



# 1 MARKET SITUATION AND OUTLOOK.

## 1.1 Economic situation

### United States

Economic growth remained solid through the end of 2022 as the strong job market and Federal reserve actions to control inflation did not deter Americans from spending to the degree originally expected. According to the U.S Commerce Department, consumer spending and confidence showed surprising strength despite persistent inflationary pressures and recession fears.

Gross Domestic Product (GDP), adjusted for inflation, increased at an annual rate of 2.9 percent in the fourth quarter of 2022. Consumer spending grew at a 2.1 percent rate and the Jan 2023 U.S unemployment figures a decrease to 3.4%, the lowest rate since 1969.

The question now is whether the U.S resilience can continue through 2023. If Inflation resurges, the Federal Reserve has signaled it will continue to raise rates to bring it under control. There is also the threat of a battle in the U.S Congress over raising the debt ceiling. A default by the U.S would almost definitely trigger a globally impactful cascade of unimaginable financial devastation. All these uncertainties only add to already known threats such as worries over covid resurging, U.S – China tensions and the ongoing conflict in Ukraine.

The headwinds are many, but so are the causes for cautious optimism, especially if the U.S economy continues to be resilient. According to GBTA, “On average, North America-based travel managers estimate their company’s domestic business travel bookings have recovered to 63% of the pre-pandemic level. This is similar to the average for Europe-based travel managers (61%). Three quarters of Travel Managers expect clients to take more trips in 2023 regardless of region. Perhaps most importantly, most travel programs do not plan to pre-emptively limit business travel next year despite economic concerns.

### Canada

Canada’s political and economic outlook remains relatively stable. Justin Trudeau’s re-election to another term in 2021 was accompanied by losing his Political Party’s majority. The divided government may create a bit of gridlock but is not expected to have any significant or far-reaching adverse impact on the business environment.

There is consensus among both Party’s on the importance of climate, affordable housing, and health care. Canada faces some inflationary hurdles; however, the Canadian Government has affirmed its intent to continue working towards managing them and its commitment to meeting its pledge to the global transition from less clean energy sources to more environmentally friendly green energy sources.



Due to Canada's abundance of many natural resources, especial oil, an industrial mineral, this is a significant pledge. Its rich resources allow it fair amount of energy independence. It has also helped strengthen ties with the USA and Europe because it is a more stable alternative source to China for many minerals critical in manufacturing batteries for e-vehicles, phones, and computers.

While Canadians are concerned about inflation and the associated rise in the costs of living, Canada is entering the expected global economic slowdown from a position of fundamental economic strength. Its economy has largely recovered from the COVID-19 crisis, and domestic demand has increased. The economic growth in 2022 has been the strongest in the G7. Stronger even than the United States, United Kingdom, Italy, Germany, France, and Japan. Real GDP is projected to grow 0,7% in 2023.

Although the unemployment rate is projected to increase slightly by the end of 2023, 400,000 more Canadians will have been working by the end of 2022 compared to the pre-pandemic levels.

Despite the impending headwinds, it's important to remember that it's not necessarily stopping Canadians from traveling. Some 41% of Canadians say they will likely book or have already booked an international trip in the next 12 months, ranking higher than the global average (30%).

From a Business Events perspective, a recent SCIB networking activity in Toronto was very well received by the Meeting Planners and confirmed the importance of a physical market presence and pinpointing what Switzerland has to offer. Budget is the number one concern when considering Europe and Switzerland.

## 1.2 Travel industry in General

The international business travel outlook for 2023 is mixed but trending positively. According to the GBTA, most travel suppliers expect continued business travel recovery. More than four in five (85%) expect the number of bookings by corporate clients to be higher in 2023 than last year. Additionally, 80% also expect spending by corporate client to increase in 2023.

One of the most interesting re-emerging travel trends is that of "Bleisure Travel." Bleisure is the combination of business and leisure travel. According to a [GBTA](#) survey, "37% of American business travelers extended their business trips for leisure in the past year, and 81% stayed at the same place for Bleisure purposes." The hybrid work models and increasing flexibility companies allow to work from 'home' – wherever you choose home to be also supports this trend.

Travelers of all categories also show greater interest in more wholistic travel experiences. Environmentally and socially aware, travelers have shown a growing desire to have their flight,

hoteling and other travel components better align with their personal principles. Environment, social and governance (ESG) policies, Green Tech and sustainability, are becoming ubiquitous terms and areas of concern. This may affect where some people travel, how they travel, and how long they choose to stay.



Another area of note is travel safety. Though most travelers have a significantly reduced fear of COVID-19, they are still concerned with the general safety protocols their employers and travel destinations have in place. As a report by Amadeus and Ititiite highlighted, “Employees travel to various destinations where they can face unforeseen circumstances such as civil unrest, bad weather conditions, delayed flights... when (employees are) out on the road, companies must do all they can to ensure they feel safe from the beginning-physically and mentally.”

According to Nancy Tudorache, Global Business Travel Association (**GBTA**) regional vice president, Americas, the good news for the travel sector, according to GBTA’s polling, is that most companies are not limiting their business travel due to economic concerns. Also, according to GBTA’s data, financial concerns have eclipsed worries over Covid, meaning the barriers to recovery center more on business’ economic outlook. GBTA expects the business travel industry to surpass 1.47 trillion by 2026. For more information on the impact on Destination Selection, click [here](#).

NorthStar has also had its first Travel Talk with the major Travel Editors discussing where people travel and meet in 2023. To listen to the 10 min talk, click [here](#).

### 1.3 The situation of the Meeting Industry & Trends.

Despite the challenges domestically and globally the last three years recovery is in full swing, even if it is uneven and far from complete. We have an incredible opportunity to continue to innovate and diversify, building a more resilient meetings industry.

SKIFT has explored seven key trends shaping the meetings industry in 2023 and beyond. They believe these trends will shape how we plan, design, and execute business events. To download the full report, click [here](#).

The Incentive Research Foundation (IRF) also conducted a recent study. Their key finding predicts a positive outlook for noncash rewards. Gift-card spending is projected to be slightly higher than merchandise spending. European incentive budgets are expected to increase by 52 percent overall, and North American incentive budgets are estimated to increase by 44 percent in 2023. For the full report summary, [click here](#)

IRF has also released the top trends for incentive, reward, and recognition programs for 2023:

- **Expanded Role of Incentives Professionals:** The new decentralized workforce comes with new expectations and considerations for the structure and delivery of engagement programs to inspire employee performance and loyalty.
- **Incentive Travel is Scaling Back...** The demand for incentive travel is strong for 2023, but economic and staffing issues often force incentive program owners to scale back.
- **...And Ramping Up:** To meet the needs of the changing workforce, incentive travel needs to be more exciting, more exclusive, more experiential, more authentic, and more memorable than ever.
- **Patience Has Run Out:** Suppliers have noted that incentive clients now expect services to be delivered at pre-COVID levels, mainly where costs are higher than pre-pandemic.



- **Downtime Is the Hot Activity:** Attendees want more choices in their schedules, the time between programs, and blocks of time to recharge or catch up with work.

To read the complete list of trends and view or download a copy of the report, please visit [The IRF 2023 Trends Report](#) webpage.

## 1.4 RFP situation in North America.

SCIB NA ended 2022 strongly. We generated 213 NA originated RFPs and 60 Switzerland based RFP's. This resulted in 45,158 overnights booked, nearly back to 2019 levels. This is tremendous accomplishment and shows the resilience of the Swiss business events travel segment despite the challenges still weighing down the global economic picture.

2023 has gotten off to a good start, with 16 RFPs currently being worked on. Clients are reaching out to CVBs in early-stage planning before outsourcing to destinations/hotels or DMC's. There is significant demand for exclusive locations & activities with full 5\* service at a 4\* price is the most popular!

## 2 TARGETS 2023.

### 2.1 Qualitative.

- Keep our strong market presence and align with market needs and development within the business events industry.
- Identify clients' primary concerns and work to resolve them. Be the go-to resource local market expert capable of providing accurate and helpful destination info.
- Adapt to new trends and find the most efficient and new platforms to stay in contact with clients.
- Seek out new strategic initiatives & partnerships given uncertain market dynamics.
- Elevate SCIB NA's digital presence to promote the brand & stay connected to clients proactively.
- Make necessary updates to the database and the client's history.
- Research, qualify & (re)connect with associations and Destination Wedding planners in conjunction with HQ.
- Convert RFIs and RFPs into overnights and consistent ROI.

### 2.2 Quantitative Goals

- Number of qualified contacts in the database: 6,500
- Qualified client contacts: 1,500
- Number of days with customers: 50
- Number of requests: 180
- Number of conferences, meetings and incentives in Switzerland: 72
- Number of directly influenced overnights: 50,000

### 3 CURRENT DATABASE FIGURES.

Type	Contacts January 2022	Contacts January 2023
Agencies	3,289	3,489
Corporates	1,755	1,833
Press	108	91
Associations	1,026	1,045
Wedding Planners	52	91
Others	6	24
<b>TOTAL Qualified Contacts</b>	<b>6,236</b>	<b>6,573</b>
Inactive	<b>551</b>	<b>1,541</b>

The above numbers have fluctuated quite a bit due to the high staff turnover, furloughs, redundancies, and layoffs. SCIB continues to qualify the database and monitor the changes regularly.

### 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 using your username and password.