



Switzerland.

Market situation United Kingdom.

Switzerland Convention & Incentive Bureau (SCIB).

MySwitzerland.com/meetings





1 MARKET SITUATION AND OUTLOOK

The recovery of the UK economy has slowed down in the first half of 2022. Cost of living is increasing dramatically, mostly due to higher energy costs, but also more expensive everyday items such as groceries and transportation, with a record inflation of over 10% in July 2022, the highest of all major Western countries (G7) and the highest for the UK in 40 years. Earlier this week, economists of Citi published an estimate of up to 18% inflation by the end of the year for the UK. Multiple strikes over the last weeks and months - tube, bus service, national rail, barristers - also have a negative effect on consumer confidence which has been decreasing lately.

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" and some of the strictest travel bans globally. The major issues in air travel which we saw in the UK and other countries in early summer – a great numbers of cancelled flights, delays, endless queues, major baggage issues - created weeks of negative headlines and diminished travellers' confidence.

As in other countries, middle- and upper-class consumers have considerable amounts of discretionary wealth available after the crisis, which they are now spending for travel and to treat themselves to a premium holiday experience. And these consumers suffer less from the challenging economic environment.

Over the first half of 2022, the number of overnights from the UK in Switzerland is still down by almost 27% compared to 2019. However, during the two winter-only months with very limited travel/Covid restrictions - February and March - overnights from the UK in the Swiss Alps (not the cities, though) were almost back to 2019 level.

The loyalty of British visitors remains high. The "lakes and mountains", "scenic trains" and "snow sports activities" in Switzerland remain popular. An increasingly important role, both in the travel industry and among consumers, is sustainability. Here, Switzerland is also very well positioned. However, due to the restrictions imposed on air travel by airports expected to last for another six to nine months, we will most probably see a continued slow recovery. But with leisure travel going well already, and business travel recovering slowly as well, we are confident that in 2023 we reach the 2019 numbers or even surpass them.

The exchange rate GBP-CHF has been at historic lows - as low as 1.11 CHF per GBP (on 15.09.22), which increased the price of staying in Switzerland.

1.1 Status of the UK meeting industry

The start of 2022 was again greatly influenced by the pandemic. In December 2021, it was announced that a further variant has made its way to the UK. The new variant "omicron" 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 rollout of the third vaccination "booster" provided people with hope for the upcoming year. Many people predicted that 2022 might be the year that things will return to "normal". Currently, "normal" is the way we feel. RFPs are rising and restrictions are almost completely removed.



Events that had been cancelled or postponed due to covid-19 in previous years are scheduled to be back in 2022.

At the beginning of the year, people and the industry could finally see a light at the end of the tunnel. Restrictions were slowly reducing, numbers were dropping and 65% of people received their booster vaccine in the UK. The variant scare at the beginning of the year meant that many planned events or incentives were cancelled or held in a country where restrictions were more lenient. Luckily, now after eight months, it feels like the industry is going back to the way it was before the pandemic.

This year's Industry events usually took place in person. During various events that we attended in the last eight months, it was clear that the need to re-connect is strong and that buyers, as well as suppliers were glad to finally be "back in business". This is a huge improvement compared to last year! Nevertheless, the pandemic has shown us that virtual events are possible. Virtual or hybrid events are still taking place. However, the main reason for going virtual is no longer Covid, but rather the option of staying in the comfort of your own home and not having to travel far to get to an event.

The pandemic has given the industry the opportunity to change. Many learnings have come out of it. For example, providers have had to quickly adapt and refine their products to avoid going bankrupt. Also, hybrid and virtual events are happening and will continue to happen in the future. As previously mentioned, this is also in connection with flexibility and simplicity.

Furthermore, the pandemic has led professionals in the industry to question their jobs much more, which meant that many quit or did not come back to the industry after they were made redundant. Unfortunately, this has had a negative impact on the meetings industry that is currently missing a lot of professionals and talents to carry out the backlog of events throughout 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. However, the people that did stay in the industry wanted to learn how they could improve and adapt to this new way of holding events and become more employable.

Additionally, through the time that people were able to spend at home and do more thinking, the topic "well-being" is on top of people's priority list. Mental and physical health has become more vital to the individual and with this, the importance of sustainability was further induced. Sustainable events and meetings are something the clients of this industry seek. Whilst the topic of sustainability has been a talking point for the last few years, the pandemic has given it the necessary urgency and clients now see the benefits of being in nature, reducing waste and staying in sustainable accommodations.

A recurring issue for clients are the T&C's 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. 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 stay, 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 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 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 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 became because of the pandemic.

Currently, there are more job vacancies than potential candidates. Even if a candidate brings the necessary requirements, such as digital affinity because of virtual events, bigger 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, provide special venues and interesting activities. However, more creativity also means more invested time for the same costs. Additionally, if you cannot 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 the Brits 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 and restrictions are easing, the appetite for travel is coming back. Especially a destination like Switzerland, with its clean and safe image, has huge advantages over the tried and tested city destinations like Barcelona and Amsterdam.

1.1.2 Trends

Hybrid events

Hybrid events are here to stay! New formats of events, such as hybrid events, have shown clients that they have their own benefits, as they open 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 contacts. 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 being confined to their own four walls for so long. 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.

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. Especially, 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 point where Switzerland can score well.

1.2 RFP situation in the United Kingdom

The pandemic has caused a drop in enquiries, especially last year in 2021. In general, we expected European events to start taking place again in 2022, as the situation was moving in a positive direction. Some restrictions were still in place as of the beginning of 2022 and clients were still hesitant to commit. Therefore, we only had one event that took place in the beginning of the year. The next RFPs were only for March 2022. However, as the covid-19 cases decreased, the enquiries for the second half of the year picked up. For example, we received requests for the end of the year, as well as for 2023. Additionally, events that were postponed in earlier years are coming up this year.

By the end of August 2022, SCIB UK has had a total of 52 requests, where 6 are confirmed and 5 were already carried out. This number is already higher than the entire year of 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 a 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 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 reconsider 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 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	3785
Corporates	1050
Association	457
Press	103

4 DETAILED MARKETING ACTIVITIES.

Further details of past, present and future marketing activities can be found on stnet.ch, which can be accessed by 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
- BVA BDRG "Meetings & Events State of the Nation", 2022