



**Switzerland.**

# Market situation United Kingdom.

Switzerland Convention & Incentive Bureau (SCIB).

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# 1 MARKET SITUATION AND OUTLOOK

The UK's economy is recovering, and is expected to reach pre-crisis levels in mid-2022. Output growth of 4.7% is projected for 2022, slowing to 2.1% in 2023. Consumption is the main pillar of growth. Higher marginal costs following the UK's exit from the EU single market are weighing on imports and exports. Inflation is rising due to higher energy and raw material costs as well as continuing supply bottlenecks. It is expected to peak at 4.9% in the first half of 2022 and then fall back toward the 2% target by the end of 2023.

The euphoria of the positive outlook following the exit from the EU has faded. Domestic political problems are poison for a positive consumer mood. Nevertheless, the British are known for their pragmatism and are more than willing to travel abroad again after almost two years of various levels of "lockdown". As in other countries, middle and upper-class consumers have been able to put considerable amounts of money aside for travel over the course of the crisis.

The loyalty of British visitors remains high. The "lakes and mountains", "scenic trains" and "snow sports activities" in Switzerland remain popular draws to the country. As more discretionary wealth is available, there is a focus on travellers who want to treat themselves to a premium vacation experience. An increasingly important factor, both in the travel industry and among consumers, is sustainability. Switzerland is very well positioned in this respect. Direct flight connections are constantly being reinstated and will reach around 80% of pre-crisis levels in the summer of 2022. Swiss International Air Lines, for example, had 176 weekly flight connections between the UK and Switzerland in summer 2019 and is scheduling 140 for summer 2022. The GBP–CHF exchange rate has generally been stable over the past few months, at between CHF 1.23 to 1.27 per GBP.

The overnight forecast is positive. A cumulative growth of 34% is expected from 2022 to 2024. The total number of overnight stays in hotels in 2024 is expected to be around 1.5 million.

## 1.1 Situation for the UK's meeting industry

The start of the year was once again greatly influenced by the pandemic in 2022. In December 2021, it was announced that a further variant has made its way to the UK. The new "omicron" variant spread rapidly, and people were worried about their year-end holiday celebrations. Just like last year, the new variant created an unfortunate start for 2022.

The spread of the third vaccination "booster" provided people with hope for the upcoming year. Many people predicted that 2022 might be the year that things would return to "normal". The last and final vaccination gave companies the courage to book larger-scale events. We are slowly receiving more RFPs this year, as the entire world is slowly removing restrictions and the number of cases is falling. Events that had been cancelled or postponed in previous years due to Covid-19 are scheduled to take place in 2022. Most industry events that are taking place this year are either in person or only partially virtual, which is a huge improvement.



At the current time, we are in a transformational period. People and the industry can finally see a light at the end of the tunnel. Restrictions are slowly being reduced, numbers are dropping, and 65% of people have received their booster vaccine in the UK. The end is in sight, but the new variant scare at the end of 2021/beginning of 2022 has meant that many planned events or incentives have still had to be cancelled or otherwise held in a country where restrictions were more lenient.

The meetings industry has come out of the past two years with many lessons learned. Hybrid and virtual events will still happen. This is also in connection with flexibility and simplicity. The pandemic has led professionals in the industry to question their jobs much more, which has meant that many people quit their jobs or did not come back to the industry after having been made redundant. Unfortunately, this has had a negative impact on the meetings industry, which is now missing a lot of the professionals and talent that would normally be tackling the backlog of events in 2022. The hiring process has become more difficult, as companies still want the right talent for their vacancies and are struggling to train up their people as many agencies are so busy.

Additionally, because of the time that people were able to spend at home and reflect, the topic of “well-being” is at the top of people’s priority list. Mental and physical health has become more important at an individual level and, with this, the importance of sustainability was further induced. Sustainable events and meetings are sought after by the clients of this industry. Whilst the topic of sustainability has been a talking point for the past few years, the pandemic has given it the necessary urgency, and clients now see the benefits of being out in nature, reducing waste and staying in sustainable accommodation.

A recurring issue for clients is the T&Cs and cancellation policies of venues and hotels. Buyers are not willing to commit to venues that are inflexible with their policies and would rather find another venue that does show flexibility instead. It is therefore crucial for venues and hotels in Switzerland to update their T&Cs and become more flexible. The importance of flexibility is going to remain, even long after the pandemic has ended.

To conclude, the pandemic has had a major impact on the meetings industry and will continue to shape the future in both positive and negative ways. Clearly, people are putting a focus on sustainability and well-being after these years with Covid-19. As far as travelling abroad goes, the vaccines and the reduced restrictions will support meetings, conferences and incentives abroad. If the world continues to open up and leave the pandemic behind, more buyers will take the step to book abroad and travel again.

### 1.1.1 Challenges

#### **Recruitment of talent**

The pandemic and Brexit have impacted the industry’s job market. The pandemic has given people the opportunity to review their career choices. Some people have completely changed their career goals and left the industry for good. People are longing for a more secure and stable career choice – the opposite of what the industry was because of the pandemic.



Currently, there are more job vacancies than potential candidates. Even if a candidate brings the necessary requirements, such as a digital affinity because of virtual events, larger companies promise higher salaries, which leaves smaller companies with vacancies.

### **Creativity**

Not being able to attend events has created a new desire. If you are finally able to join an event, it must be spectacular. Companies are required to be creative with their ideas, and provide special venues and interesting activities. However, more creativity also means more time invested for the same costs. What's more, if you are unable to pitch a creative idea, your destination will not be chosen. Constantly being on the look-out for special and interesting venues and activities is now more important than ever.

### **Domestic events**

Travelling to another country has become less desirable. Due to travel restrictions, people in the UK have decided to experience their own country and hold regional and national events rather than go abroad. Whilst staying close by, people have discovered that it is not too bad to hold an event in your own country. Nevertheless, as countries are opening up and restrictions are easing, the appetite for travel is coming back. A destination like Switzerland in particular, with its clean and safe image, has huge advantages over the tried-and-tested city destinations such as Barcelona and Amsterdam.

## **1.1.2 Trends**

### **Hybrid events**

Hybrid events are here to stay! New event formats, such as hybrid events, have shown clients that they have their own benefits, as they open up the event experience for more attendees, even if they participate virtually. Especially for paid events that profit from many attendees, hybrid events are a massive opportunity, which is why venues and hotels should stay on top of their game when it comes to technical equipment. Equipment needs are becoming more sophisticated, so constantly staying up to date is vital.

### **Demand for reconnection**

The pandemic has forced us to stay at home and reduce our social contact. Unfortunately, that also meant that participating in events was not possible. People have had enough and finally want to get back out there. Networking is a big part of the meetings industry, and it is finally time to start getting back to connecting in person. The only challenge is that clients are busy delivering the backlog of events from the past two years. A good position to be in!

### **Smaller events and shorter lead time**

According to M&IT Magazine, last-minute event bookings will most likely continue in 2022. In the article, Stephanie Macfarlane, senior corporate agency and sales manager at ACC Liverpool, said: "Travel restrictions mean that delegate attendance has decreased and will continue to do so until international travel returns to some sort of normality. However, we are seeing a return of confidence in the conference market so we remain hopeful for the future."

### **Well-being**

Staying at home and taking care of yourself has become more prominent because of the pandemic. There is finally time to reflect on what your desires are and what your body needs.



Many clients are asking for destinations with outdoor spaces and want a feeling of fresh air, nature and freedom, after having been confined to their own four walls for so long. A great advantage offered by Switzerland, and we are promoting the easy accessibility, beautiful nature and fresh air even more than we did before the pandemic.

### **Sustainability**

Sustainability is not a new term in the industry, but experts suggest that it is now finally time to properly incorporate it into an event, with the pandemic being the catalyst for sustainable and green events. In particular, the words “reduce”, “carefully plan” and “digital alternatives” are used to enhance sustainability for venues and 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 years to come. This is another aspect where Switzerland can score well.

## **1.2 RFP situation in the United Kingdom**

The pandemic has led to a drop in enquiries, especially last year in 2021. In general, we expect European events to start taking place again in 2022, as the situation is moving in a positive direction. Some restrictions are still in place as of the beginning of 2022, and clients are still hesitant to commit. However, as the number of Covid-19 cases is falling, enquiries are slowly picking up for the second half of the year. We have received requests for June or October 2022, for example. Additionally, events that were postponed in earlier years are coming up this year. This all means that we can expect a rise in the number of events this year.

This year, as at the end of February 2022, SCIB UK has had nine requests, one of which has already been confirmed. This number is already higher than the figure seen at a later point last year, in April 2021. Requests are definitely picking up again, and people are looking into travelling abroad more.

What is clear is that the industry landscape is changing dramatically. Events need to be really “worth it”, otherwise people will not book travel abroad. Furthermore, technological requirements will continue to play a major role in the future. Hybrid and virtual events will most likely continue, even after restrictions are lifted.

SCIB will continue to be active in the market and keep informed about the changing industry landscape. There will be more of a 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 and to reconsider present marketing activities for their ROI.

## **2 TARGETS.**

- Update and clean client database and keep informed about the changing industry landscape
- A fast, proactive and professional approach towards the market



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

### 3 CURRENT DATABASE SITUATION.

Kind	Contacts
Agencies	3,697
Corporates	1,038
Association	447
Press	103

### 4 DETAILED MARKETING ACTIVITIES.

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

#### Sources

- BVEP The Shape of Events, September 2021
- C&IT Agency Report 2021, October 2021
- C&IT Corporate Report 2021, February 2022
- CMW "Travel Trends for 2022", January 2022
- M&IT Magazine "Key Trends for Hotels and Venues 2022", February 2022
- M&IT Magazine "Sector must rethink relationship with climate change", February 2022