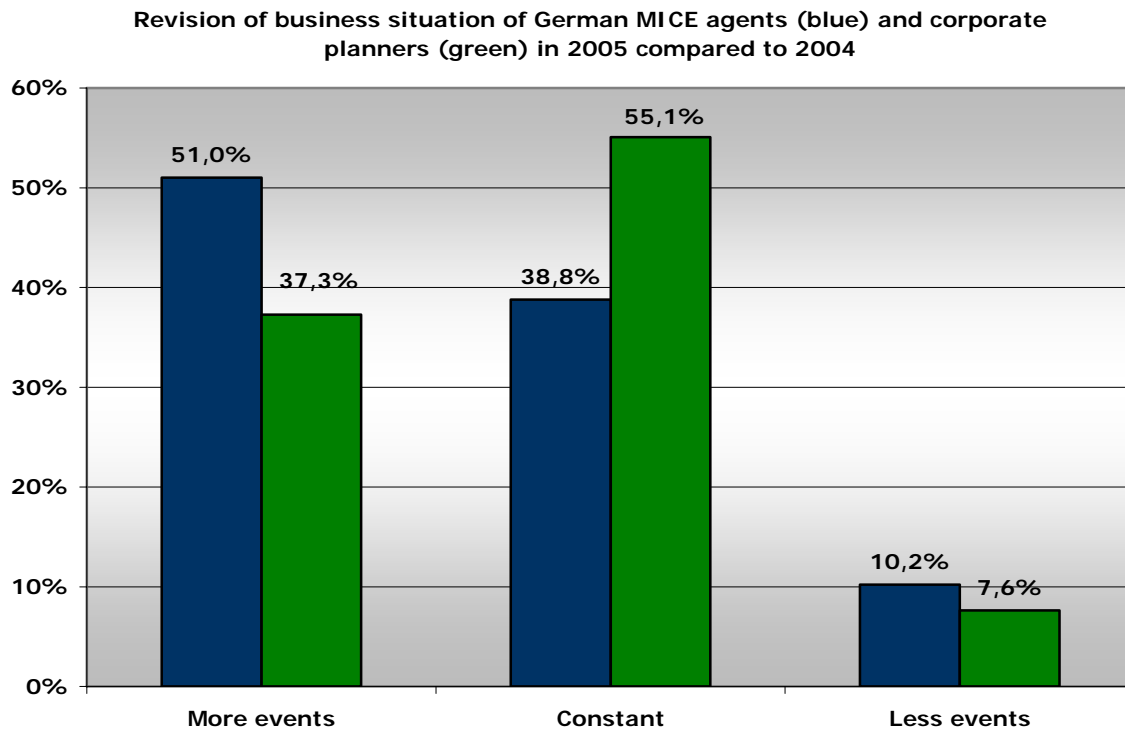
Munich, April 2006 -- For the 3rd time TRAVEL MARKETING FACTORY GMBH is realising a trend study in the German outbound C&I market in cooperation with IMEX Frankfurt. This year the study was extended to the Austrian and Swiss outbound market so that the results now cover the whole German-speaking outbound conference & incentive market in two separate issues. As in the previous years the results will be presented at IMEX 2006.

The survey provides an insight into the situation and the latest trends in the German-speaking outbound C&I market and a forecast to the future development of the event business from this important source market for destinations with a focus on marketing their MICE products to German-speaking planners.

German outbound conference and incentive market

In total 118 corporate planners and 98 MICE agencies – of which 58 were pre-selected VIP contacts – took part in the poll. The VIP contacts answered the questionnaire through personal interviews over the telephone. Some major Tourist Boards and Convention Bureaus participated in the survey with their own destination-related questions. All contacts chosen for the poll are pre-identified through TMF for outbound international MICE business.

The positive outlook given in last years study in spring for the year 2005 can be confirmed by looking back to past year's actual results. More than 50% of the interviewed MICE agents reported an increase in their business situation for 2005 compared to 2004 and more than 90% of the corporate planners' state that their business was better or same in 2005 compared to the previous year.



The outlook of the development of the business situation for 2006 in comparison to 2005 and the previous years continues the positive trend stated in last years' study. Once more the MICE agencies see an improvement of their order situation and look confidently into the immediate future. Also the mood amongst the corporate planners confirms a positive tendency for the ongoing year.

Due to a higher number of interviews in 2006, in particular on the corporate side, this years' poll allows an even better insight into the market situation. However, it is important to keep in mind that the corporates' point of view in the study can only provide a snapshot on the situation of German companies whereas the picture provided through the MICE agents' interviews gives a much wider perspective due to their function as a multiplier by working with different industries and companies. More detailed information on the development of the business amongst target groups for MICE products will be published in the study, and will provide strong reason for increased marketing and sales efforts for many destinations.

Looking into favourite destinations for the German outbound MICE market, we see again an increase in the demand for European destinations and also the use of long-haul destinations seems to pick up slightly. An interesting look into the division of destinations used by our market will be provided as well in the publication.

To know the sources of information used by the buyers of MICE products is crucial for the marketing efforts and success of convention bureaus, hotel chains and tourist offices. In 2006 the trend of cutting out risk factors when organising a corporate event abroad is again very obvious. Personal experience of one or the other kind is one of the most important criteria for the selection of a destination. With tight budgets and economic staff situation planners tend to repeat events in destinations which are known to them and to use locations, services and destinations which provided successful events to them or their clients in the past. A strategy of good relationship management for existing clients of international suppliers seems to be a good answer to this trend. Products and destinations new to the German MICE market will need a strong and professional approach and to emphasize on this and other important sources of information.

Safety of destinations seems to play a stronger role for this year's interviewees than it did in the past – terrorist attacks in European capital cities, kidnappings, spread of disease etc. ask for tribute.

Many more crucial questions will be answered in the study 2006 – i.e. about planning periods and tendencies of corporates to use incentive houses to help them with their demanding events abroad. Corporate planners show an increasing tendency to realise a good part of their conferences, congresses and incentives by themselves as their experience and knowledge of destinations and locations is growing. It will be interesting to learn what planners expect from a destination and to evaluate some budget issues.

It will be reassuring for all suppliers of MICE products that the German C&I market seems to reach a higher level of stability after years of strong and fast changes with positive trends to follow.

Austrian and Swiss outbound conference and incentive market

Not all interviews have been evaluated to this point, we target at a total of 50 interviews per market for the final study. The first results analysed so far show very interesting differences to highly sophisticated MICE markets such as Germany but also recognise certain similarities – both will provide a strong help for the marketing of MICE products to these rather small but high value markets.

The estimated outlook to the business situation of Austrian MICE agencies is high and positive in Austria and even better in Switzerland. The interviews with corporate planners



show a very positive trend regarding the development of their events both in general and abroad.

Both markets follow more traditional perceptions when it comes to program design than the German market itself – it is however interesting to see that there are certain strong contradictions amongst the interviewees which shows a less homogenous situation amongst planners both in Austria as well as in Switzerland. Programs seem to be less sophisticated and give more spare time to the participants than they would in other markets. Most corporate planners and MICE agencies see an increase or constant trend for the use of European and long-haul destinations. Access is as crucial as it is for the German planners and a high level of professionalism and infrastructure is necessary when aiming at business relations with these other parts of the German-speaking market. All details and facts about the Austrian and Swiss outbound MICE markets will be published in the study and some of them will be presented during the breakfast seminar on day 2 of IMEX 2006.

“TMF GmbH / IMEX study ‘German outbound C&I market 2006’ and ‘Austrian/Swiss outbound C&I market 2006’” - the detailed results of both studies will be available at IMEX and can be ordered at a special pre-IMEX rate by exhibitors of IMEX Frankfurt 2006.

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