





# 1 MARKET SITUATION AND OUTLOOK

The recovery of the UK economy after Covid has slowed down in 2022, and for 2023 economists forecast a stagnant development. The cost of living has been increasing significantly, mostly due to higher energy cost, but also more expensive everyday items such as groceries and transportation, with a record inflation of over 10% in Autumn 2022.

However, inflation has since stabilised and is expected to continue to fall. Meanwhile, the stock exchange has reached an all-time high, fuelled by a weak Pound Sterling compared to major other currencies. The exchange rate GBP-CHF is at historic lows – as low as 1.11 CHF per GBP – which increases the price of travel to Switzerland.

Multiple strikes over the last weeks and months – tube, bus drivers, national rail, National Health Service (NHS), teachers, border force etc. – and an uncertain political situation have a negative effect on consumer confidence.

## **UK Travel Market**

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 last summer – a great number of cancelled flights, delays, endless queues, major baggage issues – created weeks of negative headlines and diminished travellers' confidence.

These issues were worse in the UK than in most other places as the airports and their infrastructure and services (baggage handlers, security and immigration staff, other support staff) here were not ready after they were forced to massively cut their operations over the last two years result in shortage of staff and lack of training. With Brexit it has become a challenge to hire staff from outside the UK.

## **Opportunities for Switzerland**

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.



## 1.1 Situation of the UK meeting industry

The 2022 results of the UK agencies have been positive throughout. Agencies and companies have organised a large number of (postponed) events with fewer employees and have almost returned to pre-pandemic levels. Even though most reports on the economic situation in the UK are negative due to Brexit, the MICE industry is surprisingly positive.

In the past two years, the British have learned to discover and appreciate the beauty and variety of their home country – both privately and for business. There is a return to a desire travelling abroad now. Switzerland has a part to play in hosting meetings and business events with UK attendees whose desire to travel is up.

Brexit, the pandemic, the economy, and the health have only a limited impact on the MICE industry. The current strikes in both public and air transport are short-term annoyances. The British are dealing with these with pragmatism and find new solutions. In the longer term however, the strikes could lead meeting planners preferring to hold their events in destinations that are reliable and make the planning easier.

Many companies no longer have business premises or have drastically reduced their office space. As a result, many employees work from home. This makes it difficult to live or even develop the company's own culture. Most employees enjoy not having to commute every day though. However, a sense of togetherness is lost. Managers have recognised this situation and bring their employees – or just individual teams – together several times a year. The aim is to re-establish a sense of togetherness through shared experiences. Often, these experiences are financed with the money saved from abandoned office space. This can be illustrated by the words of Ian White, CEO of ChartHop Inc, who declared: "I would rather take the money that we could have spent on a bunch of puffy chairs and a ping-pong table and spend that on an experience that people will remember."

A few trends to point out as relevant for Business Events:

### **Sustainability**

The topic of sustainability is on the lips of everyone. Due to clients' CSR (Corporate Social Responsibility) regulations, agencies are increasingly faced with offering sustainable options for meetings, events, incentive destinations, and transport. Sustainable practices are increasingly important to clients and feature more frequently in Request for Proposals (RFP). Accordingly, they are dependent on finding sustainable easy to offer solutions to their clients. However, possible additional costs are rarely accepted by the clients. Therefore, service providers must come up with creative approaches to reduce electricity and energy as well as food and other waste. "Greenwashing" must be avoided.

### **Equity, diversity, and inclusion**

More than almost any other industry, the hospitality industry stands for equity, diversity, and inclusion. All guests are equally welcome. On the part of the employees, each employer can also take appropriate measures and criteria based on its own CSR (Corporate Social Responsibility) strategy. As a further example of inclusion, the commitment of HB Cares should be mentioned here. The UK chapter of HelmsBriscoe – a global venue finder association – supports the National Autistic Society's *Autism at Work Programme* to help autistic jobseekers into paid employment in the hospitality industry.



### **Creativity and Experiences. The new luxury.**

As companies scramble to retain and recruit staff, meetings and incentives are tied directly to corporate goals. Business Events needs to be more exciting, more exclusive, more experiential, more authentic, and more memorable than ever. It also needs to be customised, personalised, and create unique experiences that are unforgettable for all participants. Collaborative, innovative, and creative thinking will become even more essential as it is critical that venues focus on the overall experience, they are able to deliver for clients. If we aim to extend the stay of event attendees, venues should highlight the wider experience and value-added opportunities on offer in their regions. The definition of luxury is now shifting and does not necessarily mean a five-star hotel. Experience is considered “the new luxury” and is a top driver of destination choice among buyers today. Therefore, unusual event locations should continue to be highlighted in the future as clients are looking more and more or out of the ordinary experience.

## **1.2 Challenges**

### **The difficulty of recruiting and keeping talent**

With the growth of opportunity in the market, companies face difficulty in retaining employees. Indeed, there are now more jobs than ever to apply for. Employees are seeking not only self-improvement and better work, but also a better salary. Moreover, it seems that the younger generation is less likely to stay with the same company for several years. The wellbeing of the employees and the improvement of the company’s team culture are now at the centre of “the retaining talent” strategy. This will be more important than ever as executives in the hospitality industry seek to attract and retain talent in their sector.

### **The future of meetings**

Since the pandemic, the virtual and hybrid events have gone from trendy to standard in the industry. Even if virtual events have become permanent elements of many event companies, the necessity of face-to-face engagement has never been more important as the industry attempts to re-humanise. Therefore, the challenge is to determine the most appropriate format for the type of event. Collecting data before, during and after events will be an absolute must as it will help the organizers to decide which format is the best. As a matter of fact, data is helpful for understanding the trend to pivots to live or virtual events. Some recent data show for example that shorter events with international speaker or events where networking is not a key component are more likely to be virtual. Moreover, most face-to-face events will have a hybrid element. In short, the industry must now consider virtual, hybrid and in-person meetings when launching an event and ensure that the right format is used.

### **Clients’ expectations**

Short lead times and conversions will continue to be a theme for business meetings and events in 2023. Clients are expecting services to be delivered at pre-COVID levels, particularly where costs are higher than pre-pandemic. COVID, supply chain, or staffing shortage excuses are not something clients want to hear when they are paying the same cost or higher as pre-COVID. Even if the event budgets have slightly increased since the pandemic, the main reason behind this is the “increasing prices”. More than ever, the clients are expecting creativity and innovation along with clear briefs and a high level. With higher prices, the agencies and suppliers are expected to bring their A-game.



## 1.3 RFP Situation

By the end of 2022, the Switzerland Convention & Incentive Bureau UK/Ireland was aware of 81 enquiries, where 1 is confirmed and 10 carried out. Demand was in line with forecast expectations.

The end of 2022 and the beginning of 2023 were both quieter than expected. With the start of business in the new year from clients and renewed presence by SCIB in industry sales events, demand for holding events in Switzerland increased again. Interest in 5-star and 5-star-superior hotel offerings was particularly strong. Since January 2023, SCIB UK has already received 15 requests on which we are working now.

We are expecting a continuous increase of enquiries in 2023. One of our main focuses is to keep track of the different requests received and work together with our partners to carry out as many requests as possible in Switzerland.

## 2 TARGETS

- Maintain strong market presence and explore new paths where possible, both KMM and KAM
- Generate new awareness and keep existing clients' interest in Switzerland as a MICE destination especially towards agencies
- Develop new strategies to market SCIB and Switzerland as a MICE destination
- Critically question existing sales formats and possibly develop new ones.
- Continue to support buyers with our much-valued quality service
- Keep informed about changing industry landscape
- Fast, pro-active, and professional approach towards the market
- Update, clean and evaluate client database
- Improve quality of existing marketing activities and evaluate their benefits and use for an ever-changing landscape and industry
- Focus on UK association market in co-operation with head office as well as with SCIB-partners committed to this field
- Target corporate clients who have a strong relationship to Switzerland

### 3 CURRENT DATABASE SITUATION.

Kind	Companies/Institutions	Contacts
Agencies	1'321	3'432
Corporates	625	911
Association	334	420
Press	40	90
Wedding Planners	80	96

### 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.

#### Sources

- C&IT – Conference & Incentive Travel Magazine, Corporate Report 2022
- CMW – Conference & Meetings World Magazine, November/December 2022
- MIA “Meeting & Events Industry trends and predictions for 2023”, December 2022
- C&IT – Conference & Incentive Travel Magazine, Incentive travel challenges and trends for 2023, February 2023