



Switzerland.

# Market situation North America.

Switzerland Convention & Incentive Bureau (SCIB).

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# 1 MARKET SITUATION AND OUTLOOK

## 1.1 Economic situation

### 1.1.1. United States

The economic outlook for the USA has greatly improved and started to stabilise when compared with that of its global peers. This is primarily due to major infusions of economic stimulus like the USD 1.9 trillion American Rescue Plan Act and the aggressive push by the current administration to acquire more vaccines and focus on getting those doses of vaccine into the arms of as many Americans as quickly as possible. The USA is now averaging three million doses administered per day and approaching 250+ million doses given in the first 100 days of the Biden administration.

Granted, after a gruelling year of lockdowns, the “light at the end of the tunnel” metaphor may be a bit overused, but in this case, it is also accurate. The current progress in vaccinating suggests that the USA may be closer to recovering from the worst of the pandemic impacts. This raises two questions for our economic forecast. The first is just how fast and strong the economic recovery will be and the second is what shape the new normal will take – and whether the pandemic has done any lasting damage to industries such as ours, which has seen perhaps the greatest losses.

The U.S. Congressional Budget Office (CBO) states: “The 2020/2021 coronavirus pandemic caused severe economic disruptions last year as households, governments and businesses adopted a variety of mandatory and voluntary measures – collectively referred to here as social distancing – to limit in-person interactions that could spread the virus. The impact was focused on particular sectors of the economy, such as travel and hospitality, and job losses were concentrated among lower-wage workers.”

Over the course of the coming year, vaccination is expected to greatly reduce the number of new Covid-19 cases. As a result, the extent of social distancing is expected to decline. In its new economic forecast, which covers the period from 2021 to 2031, the Congressional Budget Office (CBO) therefore projects that the economic expansion which began in mid-2020 will continue. Specifically, real (inflation-adjusted) gross domestic product (GDP) is projected to return to its pre-pandemic level in mid-2021 and to surpass its potential (that is, its maximum sustainable) level in early 2025. In the CBO’s projections, the unemployment rate gradually declines through 2026, and the number of people employed returns to its pre-pandemic levels in 2024.

The Congressional Budget Office is a non-partisan federal agency within the legislative branch of the United States government that provides budget and economic information to Congress.

Finally, there is one last perhaps not so obvious component that we should keep on our radar when it comes to the U.S. and even global economic outlook. That component is the impact and influence of social, environmental and racial justice causes on choices and investment. The capacity of organisations focused on rights and equality issues for many marginalised communities, such as AAPI, BIPOC, BLM and LGBTQ, as well as environmental causes to impact every category of business should not be underestimated. There is a tremendous energy behind these major social movements that are driving the narrative of much of the U.S. and therefore the global economy. Many large global brands and industries that do not educate



themselves and implement “good faith” policies and practices to acknowledge and address legitimate concerns have found the consequences to be swift and damaging. They often find themselves quickly facing a social media backlash, product boycotts and brand abandonment: the risk of both financial and reputational damage is not what any business needs as we try to recover from the devastation of the last year. There are efforts within the travel industry to support and promote policies and opportunities to address these evolving unpredictable components. This is both necessary and from a business perspective economically advantageous to our recovery.

### **1.1.2. Canada**

Meanwhile, 2020 was a challenging year for America’s neighbour to the north. Compared with the USA, Canada quickly implemented and consistently enforced a strict travel ban and lockdown measures. This proved to be a double-edged sword of sorts with a generally much less severe Covid-19 death toll than the USA, but a much greater economically consequential impact as their Covid-19 mitigation efforts also substantially muted economic growth.

An analysis in a recent Forbes magazine article noted “...the fallout from the Covid-19 crisis has negatively impacted Canada’s fiscal balance and employment figures”. There is no doubt that there is a long road back for the country as there will be for many others. However, there is reason for hope as the same Forbes article notes that there is some cause for optimism in 2021. “The OECD forecasts that Canada’s economy will grow by 3.5% in 2021 and perform better than the United States, which is expected to see a 3.2% growth next year.”

Prime Minister Justin Trudeau addressed the nation on 20 April, announcing that the government will be extending its hotel quarantine and testing requirements for air and land-border arrivals until 20 May. Also, 20 April marked a new milestone for Canada as officials revealed that 25% of the population – or 9.5 million people – had been vaccinated against Covid-19 with at least one dose.

In conclusion, with the USA moving quickly towards recovery, it should not be long before Canada and its other major regional trading partners likewise return to a more positive recovery trend.

## **1.2 Travel industry in general**

The industry has not only been impacted by the pandemic but several other topics are also reshaping how we work and face issues. In February, a new initiative, Tourism Diversity Matters (TDM), was launched with the goal of creating a portal for all the good work that has been happening in the industry with resources for companies and organisations to learn about best practices to build their own Diversity Equity and Inclusion (DEI) infrastructure as well as access the latest research and data insights.

In general, people are eager to travel again and with vaccinations now available to everyone 16+ in the USA (more limited in Canada), it is only a short time until Covid-19 infection rates halt and Americans are travelling, and travelling a lot.

They will gravitate toward-off-the-beaten path destinations and unique experiences that will help them avoid big crowds and safely social distance with open-air activities. This represents an excellent opportunity for cities and Switzerland as a whole to engage with potential visitors.



Domestic travel started to flourish in early April. Since then, the CDC said people who are fully vaccinated against Covid-19 can safely travel within the United States at “low risk”, but CDC Director Rochelle Walensky cautions Americans from returning to normal travel patterns too soon as there are still pockets of high infection rates around the USA.

Covid-19 has changed a lot of travel behaviours. For example, people are booking at short notice and expecting full flexibility with regard to terms and conditions as a given. The U.S. Department of State recently updated the “Do Not Travel” advisories to 80% of countries worldwide that reflects an adjustment to rely more on the CDC’s (Centers for Disease Control and Prevention’s) existing epidemiological assessments. However, the White House has given no timeline for when it might ease those restrictions.

The U.S. government is exploring Covid-19 vaccine certificates for use internationally and domestically, but there is not a political consensus. The administration has said that a vaccine passport may be required in the future for international travellers entering the USA, but it will not impose a federal requirement for domestic purposes. They are working with the private sector to develop standards around such certifications. Within the USA, states are landing on different sides of what has quickly become a partisan issue, with several moving to implement passports while others have come out strongly against the idea.

Having said all this, of course the borders for transatlantic travel are still closed. However, in an interview with Ursula von der Leyen in the New York Times on 25 April, it was reported that fully vaccinated Americans would be able to visit E.U. countries (including Switzerland) this summer, since all Covid-19 vaccines currently used in the USA have also been approved by the EU’s drug regulator. But the report did not mention whether the EU was asking Americans to also provide a negative PCR test or evidence of recovery from Covid-19. There is no doubt that it will be a rocky road to revival, but if nothing else, the Americans’ “glass half full” mentality will prevail.

### 1.3 Meetings industry situation and trends

Tourism Economics predicts group business for the year will reach 34.5% of the total recorded in 2019. The fourth quarter will finish strong, coming in at 65% of 2019’s Q4 volume. Group business is expected to successively increase year on year, returning to 95% of pre-pandemic levels by 2024.

Northstar Meeting’s Group latest PULSE survey looks more promising than ever. The research conducted in February/March found that 81% of meeting planners will hold their next in-person event sometime this year, mainly in domestic destinations. Most of that business (59%) will fall in the second half of 2021. Just 19% will hold their next in-person gathering in 2022 or later. Programme inclusions have changed because of new health and safety protocols. As a result, many planners are including al fresco options: 91% of planners will include outdoor group activities and 88% will hold outdoor meal functions for their next programme.

Health and safety are front and centre for event planners. Communicating what safety protocols your brand is taking is important, but consistency and execution are even more critical so that attendees not only trust the stakeholders, but also feel more comfortable. More budget should be allocated to this in future.



Most significant for our industry, in-person trade events are being confirmed for Q3 and Q4. Already in April, IncentiveLive took place in Arizona with 120 participants and a Global Meetings Industry Day (GMID) event in NYC took place in a hybrid format with 45 in-person attendees.

States and provinces in the USA and Canada are opening in accordance with medical safety benchmarks, so some states/provinces can hold events while others still have limitations.

There's a reason that hybrid is the buzz word of the moment. It acknowledges the reality that for the unforeseeable future there is not going to be a standard event format. Hybridisation is a necessity. It provides flexibility and allows for business continuity in the event of future pandemics or other disruptions.

Swapcard (iOS/Android) and Twitter SPACES are two other new social media platforms that seek to disrupt the current offerings (i.e. Clubhouse). SCIB NA will research these platforms and evaluate their potential.

Lastly, these are the in-person events that SCIB NA currently has on its calendar so far for 2021. It will be exciting to be able to meet face-to-face and promote Switzerland as THE future Business Events destination. If you are interested in attending any of these, please contact us.

- 2-5 June: IRF Annual Invitational, FL
- 26-28 August: Successful Meetings University (SMU), NY
- 18-21 October: Global Incentive Summit, Banff
- 9-11 November: IMEX America, Las Vegas
- 18-20 November: M&I Forum, Dominican Republic

## 1.4 RFP situation in North America

The RFP situation in North America is challenging. The greatest challenge is due to the frequent disruption and unpredictable closure of the primary European borders. Given this unpredictability, it is understandable that there is some hesitance on behalf of North American clients to commit or even consider overseas destination. Everyone needs and is waiting for clarity and definition regarding travel policies.

On a positive note, we have seen an increase in RFPs in recent months. Planners are trying to move their 2020 and 2021 Q1/Q2 groups to 2021 Q3/Q4 and 2022, when 2022 already had quite a few bookings, so flexibility is key.

### **1 January 2021 – 30 April 2021**

16 RFPs received with a total of 48,316 overnights

- 0 RFPs carried out in CH with a total of 0 overnights
- 2 RFPs confirmed with a total of 200 overnights
- 12 RFPs pending with a total of 45,316 overnights
- 2 RFPs cancelled with a total of 2,800 overnights
- 0 RFPs carried out foreign with a total of 0 overnights
- 0 RFPs postponed with a total of 0 overnights



## 2 TARGETS

### 2.1 Qualitative

- Reconnect with clients and begin to transition back to “new normal” business
- Integrate the evolving travel outlook and adjust SCIB North America’s strategy accordingly
- Seek out new strategic initiatives and partnerships, given uncertain market dynamics
- Elevate SCIB North America presence on social media to proactively promote brand and stay connected to clients
- Make necessary updates to the database and client’s history
- Identify clients’ primary concerns and work to resolve them. Be the go-to local market expert capable of providing accurate and helpful destination info
- Convert RFIs and RFPs into overnight stays and consistent ROI

### 2.2 Quantitative goals

- Number of qualified contacts in the database: 5,800
- Qualified client contacts: 1,500
- Number of days with customers: 25
- Number of requests: 100
- Number of conferences, meetings and incentives in Switzerland: 20
- Number of directly influenced overnights: 10,000
- Web visits on meetings/incentives: 10,000
- Web visits destination weddings: 10,000

## 3 CURRENT DATABASE FIGURES

| Type                            | Contacts     |
|---------------------------------|--------------|
| Agencies                        | 3,376        |
| Corporates                      | 1,756        |
| Media                           | 110          |
| Associations                    | 1,027        |
| Wedding Planners                | 54           |
| Others                          | 4            |
| <b>TOTAL Qualified Contacts</b> | <b>6,226</b> |
| Inactive                        | <b>1,097</b> |



## **4 DETAILED MARKETING ACTIVITIES**

Further details of past, present and future marketing activities can be found on [www.stnet.ch](http://www.stnet.ch), which can be accessed by using your personal username and password.