The Mood of the Market

European Meetings Industry

Research Report

December 2008

New research into the views of

700 European events organisers

Introduction

This research was undertaken at a time of unprecedented turmoil in the global economy, in order to provide an up to date snapshot of how meetings and event organisers are feeling about the meetings industry and the extent to which events and business levels may be affected as we go forward into 2009.

The Right Solution and EIBTM would like to thank all of the organisers who participated in an online survey during late October and early November 2008, over 700 of whom responded. Respondents were based throughout Europe and the representation for each industry sector was as follows:

- 23% not for profit/association sector
- 25% corporate sector
- 45% third party event management companies/PCOs and venue finding agencies.

Summary of key results

The results that follow suggest that 2008 was a good year for most organisers in comparison to 2007, and the experience of cancellations or other problems as a result of the global economic situation has only been felt very recently. However there is real concern about business levels for next year with 64% saying the economic climate and pressure to reduce costs is the key factor of influence for next year. 39% already see a decrease in budgets for next year and over 30% are predicting fewer events or are unsure whether the volume of events will remain consistent. However the number of delegates attending and the duration of events are expected to remain very similar to this year.

Although environmental and corporate asocial responsibility (CSR) issues are of less concern at this time, there is no doubt that these issues remain of major importance to European event organisers with 46% saying all aspects of event organisation are now influenced by CSR. 86% said CSR and environmental issues are either extremely or somewhat influential in event organisation.

Although location and price are the key factors influencing venue selection, quality of service is now considered very important. Not surprisingly therefore this is cited as the major cause of dissatisfaction for delegates. Suppliers will want to take note of all the key issues mentioned which are:

- Poor service
- Poor food
- Lengthy travel time, delays and frustrations
- Irrelevant or boring content and poor quality presentations
- Lack of organisation

At a time when venues are likely to be focussing on costs to the point that food and service quality could be compromised, these are very important. Equally of concern is the issue of travel delays. As more airlines cancel flights and consolidate routes to save costs, this issue could escalate and organisers will need to be very aware of the possibilities. It seems likely that, in this economic climate, destinations with more frequent routes and easy communication links will win over the less accessible destinations that are potentially more risky for the organiser.

Alongside concerns over budgets, an attractive destination, ease of access and the quality of the venue are all considered to be more important factors to the success of an event from the delegates' point of view than inspirational or relevant content. Ease of access has no doubt influenced the fact that 16 of the top 20 destinations used in the last twelve months are European countries with Germany, Spain, France and Italy in the top positions, closely followed by the USA, the top destination from outside Europe. South Africa, Morocco, and Egypt are the other destinations that make the top 20 from outside Europe.

What readers should find interesting is the emergence, albeit modestly, of destinations as diverse as Uganda to the Philippines, and Bulgaria to Trinidad and Tobago.

There is no doubt that 2009 will be a challenging year for everyone in the meetings industry. It will be vital for events to offer a valuable and worthwhile use of time for all those attending, which is also enjoyable and stimulating to their daily life, yet perceived as neither extravagant nor too exclusive in its appeal. It will require careful consideration of all options for destinations, travel methods, venues, content and speakers to achieve the appropriate balance. It is hoped that EIBTM 2008 will help you by providing contacts and ideas to guide you during the year ahead.

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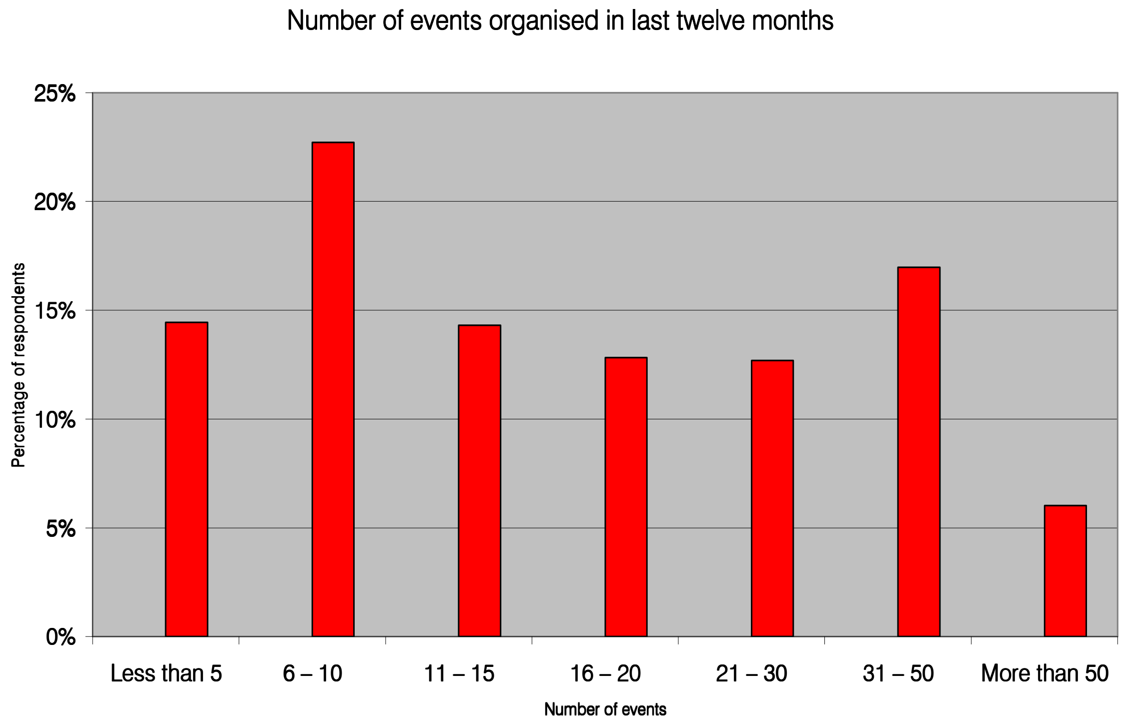
Information supplied in this report should only be used as an aid to help with business decisions, not as the sole basis for such decisions.

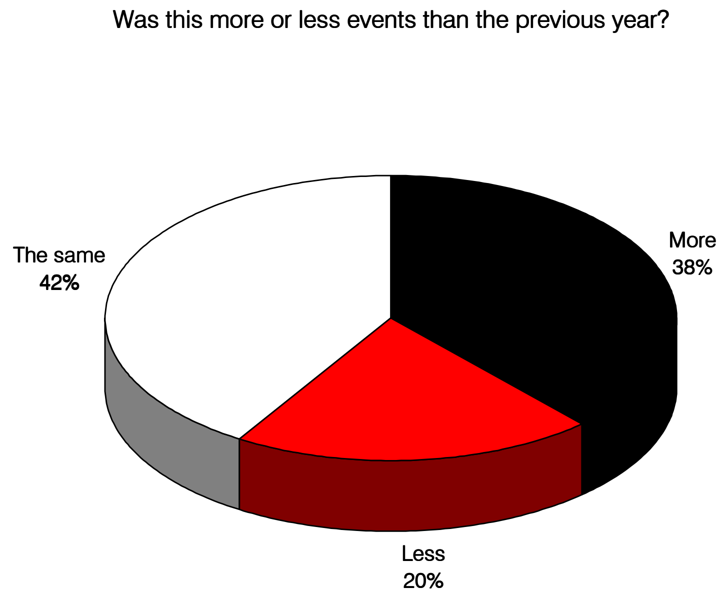
Full Research Results

Number of conferences and meetings organised - last twelve months and next twelve months

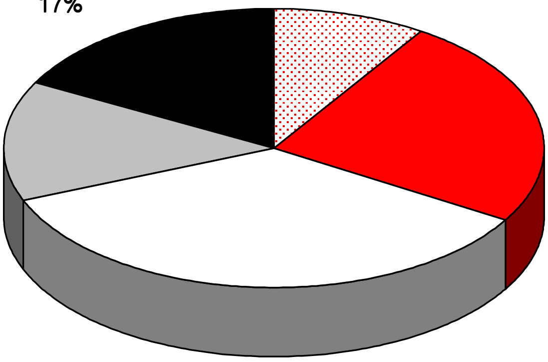
The mean number of events organised by respondents in the last twelve months was 30. The proportion of third party respondents influenced the volume of events being organised which was high due to the 51+ category, where 6% of respondents averaged 198 events each.



For 38% of respondents this was more than they organised in 2007, for 41% it was the same amount, and for the remaining 21%, this was fewer events. Turning their attention to 2009, the percentage predicting fewer events at this stage reduces to 14%. However an additional 17% are not sure. It can be seen from the chart overleaf that roughly equal thirds predict more events or the same volume as 2008.



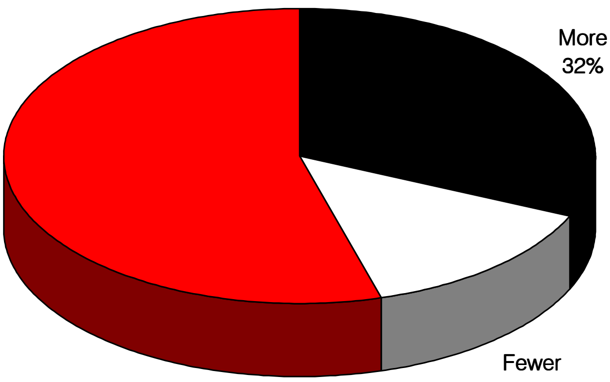
Will you organise more events in 2009 than 2008?



Number of delegates attending

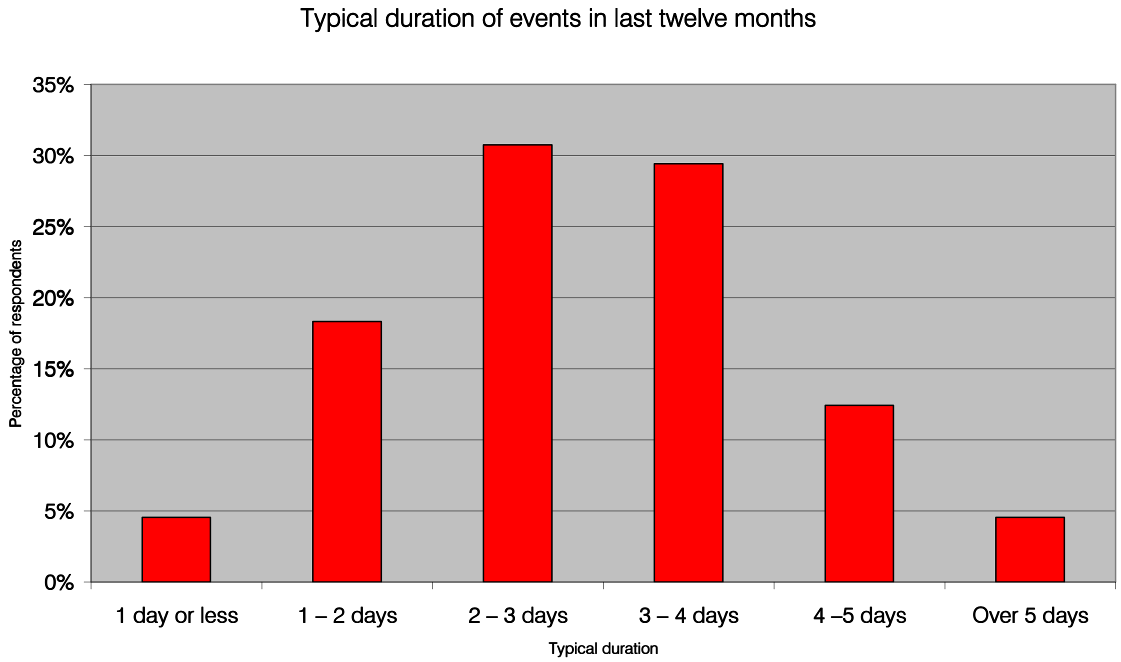
The mean number of delegates at organisations' main/annual event is 359, although over 10% of respondents record more than 2000 delegates at this event. For other typical events the mean number is 169 delegates. The chart below shows that delegate numbers either increased or remained the same in 2008.

Is this more or fewer delegates than in 2007?

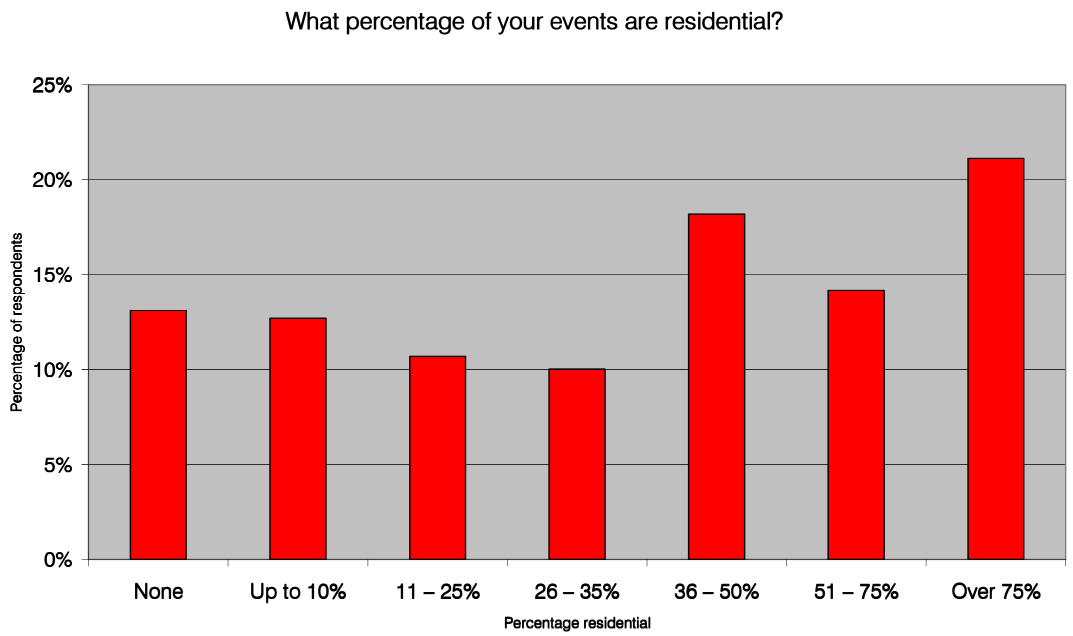


Duration of events and proportion residential

The mean duration of events is 2.8 days, reflecting the different types of events being organised which range from association conferences to incentives and sales meetings. 86% of respondents said this was the same duration as events organised in 2007. Just 9% thought events would be shorter next year.

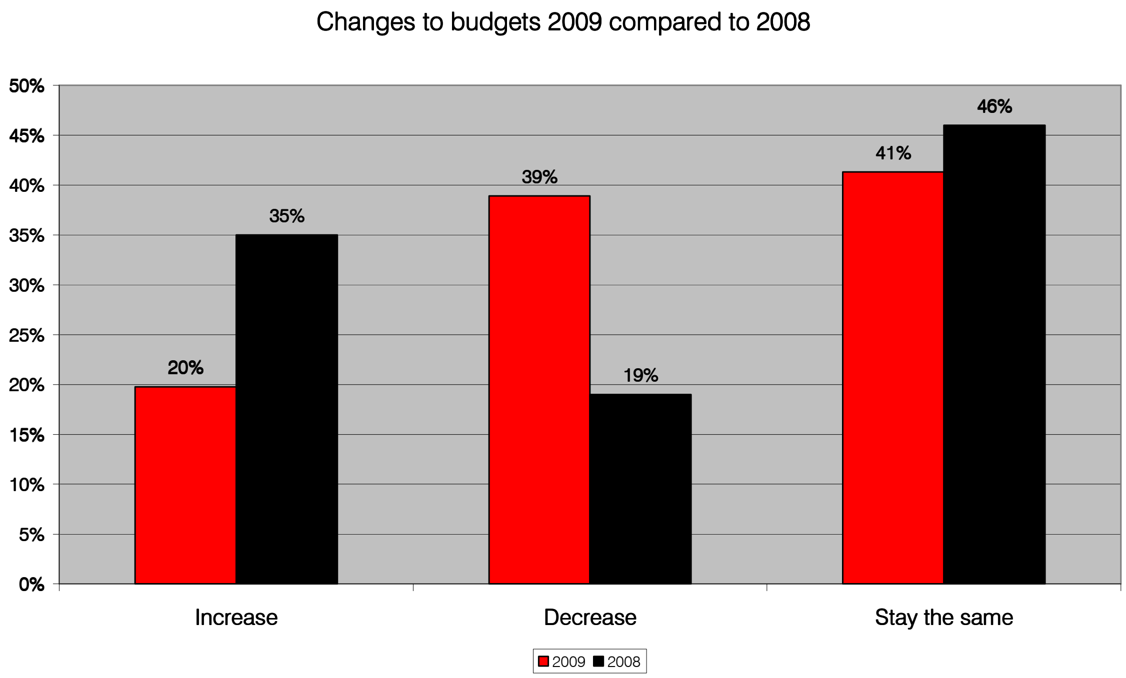


The chart below shows that respondents are equally split between those for whom few events are residential and those for whom nearly all their events are residential. This results in a mean figure of 47%.



Budgets

Budgets are the main area where organisers predict significant differences between 2008 and 2009. 39% of respondents see budgets decreasing in 2009 compared to 2008, an increase from 19% who experienced decreases in 2008 over 2007. Only 20% anticipate increases in budgets next year, compared to 35% experiencing them in 2008. 41% expect budgets to stay the same next year



Trends of major influence in the next twelve months

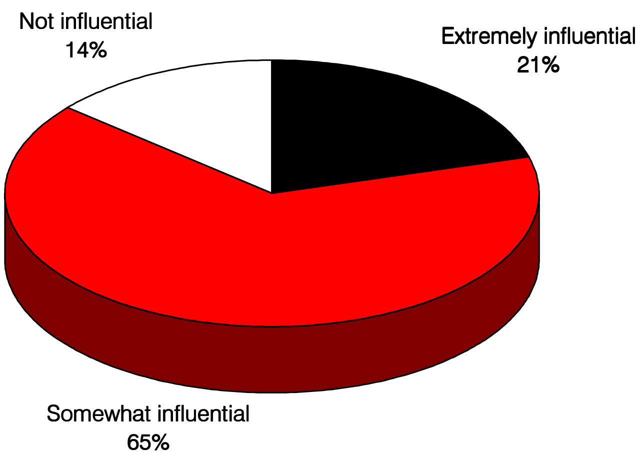
The economic climate is considered the overriding issue likely to influence events for the next year.

Rating	Factor of influence for events next year	Percentage of respondents
1	The economic climate and pressure to reduce costs	64%
2	Corporate social responsibility encouraging use of destinations where contribution and benefit to local area can be seen	34%
3	Environmental issues creating pressure on individuals and organisations to travel less often and apply carbon offset for their travel	31%
4	Low cost airlines entering the long haul market	25%
5	Passport and visa issues	25%
6	Staff or skills shortages	11%

Despite the secondary importance of environmental and CSR issues, further examinations of these issues produced the following results on the aspects of events organisation influenced by their organisation's policy on CSR:

- 46% of respondents said *all aspects* of event organisation
- 48% said destination selection
- 31% said venue selection
- 29% said other aspects of event organisation such as travel arrangements, social activity programmes, and catering (fair trade).
- 86% said CSR and environmental issues will be extremely or somewhat influential over the next ten years.

Influence of CSR and environmental issues over the next ten years



Key factors influencing venue selection

The top ten factors influencing venue selection are shown below. Clearly location and price are far more important than any other factor. However it is interesting to see that quality of service is more important then capacity and quality of conference facilities and food quality.

Rating	Factor influencing venue selection	Percentage of respondents
1	Location	83%
2	Price/value for money	78%
3	Quality of service	51%
4	Access (road, rail links)	44%
5	Capacity of conference facilities	40%
6	Quality of conference facilities	37%

Rating	Factor influencing venue selection	Percentage of respondents
7	Availability	35%
8	Previous experience of venue	25%
9	Quality of bedrooms	23%
10	Quality of food	21%

Other issues frequently mentioned as a major influence are:

- safety/security
- disabled access
- originality in the programme and
- green/environmental concerns.

Issues contributing most to a successful event from delegates' point of view

Respondents rated the content of an event and the cost of attending as less important to delegates than the appeal of the destination and the venue. This may reflect the many different types of events that respondents were responsible for which include incentives. Celebrity speakers are considered far less important to delegates, perhaps not surprisingly considering the potential cost of employing them.

Rating	Issue contributing to successful events	Percentage of respondents
1	Attractive destination	70%
2	Ease of access and travel	57%
3	The (quality of) venue	55%
4	Quality of accommodation	54%
5	Inspiring and original sessions/presentations	51%
6	Content relevant to their work and daily life	49%
7	Cost of attending	40%
8	Food	38%
9	Networking with peers/colleagues	29%
10	Entertainment	26%
11	Networking with industry experts	23%
12	Celebrity key note presenters	11%

It is interesting to compare the priorities above with the issues respondents consider most likely to cause dissatisfaction among delegates, which are:

- Poor service Lengthy travel time, or travel delays and frustrations
- Poor food Lack of organisation.
- Irrelevant or boring content and poor quality presentations

Destinations used

The most frequently used destinations throughout the world in the last twelve months are shown in the table that follows. Understandably, for organisers based in Europe, 98% had held events in Europe in the last twelve months. America (North and South) was the next most popular continent with 416 respondents having held events there. This was closely followed by Asia where 378 respondents had held events and Africa with 305 respondents. Just 88 respondents had held events in Australasia.

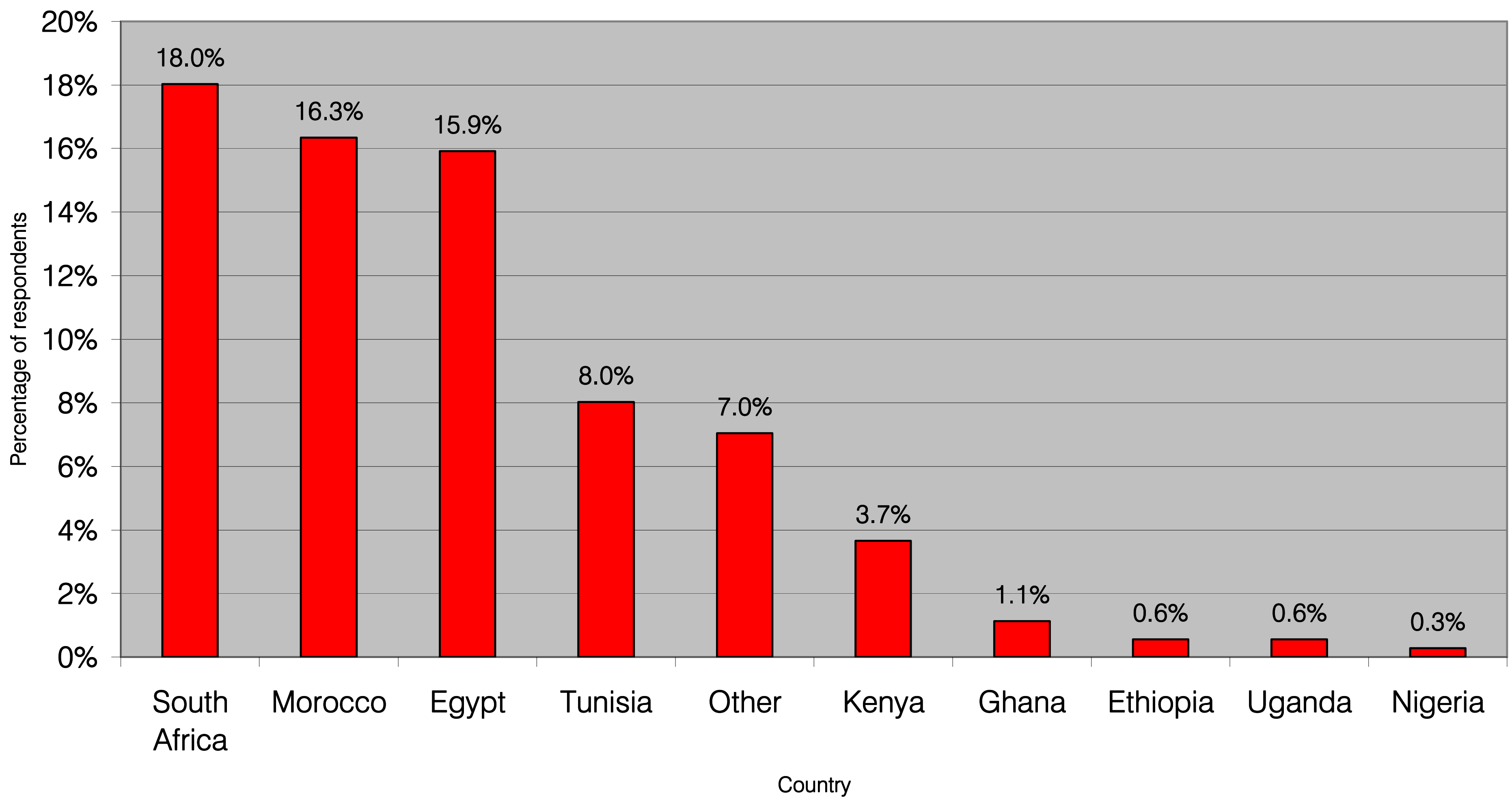
It is interesting for destinations to see that on average 16% of delegates bring partners to meetings or conferences, and 10.5% of delegates extend their stay after the conference or meeting.

Top 50 individual destinations worldwide for events in last twelve months

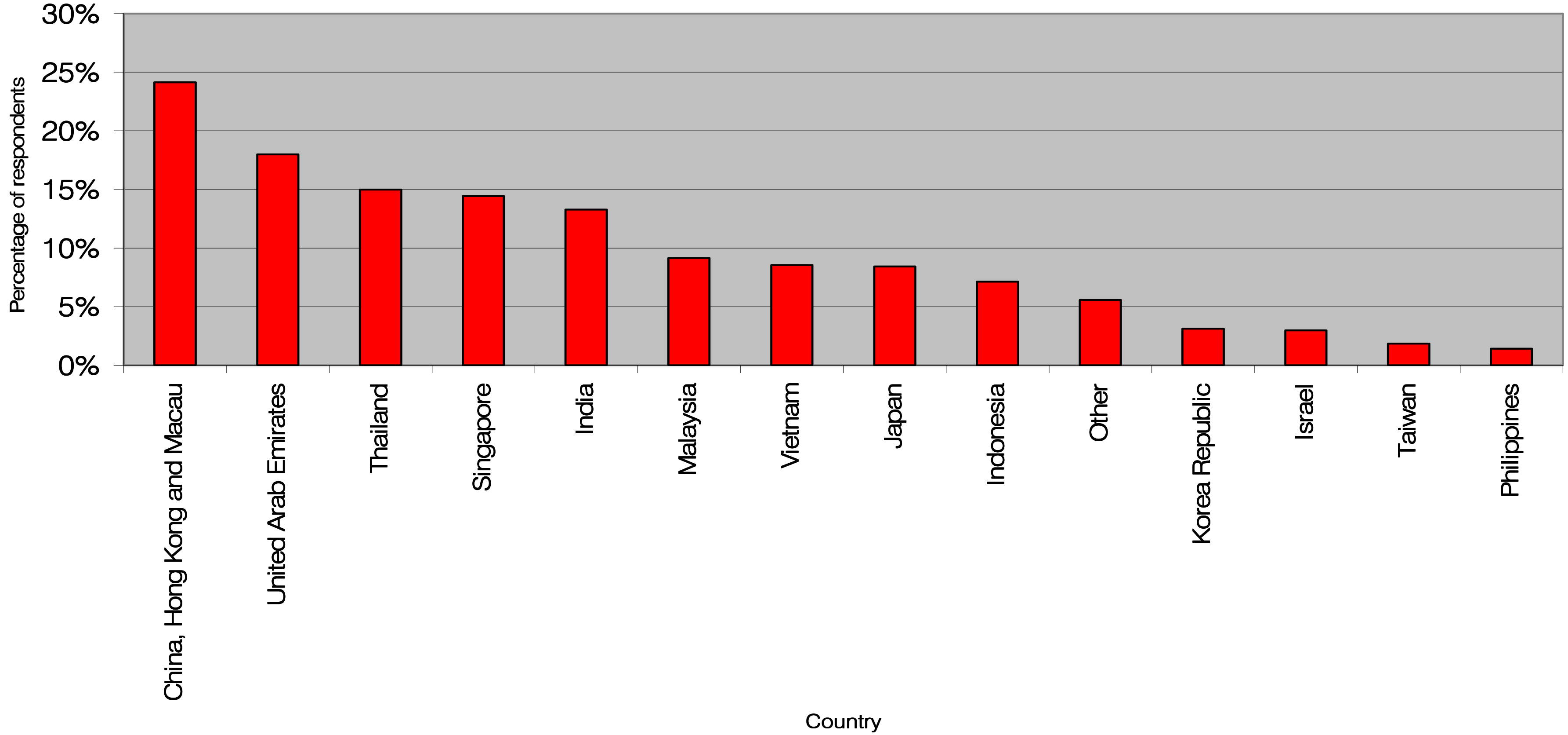
Position	Country	Percentage of respondents having held an event there	Number of respondents having held an event there
1	Germany	54.7%	404
2	Spain	53.5%	395
3=	Italy	53.1%	392
3=	France	53.1%	392
5	USA	40.3%	284
6	UK	38.1%	281
7	Austria	37.1%	274
8	Netherlands	30.4%	224
9	Portugal	29.8%	220
10	Belgium	29.5%	218
11	Switzerland	29.1%	215
12	Czech Republic	24.8%	183
13	Turkey	22.0%	162
14	Greece	21.5%	159
15	Sweden	18.8%	139
16	South Africa	18.0%	128
17	Russia	17.2%	127
18	Morocco	16.3%	116
19	Hungary	16.0%	118
20	Egypt	15.9%	113

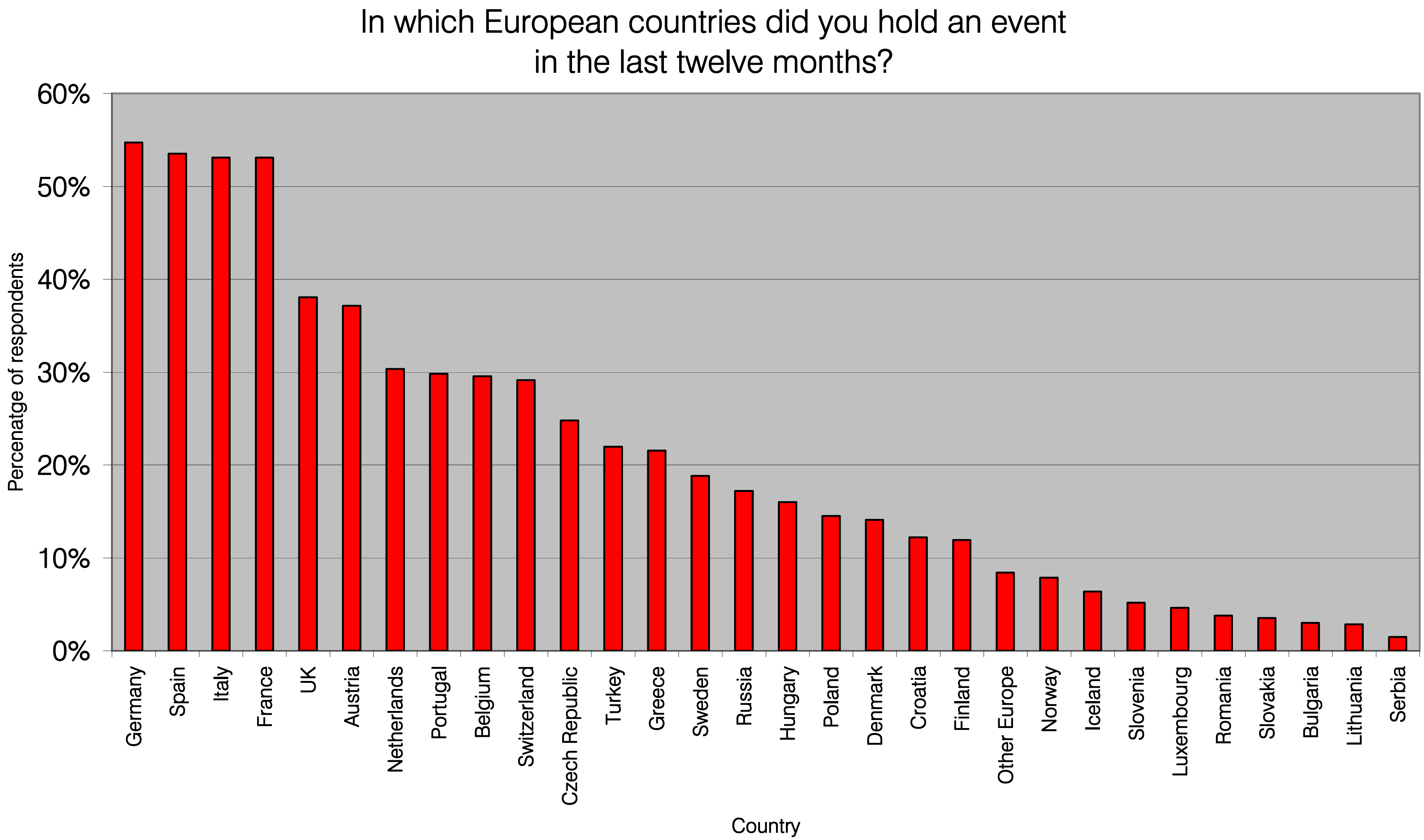
Position	Country	Percentage of respondents having held an event there	Number of respondents having held an event there
21	Brazil	14.8%	104
22	Poland	14.5%	107
23	Denmark	14.1%	104
24	Croatia	12.2%	90
25	Finland	11.9%	88
26	Canada	11.9%	84
27	Mexico	10.8%	76
28	Argentina	9.8%	69
29	Tunisia	8.0%	57
30	Norway	7.9%	58
31	Iceland	6.4%	47
32	Cuba	6.4%	45
33	Dominican Republic	5.7%	40
34	Slovenia	5.1%	38
35	Luxembourg	4.6%	34
36	Romania	3.8%	28
37	Slovakia	3.5%	26
38	Kenya	3.7%	26
39	Chile	3.4%	24
40	Peru	3.3%	23
41	Bulgaria	3.0%	22
42	Lithuania	2.8%	21
43	Venezuela	2.3%	16
44	Puerto Rico	1.7%	12
45	Serbia	1.5%	11
46	Ghana	1.1%	8
47	Colombia	0.7%	5
48=	Ethiopia	0.6%	4
48=	Uganda	0.6%	4
48=	Uruguay	0.6%	4
49	Jamaica	0.3%	2
50	Nigeria	0.3%	2

In which African countries did you hold an event in the last twelve months?

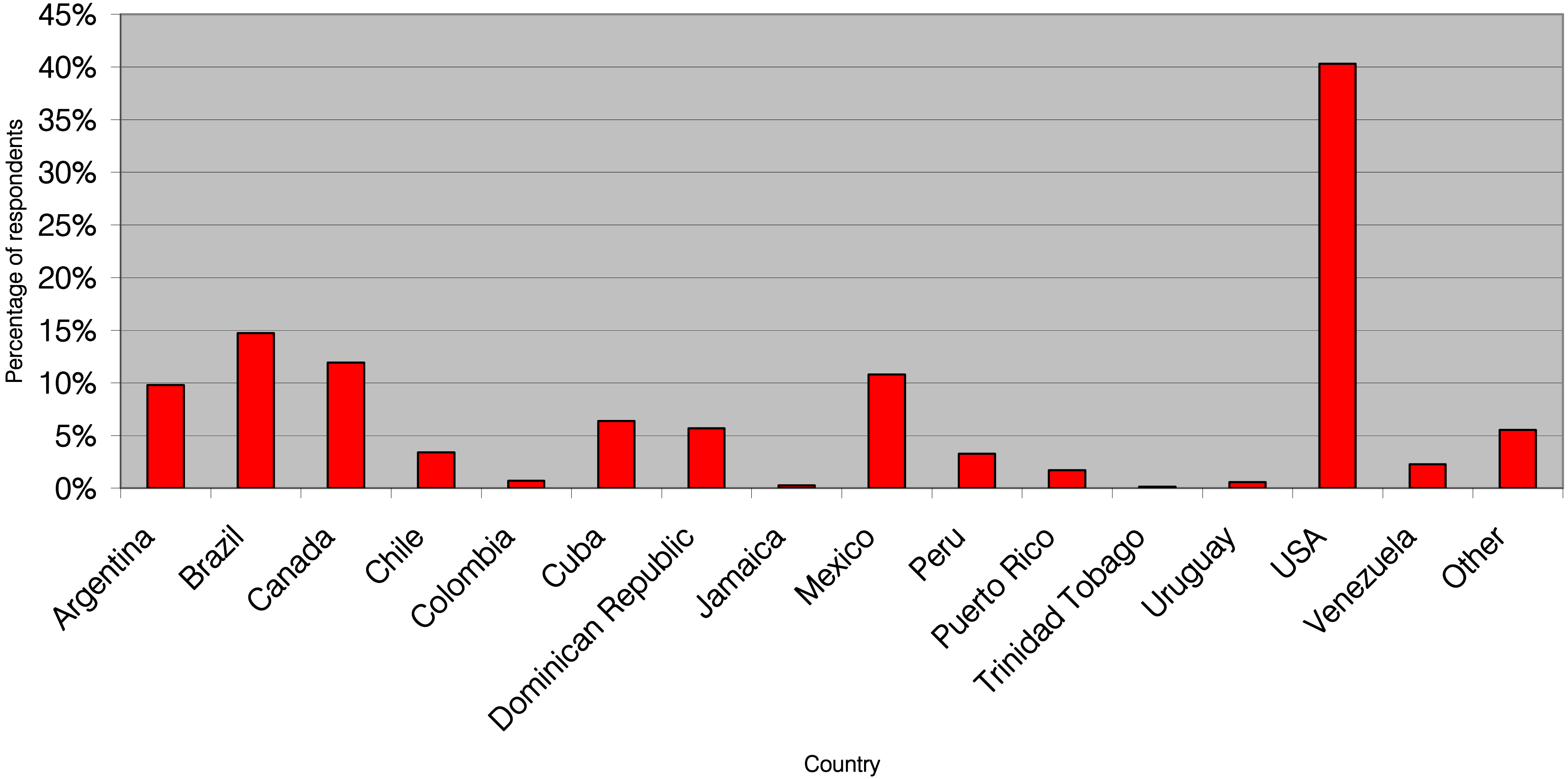


In which Asian countries did you hold an event in last twelve months?




In which European countries did you hold an event
in the last twelve months?
60%
50%
40%
30%
20%
10%
0%
Percenatge of respondents
Germany
Spain
Italy
France
UK
Austria
Netherlands
Portugal
Belgium
Switzerland
Czech Republic
Turkey
Greece
Sweden
Russia
Hungary
Poland
Denmark
Croatia
Finland
Other Europe
Norway
Iceland
Slovenia
Luxembourg
Romania
Slovakia
Bulgaria
Lithuania
Serbia
Country

In which countries from the Americas did you hold events in the last twelve months?



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The Right Solution are specialist consultants in conference destination and conference facility development, offering a wide range of services from market research, feasibility studies, marketing activities, operations and management strategy to design and technical installation, for all kinds of conference centres and facilities.

Design solutions for conference facilities guarantee venues will be able to maximise revenue by being best suited to conference organisers' needs. They advise on the design of either new build or refurbished conference facilities from the conference organiser's and delegates' viewpoint ensuring new facilities are totally geared to meeting future market demands.

Advice on operational procedures covers staffing structures, preparation of job specifications, recruitment and development, training and quality management systems. Recommendations outline working procedures to ensure the building is managed and staffed efficiently at all times.

Marketing services are wide ranging, covering not only market research (such as this report), but also preparation of marketing plans and budgets, PR and advertising strategies, direct mail, sales systems and procedures, database generation, design and production of all forms of marketing material.