



Switzerland.

Market situation North America.

Switzerland Convention & Incentive Bureau (SCIB).

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1 MARKET SITUATION AND OUTLOOK.

1.1 Economic situation

1.1.1. United States

The Conference Board forecasts that the growth seen in many parts of the economy will gradually buckle under mounting headwinds later this year, leading to a very short and shallow recession. This outlook is associated with numerous factors, including elevated inflation, high-interest rates, dissipating pandemic savings, lower government spending, and the resumption of mandatory student loan repayments. (source: The Conference Board, August 2023)

Although headline inflation rebounded slightly in July, the underlying data suggests that U.S. inflation continues to decelerate. This is good news for the Federal Reserve, which must decide whether to continue interest-rate increases or wait. For the Fed, the current situation is the best of all worlds, with inflation continuing to decline and the economy continuing to grow. It offers the possibility of the much hoped-for soft landing. Still, risks exist, especially if the Fed's tightening leads to financial market turmoil.

A new report from the Federal Reserve Bank of New York indicates that, although household debt in the United States continues to grow, the financial condition of U.S. households remains favorable. Earnings are now rising faster than prices, meaning households are seeing an increase in real (inflation-adjusted) income. That will be good news for consumer spending. The U.S. job market continued to grow in July but at a more modest pace than previously. This signals that the overall economy is decelerating in response to the monetary tightening implemented by the Federal Reserve." (Deloitte, August 2023)

1.1.2. Canada

The current Canadian economic outlook is much more unstable relative to the U.S. This is likely to continue, at least in the short term. Recent general economic factors such as unemployment and inflation have both had an inconsistent trend. Inflation rose in July after being lower in June, and unemployment rose to 5.5%, almost 2% higher than the U.S. Consumer prices for goods including mortgages also have been trending higher, further putting a squeeze on the economy. All of these have only been complicated and compounded by the wildfires that flared up earlier this summer and though less active, are nevertheless still going. This likely means that at least for sectors of the Canadian economies and businesses most impacted by the factors mentioned, expenditures on meetings and business travel will be challenging for the foreseeable future.

1.2 The Situation of the Meeting Industry & Trends.

According to the most recent IRF study of Incentive Travel Programs – surveyed over 350 core stakeholder groups consisting of incentive planners / third party agencies, hoteliers, tourism/ convention & visitors bureaus, and destination management companies - The outlook for incentive travel remains strong. Most respondents expect travel to increase or remain stable through 2024.

The study was conducted from late April through June 2023. A total of 372 respondents completed the survey, representing four stakeholder groups: incentive planners / third-party agencies, hoteliers, tourism bureaus/convention & visitors bureaus, and destination management companies.

Key insights presented in *Incentive Travel Programs – Expectations & Challenges*:

- Incentive travel planners expressed growing interest in international travel – a 4% increase over 2022.
- 96% of incentive travel planners indicated that staffing and service levels are a top concern in destination selection.
- 88% of planners indicated that competitive rates and prices remain worse than pre-pandemic rates, and 80% indicated that hotel responsiveness is worse than 2019 levels.
- When partnering with tourism bureaus, CVBs, and DMCs, the top concerns of planners are expense increases (85%), staffing (79%), and transportation (45%)
- Planners noted that the areas that have recovered or surpassed 2019 programs are activities and recreation, quality of food, event and activity options, and responsiveness from tourism bureaus and CVBs.
- 91% of hoteliers indicated that all of their food and beverage services are currently open with operating hours comparable to 2019 (inclusive of room service)
- DMCs indicate that transportation and staff are the primary drivers of cost increases. These factors also ranked as top concerns with tourism bureaus and CVBs.
- The lack of qualified candidates, elevated wage expectations, and the resources required to get new hires to a level of proficiency combine to create a considerable challenge for tourism bureaus, CVBs, and DMCs
- Daily housekeeping is no longer an automatic expectation – only 72% of hoteliers currently provide housekeeping daily.

Download the complete study and white paper [here](#)

Northstar Meetings Group, a premier online platform for event organizers, planners and incentive program professionals across many sectors conducts regular PULSE surveys. Here is a summary of their June survey:

- Overall, planners' outlook remains optimistic, buoyed by continued strong bookings. However, post-Covid optimism could be waning, as our optimism indicator again ticked down, now down by 10% from January.
- 44% of planners think meeting demand will spur growth in planner jobs.

- Time horizons continue to be very tight. Most planners are booking new meetings between 4 and 12 months out.
- Inventory remains limited as events postponed because of COVID-19 are slowly making their way through the pipeline.
- 1 out of 4 planners reports they still have Covid-postponed events to produce.
- Attendance levels continue below pre-pandemic levels. Planners and their stakeholders don't seem to mind, though.
- Face-to-face events reflect high perceived value among stakeholders relative to other alternatives.
- Many verbatim comments focused on the lack of supplier support and high costs. Nevertheless, the indices tracking planner satisfaction levels have moderated, indicating that planners are accommodating the challenges they face with hotels and venues. A/V and tech providers now bear the brunt of planner frustration.
- Most planners want responses to their RFPs in 3 to 4 days or less. That's not what they're currently getting.

The complete survey can be downloaded [here](#).

The ICCA 2023 survey took a deep dive into some of the newer market segments: Areas such as sustainability, legacy, and DEI. These have been growing as components of the sector and business events in general.

For many associations, sustainability is a key strategic priority, environmental sustainability and industry/association sustainability, diversifying revenue streams, and service delivery. Other key findings were:

- Meetings and events are still the most significant segments of revenue generation for associations. However, there is a growing need for associations to diversify their revenue stream to become more financially sustainable in the future. The survey shares insights into creative approaches for doing so, and some significant initiatives associations are undertaking to provide year-round in-person and digital engagement opportunities for their members.
- There is a clear trend towards getting events back to in-person format.

For more global association research findings, we suggest downloading the survey via your log-in or requesting a copy via scib.usa@switzerland.com

There are other social and political issues influencing our industry in North America. Regardless of how we may individually feel about some of these things such as politics, diversity, or environmental issues each of them needs to be factored into our policies and planning.

Whether it be weather-related issues like the Canadian wildfires earlier this summer, representation of underrepresented groups or politically related disruption, our industry has to acknowledge and address the fact that one or all of these things may influence the destination choices of meeting planners and stakeholders to varying degrees.

Finally, you may have noticed a lot of discussion over the last several months about the opportunities and risks related to emerging technologies like Artificial Intelligence (AI) and Machine Learning (ML). While the interest is warranted, this is an evolving technology that has both technologists and regulators somewhat undecided. The potential is undeniable, but there isn't a consensus opinion or a regulatory framework on use. Given this current uncertainty, it

may make sense to monitor developments until more of the kinks and policies are worked - especially before considering investments or use related to clients.

1.3 2023 RFP situation in North America.

134 RFPs received from 1 January – 18 August 2023, with a total of 210,237 overnights.

- 32 RFPs carried out in CH, with a total of 18,700 overnights.
- 17 RFPs confirmed, with a total of 7,683 overnights.
- 13 RFPs pending, with a total of 11,994 overnights.
- 61 RFPs canceled, with a total of 75,338 overnights.
- 72 RFPs carried out foreign, with a total of 91,946 overnights.
- 7 RFPs postponed, with a total of 4,576 overnights.

2 TARGETS.

2.1 Qualitative.

- Maintain our strong market presence and align with market needs and development within the business events industry.
- Continue to adapt and, where feasible, incorporate new trends and technologies.
- 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.
- Identify and respond to evolving client needs given some of the unpredictable market and environmental dynamics. Remain and trusted go-to local market expert resource.
- Research, qualify & (re)connect with associations and Destination Wedding planners in conjunction with HQ.
- Convert RFIs and RFPs into overnights and consistent ROI.
- Make necessary updates to the database and the client's history.

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
- Web visits on meetings/incentives: 4,500
- Web visits destination weddings: 4,000

3 CURRENT DATABASE FIGURES.

Type	Contacts August 2023	Contacts August 2022
Agencies	3,564	3,383
Corporates	1,854	1,731
Media	121	113
Associations	1,039	1,048
Wedding Planners	92	88
Others	23	11
TOTAL Qualified Contacts	6,693	6,374
Inactive	1,676	1,473

The above numbers have increased because SCIB NA has been attending more client events again since the pandemic, where more qualified contacts have been made. 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, accessed using your username and password.