Switzerland.

Market situation United Kingdom.

Switzerland Convention & Incentive Bureau (SCIB).

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1 MARKET SITUATION AND OUTLOOK

After one of the steepest declines of all major economies in the world in 2020 (-9.9% in GDP), the UK is forecasting some of the strongest growth rates for 2021 and 2022 (+5.8% in 2021, +5.7% in 2022).

This positive trend has already been apparent in the weeks since the initial easing of lockdown measures, and is in line with a recent strong increase in both consumer confidence (the highest jump on record) and the business optimism of CFOs. The fact that the UK is the leader in Europe for Covid vaccinations continues to contribute to a general feeling of optimism.

Meanwhile, the middle and upper middle classes in the UK were able to save at an unprecedented rate. Amounts between GBP 1.5 billion and GBP 2 billion are waiting to be spent and, more importantly, people are now willing to spend it. Holidays and international travel are one of the top categories for intended spending, which is proof of the huge pent-up demand for travel.

Uncertainty prevails as to the impact of a challenging political situation (scandals, Scotland's quest for independence, renewed conflict in Northern Ireland) and the effects of the post-Brexit changes, which have not been fully apparent due to the coronavirus crisis and some delayed measures. Also, mass unemployment has been avoided (for now) through a generous furlough programme, which has been further extended until September 2021.

With regards to the GBP/CHF exchange rate: this was fluctuating around 1.20 CHF/GBP for most of last year and has stabilised between 1.25 and 1.30 over the last two months, meaning Switzerland has become slightly less expensive for UK travellers. With this, the exchange rate is back to where it was for much for 2018, 2019 and into 2020.

1.1 UK meetings industry situation

The UK meetings industry had a bleak start to 2021, with a third lockdown announced by the Prime Minister Boris Johnson in the first week of January. The outbreak of the Kent coronavirus variant discovered in South East England at the very end of December stifled any hope of things getting back to normal in the first quarter of 2021, as many had dared to predict towards the end of 2020. The general outlook of clients was negative, to say the least, and many were deflated at the beginning of 2021. More redundancies hit the industry following the setback of a renewed lockdown. The extension of the furlough scheme was only announced well into spring and this government support for hard-hit companies is now continuing until September 2021 (as mentioned above), which should come as a relief to some agencies that have not been involved in any live events for over a year now.

The speed of the vaccination programme in the UK allowed for a roadmap out of lockdown, announced by the Prime Minister in late February. This roadmap for the first time included detailed information about which kinds of events can take place from when, with the first important date being 12 April. After the first two months of 2021 had a very detrimental impact on the morale of the UK meetings industry, this announcement changed its outlook dramatically. SCIB UK saw a rise in enquiries that same week, and when talking to clients in the weeks since. The general prospect of clients is once again more positive. They are starting to plan live events

in the UK for Q3/Q4 2021, though international events are only expected to return in Q1/Q2 2022 at the earliest.

Buyers are interested in reconnecting with suppliers in order to be ready when their own clients regain confidence to book events abroad. It is becoming harder to motivate them for virtual events though, not only because of Zoom fatigue after more than a year of exclusively virtual events, but also because clients are ever busier planning their own client events. As a matter of fact, the Northstar PULSE Survey of approx. 130 UK and European planners in April 2021 showed that three-quarters of those surveyed are currently focused on booking or researching live events (31% are rescheduling or rebooking events, 12% are booking new events, 8% are actively sourcing for new events and 20% are researching potential new events).

Buyers are currently incredibly busy with enquiries for live and some hybrid events and it is challenging to motivate them to meet with suppliers. The drop-out rate for events can be high and buyers tend to cancel last minute when an important brief has priority over attending an event. This is good news as it shows that the industry is slowy recovering from a tough 18 months.

A central issue for clients at the moment is the T&Cs/cancellation policies of venues and hotels, which will remain a problem for the foreseeable future. Buyers are not willing to commit to venues that are inflexible with their policies and would rather find another venue. It is therefore crucial for venues and hotels in Switzerland to update their T&Cs and become more flexible – and shout about it!

In general, it seems UK buyers will want to focus more on sustainability after the pandemic. Buyers see the value of fresh air, nature, etc. and it looks like they might be a bit more open to travelling a little while longer from the airport for that feeling of open space and exclusivity.

1.1.1 Challenges

Race for availability
Pent-up demand and a year of event postponements will have an immense effect on availability, which is a key concern for event planners. With the workforce still limited as some of the team will remain on furlough for the next few months, event planners are increasingly pressured to find venues quickly for their clients' events. For this reason, quick response times are crucial for securing any business, as planners will move on with their search if they do not get a prompt reply to their enquiry.

The new "fit for purpose"
Ventilation, catering, technical amenities for potential hybrid elements, delegate movement, safety concepts and hygiene – all are keywords that event planners will need to focus on when choosing hotels and venues for their clients in the coming months and maybe beyond. Venues and hotels need to be open and transparent about how they keep their guests safe and they need to communicate their efforts proactively. Sourcing a venue is becoming more difficult and comprehensive help from suppliers is expected. Hybrid event production is also here to stay, so it is crucial for venues and hotels to have state-of-the-art amenities in this regard as well.

Contracts/T&Cs
Another big point on any UK event planners' radar at the moment are T&Cs, especially in terms of event postponement or cancellation in case of the virus spreading again. As mentioned before, hotels and venues that can be flexible and accommodating in such cases will win the business, while those that have rigid policies and are not willing to compromise will not only lose the business in question but the event planner will likely not go back or recommend the venue or hotel to other clients. So, it is in everyone's interest to be as flexible as possible with cancellation/postponement terms and a lack thereof will have long-term impacts in the clients' confidence to book with this supplier.

Vaccination programme
Due to the speed of the vaccination programme in the UK, UK planners are now getting more concerned about the bumpy road in Europe. There is little to no confidence in travelling to a country whose vaccinations programme is only ramping up slowly. The vaccine is widely accepted.

1.1.2 Trends

Hybrid events
UK event professionals agree that hybrid events are here to stay, even after the pandemic has been overcome. Whilst clients are keen to get back to live events as soon as it is safe to do so, a certain hybrid element will still be expected. Therefore, it is crucial for venues and hotels alike to stay at the cutting edge in terms of technical equipment.

Nature and fresh air locations
An area where Switzerland has a strong competitive edge is the trend of reverting "back to nature" for incentives and even meetings. Many clients are asking for destinations with outdoor space and want fresh air, nature and freedom, having been confined to their own four walls for so long. Incentives that might have gone to a metropolitan city such as Barcelona are considering alternative destinations. This is a great advantage of Switzerland, and we are promoting the easy accessibility, beautiful nature and fresh air even more than we did before the pandemic.

Smaller hub events instead of one big event
Several corporate clients are considering hosting a number of smaller events in hub destinations instead of one large event for the entire workforce to come together. One example is an enquiry that used to be a 500 pax event and is now divided into three hub events for 165 pax, one each in Asia, Europe and the USA. There are many more of these examples, and Switzerland has a big opportunity here, being such a central and important European hub.

Sustainability
Sustainability is not a new term in the industry, but experts suggest that it is now finally the time to properly incorporate it into an event, with the pandemic being the catalyst for sustainable and green events. The "green recovery" goes hand in hand with the yearning for nature and fresh air and will occupy event professionals for the months and hopefully years to come. This is another aspect where Switzerland comes out well.

1.2 RFP situation in the United Kingdom

The pandemic has already lasted much longer than anyone anticipated and unfortunately, many UK event professionals became casualties of the large waves of redundancy last year. All throughout last year, there were only a handful of enquiries that came our way, and certainly no firm commitments from any clients. As mentioned above, clients are very hesitant to commit to an event in the current climate and with T&Cs often not being as accommodating as they would like.

Following the announcement by Prime Minister Boris Johnson in late February, we have seen a slight rise in enquiries again, as clients are starting to seek destinations and venues for when it is safe to travel again. Another reason for the increased enquiries is the abovementioned “race for availability”, which is already now a big issue for Q2/Q3 2022. We are getting more and more “cries for help” as a lot of hotels are already unavailable for next year and clients need alternatives.

We are seeing an unexpected rise in enquiries for incentives – the industry was divided last year about whether incentives will be popular again so soon. Generally, clients agreed that small meetings will come back sooner than lavish incentives, but this seems to have changed now. There is certainly a shift away from the lavish and over the top incentives, with the focus more on getting workforces back together, engaging, reconnecting and rewarding them for the tough period they have withstood. So, in general, incentives seem to be becoming more down to earth and focused on nature and the fresh air for the time being.

The general consensus of clients is that European events will only start taking place again from 2022 and they will focus more on the UK this year, as the situation seems more stable here at the moment. Enquiries we get are mostly from approximately Q2 2022 onwards.

What is clear is that the industry landscape is changing dramatically. It is believed that both corporates and agencies will rely on freelancers for project-based work in order to stay lean and flexible, and avoid committing to full-time staff. However, there is a dramatic lack of talent, not only in the hospitality industry but also in the events industry, and many agencies and corporates are very much struggling to recruit new employees and talents. Many event professionals have left the industry due to the pandemic (better working conditions in other industries, more secure job, etc.), and they are not coming back.

By the end of Septemer 2021, SCIB UK has had 21 requests, all but one since the end of February (Prime Minister’s announcement about roadmap out of lockdown).

The SCIB will continue to be active in the market and stay informed about the changing industry landscape. There will be a greater focus on the more stable segments of corporate event organisers and associations, and we will continue to look out for new opportunities and ways to stay present and top of mind for clients as well as reconsidering present marketing activities for their ROI.

2 TARGETS

- Update and clean client database and keep informed about changing industry landscape
- Fast, pro-active and professional approach towards the market
- Maintain strong market presence, even in a crisis, and explore new paths where possible, both KMM and KAM
- Generate new awareness and keep existing clients' interest in Switzerland as a MICE destination
- Develop new strategies to market the SCIB and Switzerland as a MICE destination, particularly with corporate buyers
- Continue to support buyers with our much-valued quality service
- Improve quality of existing marketing activities and evaluate their benefits and use for an ever-changing landscape and industry
- More focus on UK association market in co-operation with head office
- Target corporate clients who have a strong relationship to Switzerland

3 CURRENT DATABASE SITUATION

Kind	Contacts
Agencies	3,533
Corporates	1,015
Association	442
Press	101

4 DETAILED MARKETING ACTIVITIES

Further details of past, present and future marketing activities can be found on www.stnet, which can be accessed by using your personal username and password.

Sources

- Destinations Alliance Commissioned Report "Buyer Sentiment Report", March 2021
- Personal conversations with clients throughout the pandemic
- Northstar PULSE Survey, April 2021
- UK Agent & Planner Research by Meetings Industry Association, March 2021
- Evens Industry Round Up by Eventbrite, March 2021
- The Return to Live (ThinkTank Insights Report) by WRG, March 2021