



Switzerland.

Market situation United Kingdom.

Switzerland Convention & Incentive Bureau (SCIB).

MySwitzerland.com/meetings





1 MARKET SITUATION AND OUTLOOK

The recovery of the UK economy after Covid has slowed 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 still at historic lows – as low as 1.11 CHF per GBP – which increases the price of travel and MICE in Switzerland.

Multiple strikes over the last 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.

Unlike the other major European markets, the UK is still overwhelmingly an air travel market, including for travels to Switzerland. In early July, some bigger airports such as Heathrow, Gatwick and others defined their capacity and forced airlines to reduce the number of flights by many thousands for the summer and into autumn. This helped and for the rest of the summer, air travel was relatively smooth, and the negative headlines disappeared, however, the damage for the summer season was done.

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. The key tour operator partners of Switzerland Tourism are quite positive about the first half of the winter season for Switzerland as well as bookings for the rest of the winter season, and almost bullish when it comes to summer.

1.1 Situation of the UK meeting industry

The annual results of agencies for the year 2022 have been positive throughout. Agencies and companies have organised a large number of (postponed) events with fewer employees and is expected to return fully to this stage by 2024 (Deloitte). Even though the majority of reports on the economic situation in the UK are negative due to Brexit, the MICE industry is surprisingly positive.

Covid led event planners to believe hybrid events would be the seismic shift the events industry had been waiting for. However, post-pandemic living has seen the craving in-person events grow



enormously. Accor's recent global business travel survey aligns with this return to pre-pandemic spend, as 57% of respondents expect an increase on travel budget in 2024 vs 2023. Though, planners are carefully evaluating every trip in terms of ROI and ROE – no return, no flight.

In addition, 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. It is true most employees enjoy not having to commute every day. 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."

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 solutions easy to offer 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. In the same context, there is the issue of "greenwashing".

The aftermath of Brexit and the pandemic on the economy and the health sector has only a limited impact on the MICE industry. This year's strikes in both public and air transport are short-term annoyances. The British are dealing with these with pragmatism in order to find new solutions. In the longer term however, the strikes could lead to MICE organisers preferring to hold their events in those destinations which make the planning easier and more secure.

1.1.1 Megatrend

So-called mega-trends are listed here, which will have a long-lasting influence on the MICE industry. The areas defined by the International Congress and Convention Association (ICCA) are:

Sustainability

In the aftermath of the Greece wildfires and Europe's hottest summer temperatures on record, environmental concerns are unsurprisingly at the forefront of many people's minds. An Accor survey of corporate clients revealed that 54% put carbon emissions as their number one CSR priority and "supplier sustainability performance for 2024 hotel sourcing and selection" was ranking as highly important in their booking decisions. The onus lies both on travellers and hosts, with both parties having to work together for more sustainable travel.

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 agency association – supports the National Autistic Society's *Autism at Work Programme* to help autistic jobseekers into paid employment in the hospitality industry.

1.1.2 Trend

Travelling abroad and “Bleisure”

During pandemic, the British have been asked to experience their own country and put international travel on hold. Today, international events are mostly sure to take place and many desire to travel abroad again. By its quality of services, exceptional venues, and accessibility, Switzerland is therefore one of the European destinations coveted by the British. In 2023, Switzerland has a part to play in hosting meetings and business events with UK attendees whose desire to travel has returned.

“Bleisure” is one of the buzzwords for 2024 MICE trips. Combining meetings with purposeful leisure time means delegates are staying longer, doing more, and going down a gear to make the most of the carbon output. Being mindful of value, sustainability and striking a balance of work and leisure that ensures the wellbeing of employees, businesses can uplift revenue. There is an inestimable potential for Switzerland as a Bleisure-Destination.

Creativity and Experiences

As companies scramble to retain and recruit staff, incentives are tied directly to corporate goals. Incentive travel 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 out of the ordinary experience.

1.1.3 Challenges

The difficulty of recruiting and keeping talent

The past two years have been challenging for the event industry. The pandemic and its period of uncertainty have led many professionals to leave the industry and search for more reliable job roles. This means that there is a high demand yet low supply. Candidates are now able to be more discerning and demanding. In addition to the pandemic, the Brexit has made recruitment from the EU more difficult and has led to a lack of hospitality staff.

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

While tech is key to bookings across the board, people are still hesitant to replace their in-person meetings with hybrid, tech-centred events. Research found that technology must be people-centric, designed to improve the process and the human touch should not be far away. Virtual meetings are an accepted part of the working landscape in ways that were not commonplace pre-Covid, but until the tech catches up and holograms can smile with feelings, deals are still being sealed with handshakes.

Further, 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.

1.2 RFP Situation in the United Kingdom

By the end of 2022, the SCIB UK/Ireland was aware of 81 enquiries, where 1 is confirmed and 10 were already carried out. Demand was therefore 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 at the moment.

By the end of August 2023, SCIB UK has had a total of 54 requests, where 12 are confirmed and 6 were already carried out. We are expecting a continuous increase of enquiries for the second half of 2023. Which is why one of our main focuses will be to keep track of the different requests received and work hand-in-hand with our partners to carried out/confirmed as many requests as possible in Switzerland by the end of the year.

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	1'365 (1'321)	4'018 (3'432)
Corporates	636 (625)	1'060 (911)
Association	336 (334)	464 (420)
Press	41 (40)	106 (90)
Wedding Planners	81 (80)	97 (96)

4 DETAILED MARKETING ACTIVITIES.

Further details of past, present, and future marketing activities can be found on www.stnet, 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
- C&IT – Conference & Incentive Travel Magazine, Current industry trends affecting MICE Travel, August 2023