

IMEX Global Data Exchange: January 2006

Quarterly IMEX Barometer of Business Tourism Confidence

MICE demand will be maintained at high levels during 2006, but budgets remain tight, a perspective suggested on both sides of the Atlantic. Environmental issues increase in importance.

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Meetings and incentive travel bookings during 2006 are not expected to dip below the buoyant levels established in the last 12 months. This assessment, revealed in the latest IMEX Quarterly Barometer of Business Tourism Confidence, summarises the views of nearly 200 buyers in 12 European countries, plus, for the first time, a trial focus group analysis among North American decision-makers. The poll was conducted during November and December, and incorporated the views of corporates, agencies, and association planners. The continuing confidence is underpinned on both sides of the Atlantic by a growing perception of favourable economic circumstances.

Within Europe the proportions of respondents anticipating 'no change' over 2005 have risen to 31% in respect of their predicted demand, and 49% in respect of likely budgets. Both figures are among the highest recorded over the last 18 months. Percentages anticipating 'slight growth' in the coming year are just over 30% in both cases. Expectations of 'significant' growth are indicated by around 1 in 5 and 1 in 4 respectively, both representing slight dips during the last quarter.

key influences

There has been a subtle change in the ranking of the key influences that buyers report are strongly affecting their decisions. In elevating to top spot (from fourth place) the 'state of their particular markets' there is an inference that sector competition is tough, and may account for the slightly less bullish outlook for 2006. Positions two, three and four focus respectively on the 'growing cost of meetings', 'security considerations', and 'world economic circumstances', and maintain the same sequence as in recent Barometer findings.

Being a first the test research in North America (involving a sample of 50 buyers), introduces a benchmark for future (and larger) polls. For 2006 around three-quarters (72%) anticipate a 'slight' or 'significant' increase in the number of events that they book/influence, but with predicted budget growth more constrained, according to 61%. The world economic outlook is seen as the dominant influence, followed by the specific circumstances of each relevant sector. Next come event 'costs', the perceived problem of 'time constraints' of delegates away from their offices, and 'security issues' arising from continuing fears of terrorism.

Two further contrasts between the European and North American sectors can be recognised. The trend towards booking events at shorter notice is reported by a higher percentage in North America (71%), than in Europe (42%). Similarly, North American buyers identify multi-cultural planning as considerably more relevant to their work than do buyers in Europe.

challenges

Each IMEX Barometer invites respondents to report on their current agenda of challenges and issues. In the European survey these included: 'poor communication between sales and operation staff in venues'; 'the gap between promised and actual levels of service and standards'; the 'slow response of some DMCs'; and 'airline policies both on cancellation costs and their disinclination to offer attractive fares for conference delegates'. Other gripes are 'hotels which are inflexible over credit'; 'the lack of standard practices between destinations; and 'accelerating staff turnover in venues'. One buyer regretted 'a growing lack of flexibility and an absence of enthusiasm and willingness in some destinations to go beyond the predictable'. A dominant irritation voiced frequently by North American agencies is expressed as 'the ease with which clients can now research, shop and book on the internet as they try to cut out the profits of intermediaries'.

environment

For the first time the IMEX Barometer invited opinions on the environment. Whilst only around 4 in 10 (43%) offered a view, the vast majority of these recognised the need for action by the sector because 'travel creates carbon emissions'.

Buyer comments from within Europe included 'we need to protect our world for future generations'; 'aim for more energy-friendly events'; trade fairs have a role to discourage the use of promotional brochures, many of which are later dumped'; and 'take advantage of the crowds attending MICE events to explain ways we can all be greener'. Another strong view is that 'we should only choose eco-friendly destinations that manifestly work to respect the environment'. Remarks from North America included 'I am nervous about the meetings industry getting political'; and (from an agency) 'this is a very controversial topic because our corporate clients often straddle this issue'.

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