Trends Watch Report 2017

By Dr Rob Davidson and Alistair Turner
INTRODUCTION

Welcome to the IBTM Trends Watch Report 2017. This report is a compendium of data that crosses business, industries, economies and geographies within the global meetings and events industry.

By understanding the forces that impact this industry, we can better try and predict its future, but also where it stands at this moment in time. This report has used data that seeks to explain the context in 2017 but also predicts what 2018 has in store for the meetings and events industry. The authors would like to thank all those that have tirelessly created this data, which has helped inform this report.

One of the things that both the meetings and events industry, and the sponsors of this research, ibtm world, both have in common, is that they represent the world. This report is about the world; one of only a few that is able to analyse economic, political and industry-wide data, and directly apply it to the meetings and events industry.

It is always a challenge to take on such lofty ambitions as to summarise such a complex, fast moving and diverse industry, in a world that is also complex, fast moving and diverse. Equally, at the time of writing, we are experiencing unprecedented levels of economic, political and ecological turmoil.

Like this report, it is for the industry to work through these issues and navigate a positive way through them, seeing the opportunities that present themselves and using them to create a bright future for everyone who works in this great industry.
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THE GLOBAL ECONOMIC SITUATION IN 2017

As we near the end of 2017, the global economic outlook can be best described as guardedly optimistic. However, as this report goes to press, it’s worth noting from the outset that the summer of 2017 has seen incredible turbulence. Ecological disasters in the US East and West coasts, the Caribbean, Mexico; political unrest in the US, Europe, the Middle East, and Russia; and even the threat of global war as US / North Korean relations strain. Much of the source material for this report take figures and predictions from pre-or during summer 2017, and we should be guarded by how this summer of turmoil leaves both the meetings and events industry and business in general.

However, beginning on a positive note, the World Economic Outlook has revised its figures of world growth from a 3.2 percent rise in 2016 to 3.6 percent in 2017, and 3.7 percent growth in 2018, in what The International Monetary Fund is calling a ‘long-awaited cyclical recovery’ and reflective of a speeding up of the global economy, starting from the summer of 2016 and extending well into 2017.

The reasons for this growth are multiple, and there is a divide between advanced and emerging economies. Advanced economic growth has been solid, but not as quick as the emerging markets, which continue to do most of the running. Additionally, larger and advanced economic growth is less stable and at risk from a growing amount of macro factors, that will be covered in this report, and include everything from war to weather. The report also warns that while short term outlook is positive, mid to long term outlooks should not be taken for granted.

However, picking out specific nations; growth picked up in the United States as firms grew more confident. Other areas also showed surprisingly positive growth, including Japan, thanks to strong net exports, and in some of the euro area countries, such as Germany and Spain, as a result of strong domestic demand. China’s growth also remained strong, and is set to meet the nation’s target of 6.5 percent for 2017, reflecting continued policy support.

However, activity has slowed in India because of the impact of the currency exchange initiative, as well as in Brazil, which has been mired in a deep recession. The IMF also recently revised the UK’s growth predictions, reducing them from previous projections in the wake of Brexit. Geopolitical factors have held back growth in Turkey, and have led to concern over the robustness of the global oil market, with unrest between the GCC nations and Qatar. There remains concern over Chinese growing personal debt issue, the fragility of the global oil market and growing political risk around the world.
One of the key themes playing out on the global economic stage is ‘protectionism’; nudging towards the Trump administration among others, but also recognising a growing trend of inward facing policies in many advanced nations. The threat of these policy agendas is that they could lead to trade wars, if initially we only see them at ‘skirmish’ level.

This theme of protectionism differs to this report last year, where the outlook was characterised by ‘instability’. While this report still looks at the global economy as unstable, it recognises a move towards stability, if only on the short term. Within Europe, the French elections can be seen as significant, having fought off another ‘protectionist’ looking candidate, and perhaps single-handedly revived the economic outlook of the European Union. This was followed by a similar stabilising result in Germany, albeit despite a growing movement from another ‘protectionist’ driven opponent. This progress is evidenced by The Economist Intelligence Unit revising its projection for Eurozone growth, up to 1.9 percent, its strongest since 2010.

Outside of Europe, the stability of the United States, China and Russia continue to dominate, not least because of the abundance of other territories that rely on their performance – including each other. There still remains evidence that the US economy will continue to grow within the IMF projections, although policy changes and business confidence could easily undermine this progress. Equally, the country continues to wrestle with potentially destabilising relationships, from oil trading with Venezuela to heated language and threat between them and North Korea. On top of this, the political controversy around the country’s relationship with Russia will cause further instability on both sides, and further underlines the call for caution on a mid to longer term global economic outlook. Both Russia and China have seen growth in the sales of commodities (China) and oil (Russia) providing stimulus, however it appears that all three global powers continue to retrench into protectionism, which could undermine their own growth, but also the growth of many others around the world.
CORPORATE MEETINGS: PERFORMANCE OF KEY MARKET SECTORS

The meetings industry relies on many different industries as a source for growth. Here the report identifies some of the more relevant markets that have a larger influence, specifically within corporate meetings and events. Historically this report has tracked these industries to understand and spot potential opportunities and threats for our own community.

Banking / Finance

According to EY’s Global Banking Outlook 2017, this year was always going to be characterised by uncertainty. The implications of Brexit for the UK and the European Union unclear, the election of Donald Trump as President of the United States raising questions about the future direction of banking regulation in the US, and European pushback on so-called “Basel IV” regulations – a series of regulations that will change the way banks regulate and run themselves.

Previous years have seen eroding profitability for banks, even within emerging markets, and only 11 percent of the survey’s respondents predicted that banking financial performance would improve. The theme for the report this year was ‘Uncertainty is not an excuse for inaction’ something that many other industries could do well do listen to.

This is a diverse industry, including banking and financial services, insurers and the still relatively newly established FinTech sector. Oliver Wyman’s ‘The State of the Financial Services Industry 2017’ records the sizes of these sectors by combining the valuation of the top 50 firms: Banking: $4.3 trillion; Insurers: $1.9 trillion; and Fintech: $1 trillion. Within these figures, it’s hard not to notice the rate of growth from FinTech; up 169 percent from 2011 figures.

PwC’s strategy report 2017 Financial Services Trends certainly understands the significance of this continuing trend, suggesting that it is the rise of digital technology that has dramatically altered the landscape in the financial-services sector. In 2017, banks offer financial planning and trading applications through smartphones and social media; cloud technologies are widely accepted, and in many cases robotics are already reducing cost and increasing quality. Since 2011, the number of start-ups in FinTech (technology-based companies that often compete against traditional financial-services, or FS, firms) has risen more than 50 percent.

All this activity has provided new opportunities (and new competitive threats) for the industry that very often underpins every other market addressed in this report. So, it’s important to note that while
the industry entered 2017 more guarded than in previous years, it’s also showed signs of a more positive attitude. This is an industry that is looking to wrestle back its own destiny. It is also an industry that values the meetings and events industry and contributes a large amount to it. Meetings and events, as will be covered later in this report, is a key beneficiary of new and emerging industry’s like FinTech, and we’ve seen anecdotal evidence of these sectors spurring corporate and association meetings. Successful businesses will also contribute to large incentive programmes, and growing businesses value hospitality, client relationships and face to face sales conversations.

Our industry should also be confident that while innovation lays as a key trend in an industry, meetings and events will also flourish. The introduction of new technology needs to be shared and explained, launched and promoted; this is where our industry offers its value.

**Construction**

For the last few years this report has had little positive news to speak of from the engineering & construction industries (E&C). Within the pwc’s &strategy report 2017 Engineering & Construction Trends, however the industry predicts the beginning of grass roots of recovery.

Persistently low oil prices had hindered - or stopped - work on most large construction projects. However, following steady growth through 2016, oil prices have continued to stabilize throughout 2017, and with it a parallel growth in capital expenditure within the E&C industry. Furthermore, investments are projected to continue to increase through 2018.

In terms of performance within the construction industry, Euler Hermes, Global Construction Report, states that growth in is set to remain slow with a 3.5 percent increase this year (2017) after 3.4 percent in 2016. Moreover, it currently faces a major shift: construction in emerging markets will grow in 2017 by only 4.2 percent vs. 8.8 percent over the last 10 years. Conversely, it will rebound in advanced economies with growth of 2.5 percent.

This move towards more established and bigger economies reflects a wider trend within the construction industry that ‘big is beautiful’; be it country or company. Essentially, investors, other companies, and procurement departments prefer big businesses and see trust and size as inextricably linked. This would explain the increasing amount of merger and acquisition activity taking place, with big businesses swallowing up ‘smaller’ companies. It also explains the performance of more mature markets where these large businesses are based.
Regardless though, because of its reliance on oil, the E&C industry is highly cautious in its growth. So, while the meetings industry should feel confident that a key contributor to its own success is succeeding, it may not necessarily mean an immediate impact.

For the meetings and events industry, there is certainly opportunity within construction. The pwc strategy report’s prediction of more mergers, acquisitions and general business consolidation within the industry will stimulate the need for more internal conversations amongst businesses, more communication and hence the need for large general meetings and AGMs offering delegates high production experiences.

On a global level, the report picks out China, Korea and India as those about to make major waves across global E&C. Historically these countries have seen large businesses succeeding on domestic growth, now they begin to look at expansion around the world.

pwc has also sponsored a recent report - Global Construction 2030 - which forecasts that the volume of construction output will grow by 85 percent to $15.5 trillion worldwide by 2030. Here, it picks out China and India joining the US as the key players in this growth; combined, the prediction is that these three nations will account for 57 percent of all global growth to 2030.

The global study also predicts an average global construction growth of 3.9 percent per annum to 2030, outpacing that of global GDP by over one percentage point and driven by developed countries, recovering from economic instability, and emerging countries continuing to industrialise. Within Europe, while it won’t recover to reach pre-crisis levels until 2025, the UK is a stand-out growth market, overtaking Germany to become the largest in Europe and the world’s sixth largest construction market by 2030.

Again, our industry should see this as an opportunity; meetings and events benefit from new market entries; their need to launch, communicate and talk to new industries; and while there will be threat to existing client bases outside of these countries the added volume of new events should be seen as a positive for our own industry.
**Pharmaceuticals**

The uncertainty that hit the wider pharma world last year with the US presidential elections, weak economic growth, Brexit and ever-increasing pressure on drug prices has continued into 2017 for the pharmaceutical industry, according to Evaluate’s World Preview 2017.

The report is however a more positive voice in an industry whose short-term future could not be more different from its long term. Depending on which sector of this broad market one looks at, this is a historically largely stagnant but stable market. In line with general global growth, the sector is predicted to rise across its sub sections, but only moderately; within the world prescription drug market, a small increase from $780bn in 2016 to $810bn in 2017, is reported by Euler Hermes, Global Pharmaceutical Report.

Much of this growth is set to come from some of the industry’s hottest therapy areas including new cancer immunotherapies. It is notable that orphan drugs (not yet released treatment) are expected to be responsible for a third of this uplift - an uptick that is forecast to come even as these niche medicines are coming under increasing scrutiny over pricing.

However, this once stable market may well be looking at more turbulent times to come. KPMG’s Pharma Outlook to 2030 predicts that pharmaceutical revenues will fall well short of forecasts. This is based on ‘two seismic shifts’ impacting the industry; the need to demonstrate value from therapies; and the move from treatment to prevention (diagnostics and cure) all of which is bringing in a host of new competitors.

This is also a market that is at the mercy of government and policy maker scrutiny. Historically this restricts growth but does not stop it. These interventions are usually related to the growing cost of medicines, but is also increasingly part of a wider public scrutiny on value. When taken into context with the large shifts that technological wearables, self-diagnosis, and increased consumer awareness, have had on this sector, there could well be tougher times ahead.

From a meetings and events industry perspective, this market presents opportunities and threats. It is a crucial market in the success of global meetings and events.

Like the Pharmaceutical industry itself, pharma and medical meetings continue to be at the mercy of regulations. Historically these have centred around bribery, and the need to restrict large businesses from adding unfair incentives to medical meetings. The latest of these changes looks to be MedTech, which follows a long history of regulations that meeting planners need to be aware of when predicting delegate numbers to the annual specialist convention.
Equally, congresses, conference and exhibitions are popular tools across the pharma and medical industries. It is also a sector that values knowledge sharing, face to face selling, and the need to communicate in large numbers through associations and within corporate business.

Additionally, scrutiny on the industry will fuel debate and increase the involvement of large meetings, however the industry needs a robust and strong pharmaceutical market to continue to grow and invest in its talents.

**Information and Communications Technology**

Worldwide IT spending is projected to total $3.5 trillion in 2017, a 1.4 percent increase from a more stagnant 2016, according to Gartner’s *Worldwide IT Spending Forecast*. The report, which indicates major technology trends across hardware, software, IT services and telecom markets, cut the forecast for the pace of this growth from a more ambitious 2.7 percent earlier this year, as the strong US dollar led to an overall industry cut of over $67 billion.

However, following a flat year for growth in 2016, growth in 2017 has been driven by strength in mobile phone sales, as well as smaller improvements in sales of printers, PCs and tablets. Worldwide spending on devices (PCs, tablets and mobile phones) is projected to grow 1.7 percent in 2017, to reach $645 billion.

The growth in mobile phone sales this year is driven by increased average selling prices for phones in emerging Asia/Pacific and China, together with larger conversions of iPhone replacements and the 10th anniversary of the model. The fallout from the less than slick implementation of the launch of iPhone X towards the end of 2017, will play a significant part in the destiny of this sector next year. Meanwhile the tablet market continues to decline significantly, as replacement cycles remain extended and both sales and ownership of desktop PCs and laptops are negative throughout the forecast.

This market is one of great interest to the world of meetings and events as historically it has been a major contributor to the industry. Equally, the usage of mobile and tablet devices should make for interesting reading for the industry, specifically for those that rely heavily on devices for more engagement both within and ‘out of the room’ delegate engagement.

Meanwhile, Table 1 outlines the areas of growth and decline over the last two years, and helps us to understand where worldwide growth is coming from. Again, of specific interest to the meetings and events market should be the performance of ‘Enterprise software’, or new software innovation.
entering the market. As an industry that supports product launches and communication, this could be seen as positive news, especially in the experiential world.

Table 1. Worldwide IT Spending Forecast (Billions of US Dollars)

<table>
<thead>
<tr>
<th></th>
<th>2016 Spending</th>
<th>2016 Growth (%)</th>
<th>2017 Spending</th>
<th>2017 Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Center Systems</td>
<td>171</td>
<td>-0.1</td>
<td>171</td>
<td>0.3</td>
</tr>
<tr>
<td>Enterprise Software</td>
<td>332</td>
<td>5.9</td>
<td>351</td>
<td>5.5</td>
</tr>
<tr>
<td>Devices</td>
<td>634</td>
<td>-2.6</td>
<td>645</td>
<td>1.7</td>
</tr>
<tr>
<td>IT Services</td>
<td>897</td>
<td>3.6</td>
<td>917</td>
<td>2.3</td>
</tr>
<tr>
<td>Communications Services</td>
<td>1,380</td>
<td>-1.4</td>
<td>1,376</td>
<td>-0.3</td>
</tr>
<tr>
<td>Overall IT</td>
<td>3,414</td>
<td>0.4</td>
<td>3,460</td>
<td>1.4</td>
</tr>
</tbody>
</table>

Source: Gartner (April 2017)

Automotive

The global automotive industry is at a 10-year record high according to PwC’s &Strategy report 2017. Auto Industry Trends. Worldwide sales reached 88 million autos in 2016, up 4.8 percent from the previous year, and profit margins for suppliers and auto makers are also at a record high.

However, this is an industry entering a period of disruption. The same PwC report is also predicting the end to a long period of high returns for shareholders, and a consequent retreating back of investment, could be on the horizon and potentially destabilise the market. In the meantime, the physical make-up of the car itself is under much debate and could transform the industry as we know it in front of our eyes. The relatively recent arrival of electric cars is just the beginning, when compared to the continuing ‘digitisation’ of the almost every element of the traditional car, both inside and outside.

The industry is involved in a huge debate as to how a new era car may be constructed; from entertainment to safety. New technologies such as 3D laminated glass, haptic sensors, and augmented reality displays are all up for discussion. Also, the industry is discussing the implication of large navigation and entertainment display screens in the dash board offering web-based information and media. Then, the autonomous car of the future is also throwing in scenarios such as a ‘living space’ within the car, and options of turning both front seats around to face a central entertainment space.
All this is adding to the potential cost of a car, but also throwing the industry into a realm where consumer data is added to the already long checklist of automotive responsibilities; from safety to environment.

The meetings and events industry should see this as a potential positive. As an industry that helps facilitate communication, these discussions will fuel large scale meetings and talking points. The disruption and new innovation will also add to the scale and content found within major automotive trade fairs and the large-scale conference and meeting programmes that accompany them. Equally, the automotive industry is one that believes in the power of face to face communication and as new and revolutionary cars hit the market, the meetings industry can be a vital ally to explain and sell them.

Meanwhile, from a geographical performance point of view, China can be seen as making the biggest impact on overall growth in global car sales, according to JATO, Automotive Trends Survey (see Table 1). However Japan, the UK and Germany are all performing well off an already large base and the US remains strong, despite another fall in car sales in 2017. From an emerging market point of view, both Argentina and Chili are worthy of note in terms of the biggest growth in car sales, as well as parts of Eastern Europe (Table 2).

Table 1: Top 5 Largest Markets by Volume (car sales)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Volume (millions)</th>
<th>Growth 16 / 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>China</td>
<td>6.184</td>
<td>+5.0%</td>
</tr>
<tr>
<td>2</td>
<td>USA</td>
<td>4.026</td>
<td>-1.7%</td>
</tr>
<tr>
<td>3</td>
<td>Japan</td>
<td>1.553</td>
<td>+7.2%</td>
</tr>
<tr>
<td>4</td>
<td>UK</td>
<td>0.917</td>
<td>+5.4%</td>
</tr>
<tr>
<td>5</td>
<td>Germany</td>
<td>0.906</td>
<td>+6.8%</td>
</tr>
</tbody>
</table>

(JATO, Automotive Trends Survey: Q1 2017)

Table 2: Top 5 Largest Markets by % change (car sales)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Volume (millions)</th>
<th>Growth 16 / 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Argentina</td>
<td>0.222</td>
<td>+43.4%</td>
</tr>
<tr>
<td>2</td>
<td>Greece</td>
<td>0.022</td>
<td>+38.8%</td>
</tr>
<tr>
<td>3</td>
<td>Romania</td>
<td>0.026</td>
<td>+26.3%</td>
</tr>
<tr>
<td>4</td>
<td>Chile</td>
<td>0.084</td>
<td>+25.2%</td>
</tr>
<tr>
<td>5</td>
<td>Croatia</td>
<td>0.012</td>
<td>+21.5%</td>
</tr>
</tbody>
</table>

(JATO, Automotive Trends Survey: Q1 2017)
In a time when every industry needs to be able to identify and document its value in order to survive, we in the meetings industry need to be able to both explain what we bring to the overall economy, and align the many interests that make up our sector so that we are sending a strong and consistent message.

While our diversity has to some extent been a source of strength it can quickly become a weakness, when we need to present a united front in order to compete for attention and resources in an increasingly competitive world. Our top priority today is therefore to reach consensus on the views and beliefs that unite us and present a powerful story that everyone can get behind. That story needs to reinforce a public perception of the broader economic, academic, professional and business outcomes that arise from conferences, conventions, trade shows and other business events, and be supported by both good examples and solid data which we are now collecting.

Joachim Koenig, President, JMIC

ASSOCIATION CONFERENCES

Having looked at some of the key industries that tend to affect the meetings and events market place, it is interesting to now turn to Association Conferences. This is a sector of the meetings and events industry that continues to remain both positive and robust. However, what challenges many opinion leaders within the sector, is why this is. Certainly, growth in construction, pharmaceuticals and many more industries can be seen as positive influences on the success of this sector, however ICCA (International Congress & Convention Association) Worldwide also see growth as part of a global trend; one where the sharing and accumulation of knowledge and information continue to drive its growth.

This is best bought to life by the association’s view on STEM meetings (science, technology, engineering, and mathematics) driving growth across the association meetings market place. These are events being created by groups of scientists, doctors and academics in partnership with ‘smart’ destinations, to create ‘association-like’ events. In ICCA Worldwide’s Statistics Report 2016, Country & City Rankings, it reports a growth in online discussions migrating to the real world of concrete face-to-face interactions, and even corporate events evolving into community gatherings of suppliers, clients, partners, investors, users, and academics; blurring the lines between the for-profit and not for-profit sectors.

An example of this is an event created by ESTRO (European Society for Radio Therapy and Oncology), which took place at the Scottish Event Campus (SEC), Glasgow, 17th & 18th November 2017. This
meeting acted as a focused event outside of the association’s main congress, but sought to work directly with the venue and the destination. The event looked to focus on new treatment facilities that had recently opened in Glasgow, as well as tap into a ready network of professionals looking to learn more about the subject.

Outside of existing industries, these events can often be fuelled by the establishment of new industry sectors, which ICCA Worldwide see as directly linked to growth in the sector. From FinTech (financial Technology) to, historically, advances in global technology and digital innovation, these industries establish communities, associations, and corporates all looking to talk and share.

From an industry specific point of view, it is not all plain sailing. It’s worth noting recent research by American Express Meetings & Events in their ‘On The Horizon: Healthcare Congress Trends to Watch’ launched earlier in 2017. The report indicated that that organisers of medical meetings are finding it increasingly difficult to deliver education to healthcare providers due to an increase in regulation within this sector. There is also the onset of changing funding models that will limit corporate involvement in the procurement of delegate tickets, all meaning that over the next decade healthcare congresses will undergo major changes from their established norm.

While just one part of the wider associations meetings landscape, medical meetings are an important part of the sector and one where trends are established that can be adopted by other industry sectors. The report, which investigates trends in the increasingly regulated and compliance-driven healthcare and pharma industries, also identified a wider struggle across the global industry to attract delegates, particularly amongst healthcare providers (HCPs).

However, regardless of this sort of challenge, the numbers continue to look positive for this important market place in the meetings and events industry. The ICCA Statistics Report 2016, Country & City Rankings, captures 12,212, rotating international association meetings to create its annual ‘ICCA Rankings’ and the first good news from the report is the growth of the association meetings the report is able to track. These trackable meetings have more than doubled over the last decade, from around 6,000 events in 2006. Additionally, ICCA’s researchers have spotted, over the last few years, an additional 710 meetings for 2015, and 524 for 2014. The ICCA Association Database now includes 20,000 regularly occurring meeting series, 220,000 meeting editions and 11,500 international associations. This is a sector in growth.

It is also one which is guarded in its confidence in future growth. Association events, by their very nature, are global and a mixture of political interference in some countries, and instability of growth
in other industries, historically reliable for these meetings, means there is a mix of concern as well as cheerfulness.

The US is historically robust, however the early enthusiasm of business towards the new administration is slowly on the wane. Recent policies have undermined the confidence of large global meetings to use the US as a welcome meeting place, not least because of the confusion and even hostility at US borders. Anecdotal investigations here are showing a ‘we’ll hold it where our delegates are allowed to go’ reaction to this market. Added to this, the devastation of hurricanes Harvey and Irma, can only have had a negative impact on the confidence of long term decision makers on association meeting location.

Within the association meeting place, Europe is as complex as it is diverse, with different cities able to allure large meetings to their destinations using subvention of every kind and at different scales. It makes a meeting in ‘Europe’ much more complex, but the hero cities are found throughout the ICCA rankings. Within Europe, Brexit remains a hot topic, although not one where there are obvious indications of a wider trend. Within those meetings that reflect EU funded research, UK delegates have certainly taken a step back, and this can only have negative implications for the association market, although the extent of this phenomenon is difficult to determine in present research. Meanwhile, within South America, ICCA’s research points out that while Columbia and Chile continue to be exciting markets to watch, the lack of growth from Brazil is seen as a destabilising factor in the general health of the region, and could contribute to fluctuations in their future rankings within the report.

These trends are reflected in both city and country performance within the ICCA Statistics Report (Table 1). The headline for the report was the return of Paris to number one spot, after relinquishing this title to Berlin in 2015. Although the figures in the report are from 2016 meetings, it is still a remarkable performance given the negativity of security concerns that have blighted the city, and it is credit to the destination that it has rallied and actually gone up the ICCA rankings.

The French capital returns to the top with just one more meeting than Berlin had last year. Of equal note is that, even though the order is quite different, this year’s top 5 cities were also represented in last year’s top 5. Vienna climbs 2 places to second and Barcelona remains third. Singapore is the first Asian city in the rankings, jumping one place from seventh to sixth. Newcomers in the top 10 compared to last year are Amsterdam, twelfth last year and now sharing seventh place with Madrid, and Seoul jumping from 13th to tenth.
In terms of the country specific performance, again this data sheds more light on the global health of this sector (Table 2). The top ten is made up of the same countries as last year, with some minor shift and one newcomer on a shared tenth place. The US remains number one with 934 meetings in 2016; 9 more than in 2015. Germany remains second and The United Kingdom remains third. France and Spain swap places: France is now fourth and Spain fifth. Italy and Japan remain sixth and seventh, while Japan now shares seventh place with China, which climbed one place.

This is an incredibly interesting time for the association market; both in terms of the players, but also those watching, and trying to predict the growth factors that will dictate its future. What is abundantly clear is the growing dynamism and sophistication from the associations and organisers themselves. They clearly see the business and strategic benefits of this market and look to use conventions and meetings in more interesting ways; from the use of technology, to new formats, and business models. Entrepreneurism is on the rise; this sector of the industry benefits from emerging industries and there seems to be a ready supply of individuals that see the opportunity in creating new format events that add value to new industries.
These trends show no signs of abating. It's now a question of understanding how our industry will evolve, and how we are going to shape that future. Extrapolating forward whilst only considering existing events and organisers doesn’t give a complete picture of the possibilities. As the “Information Revolution” continues to gather pace with all the attendant disruptions and sudden advances or discoveries, we believe that the opportunities for new event formats, business models, audiences and topics will similarly grow in an exponential fashion.

Martin Sirk, CEO, ICCA Worldwide

INCENTIVE TRAVEL

Incentive Travel presents another robust sector of the international meetings market place. Similarly, and like other sectors of the industry, there are two trends that affect its performance according to research from SITE (Society for Incentive Travel Excellence). Firstly, that of business and industry performance in general, secondly the specific outlook across business on the value of incentive travel.

On the latter, SITE believe that the outlook is certainly positive. Business appears committed to the act of ‘incentivising’ internal staff and external stakeholders. This is a market that was once highly susceptible to economic factors, however now more than ever, this sector is looking more and more robust, particularly in the face of extreme challenges.

In fact, from a performance point of view, according to the SITE Index 2018, which canvasses incentive buyers around the world, over half report an increase in their overall incentive travel budget. The report also shows that spend per person has increased from an ‘average’ of $3,000 - $4,000. This data is supported by the 2018 Incentive Research Foundation (IRF) Outlook Study White Paper. This report also presents positive growth for the sector, showing incentive travel budgets up to an average per-person spend of $3,915, an increase of 4 percent year over year.

This growth is reflective of increasing costs and investment within incentive travel programmes. A second piece of research from the IRF, the organisations ‘Outlook Report’, also shows 60 percent of respondents reporting costs rising faster than budgets. This is attributed to additional add-ons to conventional programmes, including everything from wellness/well-being components (38 percent), all-inclusive pricing options (35 percent), budget for F&B (25 percent), and budget for rooms (25 percent).

SITE also sees a corroboration between industry growth and wider global business growth. This isn’t just about performance however, but a growing acceptance, and confidence, in the value of staff incentive and the need to reward high performers. The association also attributes this growth to
more ‘intelligent’ incentive design, and the growing sophistication of incentive travel organisers in
both creating meaningful experiences, and being able to demonstrate the tangible benefit to business
of these programmes.

Optimism is rightly high; this growth has been achieved in a historically difficult period for incentive
travel, and demonstrates a growing robustness of the market. This confidence is projected forward on
the mid to long term future, in keeping with other industry sectors. Around the world we see
businesses learning to cope with global instability, accepting and moving forward with it, rather than
withering in the face of adversity. Additionally, because this is a part of the market that mostly deals
with people, global business, political turmoil and ecological instability are all felt more by those in
incentive travel than other sectors in the meetings industry.

These challenges have been large and numerous. However, they are all further compounded by the
importance of ‘destinations’ as part of the decision-making process of organisers. Within the SITE
Index 2018, ‘destination appeal’ is shown to be the primary reason for creating a particular
programme, with accessibility coming in 5th place; this shows that if a country, city or region has the
wow factor, people will endure more complex or longer travel itineraries.

As of summer 2017, and according to the IRF, the top five destinations for respondents were the
continental United States, Hawaii, the Caribbean, Mexico, and Europe; almost all of which were to
face natural, political or economic turbulence in later 2017.

Within North America alone, the devastation of hurricanes Harvey and Irma, the tragic shootings in
Las Vegas, and political unrest in Charlottesville and many other areas, will have bought into question
the option of many city, region and national destinations for many companies organising international
incentive travel. Equally, the travel ban introduced by the Trump administration has challenged
incentive organisers’ commitment to the US, with so many other options available to them. This is a
market that values the ‘welcome’ offered by destinations.

Similar ecological threats have had the same impact on the Caribbean – another historically strong
destination – and parts of the South America and the Middle East. However, many of these
destinations have shown amazing resilience. A weak pound has balanced out a more ‘unwelcome’ UK
post Brexit, and destinations such as Paris, Berlin, and London all continue to be strong enough to
mitigate against a more security-driven buyer.

From a destination point of view, the key beneficiaries in the global incentive market, according to
SITE, are located in the Asia Pacific region. While this is a younger, less established market, its growth
is impressive, and before long it will cease to be emerging, and will be seen as a sturdy fixture within the international market place. SITE predict that the market growth in Asia over the next six months will be between 12 percent and 13 percent, while over the next five years will be closer to 28 percent.

One of the reasons is a booming Chinese economy, creating large scale incentive programmes, that are happy to travel around the region, and have benefited markets such as Indonesia and Australasia. China is also a big investor in industry, and the growth of specific sectors such as technology, creates large companies, with a need for large incentive programmes. Equally, cultural attitudes towards reward, make India an exciting prospect in 2016, and a growing force in 2017.

The value that incentive travel has for specific industries is also worthy of focus. The SITE Index 2018 reports that 22 percent of all incentive travel is booked by the Financial and Professional Services industry, ahead of 18 percent in the Science & Technology sector. SITE put this down to the make-up of these industries, and their specific needs to incentivise large sales, representation and stakeholder bases. However, the fact that these industries continue to flourish can only be good news for the incentive travel sector.

While the main headline for this sector is growth, it is worth mentioning that there is still a need to manage cost. Again, the SITE Index 2018 report points out the increasing need for travel managers to watch budgets, reducing some amenities and making stronger recommendations against more traditionally ‘expensive’ destinations.

This market can also be characterised as more ‘do it yourself’ than others within the meetings and events industry. While data is not robust on this point, SITE believe that as little as just 20 percent of global incentive travel is produced using an outside agency, and that the vast majority is conducted in-house, with the support of specific on-the-ground support. Again, depending on the continued growth and sophistication of this market, it remains to be seen how the markets decide to outsource something as important as ‘staff incentive’ to outside parties.

However, despite everything from weather to war, the SITE report shows confidence ‘high’ throughout those surveyed by the report; demonstrated by the IRF research which reports a Net Optimism Score for the incentive economy up from 26 percent towards the end of 2016 to 44 percent in the summer of 2017. Given its resilience in 2017, this shouldn’t be surprising.

As we enter 2018, the incentive travel market can be characterised by three main trends. The first is the growing confidence of business towards incentive travel, driven by intelligent meeting design and
a move towards a more experiential approach from organisers. The second is the ability of business to cope with instability, be it political or ecological; this is an industry that is growing more resilient and more robust in the face of global challenges that seek to undermine its efficacy. Finally, we continue to see the rise in the importance of destination appeal. Even, in a year where we have seen the threat of war, terrorism, political unrest and tragic geological disaster; we have seen the power and attraction of destinations shine through. This is an industry that has faced some of the toughest economic climates in its history, and has never been better equipped to deal with them.

Kevin M. Hinton, CIS, Chief Excellence Officer, Society for Incentive Travel Excellence

REGIONAL VARIATIONS

While many of the key business trends that affect meetings and events are broadly consistent around the world, as was seen to be the case last year, there exists extremes of inconsistency in particular regions.

EUROPE

Europe is a territory that can be split into minor markets in its own right. But broadly speaking its performance is in keeping with the wider stabilisation of both its economy and of the political outlook of the region. While Brexit still looms over the market place, there continues to be very little research or evidence of a seismic effect on our industry. Meanwhile, French elections, and to a lesser extent, continuity in German leadership, give signs of stability. There remain outliers however, for example the instability in Turkey and the political outlook of Russia, but all in all this is a region that has better news to report than in previous issues of this report.

In fact, according to the BCD Meetings & Events Trends Report, demand for meetings in Europe has strengthened significantly over the past two years, and continues to do so. While the incentive market has experienced its own challenges, there has been a surge in events for both internal and external audiences – corporate and association led. Companies are staging more of these meetings within Europe mainly to save time and cost, but also to tap into the European ‘marketplace’ and grow their businesses within them.

The Global Meetings & Events Previewing 2017 by CWT Meetings & Events also shows a 6 percent increase in group size in the wider EMEA region. Similar to the BCD Meetings & Events Trends Report, this research also points out the lack of supply to meet this increasing demand, and predicts that this could result in inflated prices. Set against a predicted rise in air fair prices of 5 percent, this is a region that will continue to wrestle between buyer and supplier markets into 2018.
Finally, additional research from CWT Meetings & Events, underlines the dominance of European destinations in this region (Table One), with London, Barcelona, Berlin, Paris, and Madrid, all continuing fixtures in European city performance. This once again outlines that while political uncertainty does affect countries, strong cities can still show remarkable resilience.

Table One: Top Performing Destinations for M&E: 2018 Meeting & Events Future Trends by CWT Meetings & Events

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<th>Destination</th>
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<td>London, England</td>
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<td>Barcelona, Spain</td>
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<td>Berlin, Germany</td>
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<td>Munich, Germany</td>
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<td>Prague, Czech Republic</td>
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Brexit / UK Market

Last year this report was released in the wake of Brexit and looked to understand the implications both on business and within the meetings and events industry. The BCD research concludes that there is no evidence of a wider effect on the market in the wake of Brexit, although it’s worth noting a lack of certainty across this issue.

In the meantime, the UK market does look positive, the UK Conference & Meeting Survey 2017 reported that Britain had more meetings in 2016 (1.45m) than in 2008 (1.37m), pre-financial crisis. The report also showed a confident industry with 57 percent of venue respondents predicting year on year growth from 2016-17, a percentage point more optimistic than at the same time in the previous year. It’s worth noting that there are increasing examples of anecdotal evidence that may well undermine this confidence over the next 12 months, but for now the UK region looks resilient.

NORTH AMERICA

North America is a market that looks incredibly strong at the moment, but may have harder times ahead. The 2018 Meeting & Events Future Trends by CWT Meetings & Events, shows both group size and average cost per attendee per day as being up between 3-5 percent across the region and predicts that both hotel prices and air fares will increase by 2.5 percent into 2018. Against a broadly
positive economic outlook for business, which can only be good news for the meetings and events industry, the outlook for the North American market should be positive.

However, it is worth noting that recent reports only show performance show data up until the summer of 2017, and do not reflect the repercussions of what has been an incredibly tough period for the region.

One of these are the shifting trends in supply and demand in North America. The BCD Meetings & Events Trends Report points out another year where demand was high and capacity limited, and that despite a series of large convention hotels opening in cities like Austin and Denver, they have quickly been booked as far as five years ahead. Because of the level of demand, the supply chain is able to selectively choose the business they want, leading to the rise in average prices by 3 percent to 4 percent in 2017.

Another concern, already covered in this report, is the decreasing inclination of both large association meetings and incentive travel planners to consider the US because of the travel ban initiated by the Trump administration, and while Canada is a key beneficiary of this trend, many are looking at completely new regions.

Added to this has been a tragic year of political and non-political violence, decreasing business confidence, and some unheralded natural disasters (from hurricanes in the East to bush fires in the West), that have attacked many key meetings and events hubs – a couple of which are found in the top 10 cities data (Table 2). Although this market has shown itself remarkably resilient in the past, there is a fear that within the meetings and events community, that the market loses confidence in 2018 under the weight of such extreme difficulties, and that the demand side of the North American equation may flip with supply.

Finally, another trend worthy of note, and again reported in the BCD research is that of late booking - in some cases as little as 45 – 90 days from the event. This creates an altered market place, with demand so high and availability so low, many companies are finding that if they can’t book very early, then the only option is to book late, for a second-choice option, and to hunt for better deals. This is also a trend that other regions should watch carefully; the North American meetings and events industry has long been a region where trends emerge and travel around the globe, and similar anecdotal evidence is available in Europe for late bookings, specifically from corporate organisers. This trend could be a bigger issue for the industry if it continues to grow.
While responding to growing competition, adapting to new event formats, organizer expectations, and demonstrating a broader value proposition to owners and communities, remain the primary issues for centres in most parts of the world. Additional challenges are emerging in the form of alternate marketing and communications vehicles that will increasingly compete for dominance with the entire Meetings Industry.

In order to remain relevant and competitive, centres will need to ensure they are pursuing creative solutions to this new kind of competition, and prevailing in a digital world where a new generation of event participants is already challenging traditional models and looking for new experiences and outcomes. In short, centres must find new ways to complement and integrate digital strategies in order to maintain a key role in an evolving world where it’s no longer enough to simply do what we’ve always done.

Aloysius Arlando, President, AIPC:

**ASIA PACIFIC**

With instability in Europe, North America and parts of Latin America, the Asia Pacific region once again looks to be an exciting market as we enter 2018. Similar to that of North America, and according to the BCD Meetings & Events Trends Report, demand for meetings continues to outpace supply in a region where face-to-face communication is supremely important.

This supply is prevalent across several Asian countries including India, Indonesia and China, where domestic hotel chains are adding significant event space to fulfil not only corporate but government
and consumer demand. Hotel and air prices are also expected to increase by 3.5 percent and 2.8 percent respectively.

CWT Meetings & Event’s Global Meetings & Events Previewing 2017, also shows a 5 percent rise in group size and a 3 percent rise in cost per attendee per day in the region, again showing its healthy growth. It also points out the importance of pharma companies in driving this market forward, in itself a stable, if increasingly dynamic, industry.

This is also a region benefiting from high performance destinations; Singapore, Bangkok and Shanghai continue to emerge as competitive and sophisticated global destinations, due to their strong air connections, and meetings outside China’s largest cities will also grow dramatically as these centres urbanise and offer more cost-effective option. Australia also continues to set new standards both from a destination and infrastructure point of view, and Table Three shows a continuingly competitive destination in the region.

Another trend pointed out by CWT Meetings & Event’s research is the increase in demand, specifically in China, for a fully consolidated approach to meeting and event procurement, despite local government regulations limiting ownership by non-local businesses. Progress is primarily in high risk areas such as sourcing, contracting, and data and analytics. However, large global companies are looking to deploy more globally consolidated service options including sourcing and event attendee engagement, including the use of social media and ROI/ROE/ROO strategies and analysis.

Again, like other regions around the world, growing security risks should also not be ignored in Asia Pacific, but this once emerging region, looks to now have taken its place as one of the most dynamic geographical areas for meetings and events.

Table Three: Top Performing Destinations for M&E: 2018 Meeting & Events Future Trends by CWT Meetings & Events

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<td>Hong Kong</td>
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LATIN AMERICA
As covered earlier in this report, Latin America is another diverse region with both good news and bad news stories. While the CWT Meetings & Event’s Global Meetings & Events Previewing 2017, shows a stagnant figure across the region for average group size, it also shows a -10 percent reduction in average cost per attendee per day.

This may be attributed to a region wide trend of companies trying to reduce meeting costs, holding meetings locally to either save money and enable more participants, or both. CWT’s research reports that in Chile, Colombia and Peru, the need for savings is magnified by the countries’ complex economic scenarios and a high US exchange rate.

Meanwhile, according to BCD Meetings & Events Trends Report, Latin America’s air travel market is staging a slow recovery. After a modest growth of 3.6 percent in 2016, strong international demand across the region propelled the figure to 6.6 percent year-over-year (YOY) during the first six months of 2017.

From a hotel perspective, occupancy is 10 percent lower than in other regions. However, supply continues to be an issue. While hotel stock is increasing as developments commissioned during the boom years at the beginning of the decade finally open, the increase in rooms is dampening price rises, mainly in Brazil, but also to a lesser extent in Chile.

On top of this, political concerns are affecting business confidence in Brazil, while hotel bookings are slowly returning in Peru, Chile, Colombia, Costa Rica and even Argentina. However, properties in markets dependent on natural resources are struggling and Venezuela is in deep economic and political turmoil, with very limited inbound or outbound activity from the country. Demand is increasing in Mexico and average rates are climbing fast, up more than 7 percent YOY in the second quarter of 2017.

As we enter 2018, predictions show that the Brazilian economy should expand after a two-year recession, although political instability and corruption continue to cloud its outlook. A stronger Brazilian economy is key to promoting a regional revival (as Table Four shows), as Chile and Peru look to recover from downturns in their mining sectors and Colombia’s economic growth falls to meet expectations.
Table Four: Top Performing Destinations for M&E: 2018 Meeting & Events Future Trends by CWT Meetings & Events

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<td>São Paulo, Brazil</td>
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<td>Rio de Janeiro, Brazil</td>
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<td>3.</td>
<td>Mexico City, Mexico</td>
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<td>4.</td>
<td>Bogota, Colombia</td>
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<td>Buenos Aires, Argentina</td>
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**MIDDLE EAST**

Looking at the Middle East specifically, the Advito 2017 Industry Forecast shows a buoyant market for the region’s meetings and events industry. It is clear that the market is working hard to meet the growing demand in business travel as a whole across this market. Advito’s forecast reports fleet expansion by Emirates, Qatar Airways and Etihad Airways, to meet a demand in the region that is up 11.2 percent.

This capacity growth has shown no sign of slowing throughout 2017, although the performance of this market, and its interactions with the rest of the world, rely heavily on the fluctuating oil price. This is also a market that is growing its strength towards the Southwest Pacific region, reports the Advito forecast, again creating opportunities in both territories.

From a hotel stock point of view, again the story is one of continual improvement in the region and demand matching supply growth. Room occupancy typically ranges between 80 percent and 85 percent in popular destinations like Dubai and Abu Dhabi. The Advito Forecast also predicts demand to continue to push supply as long as organisers continue to feel confident about safety and security in the Gulf States, and the rest of the region continues to improve. Given this stability Advito predict a rate growth of 2 percent to 4 percent by the end of 2017.

In terms of some of the more interesting examples of growth in this area, again the Advito forecast points out two territories. Firstly, is Iran where business travel demand is growing following the easing of sanctions, lightening of security concerns and the influx of investment and business opportunities in the country. The report predicts that this growth will continue as Western airlines resume services, increasing access to this emerging market.

A second area of interest is the Dubai-UK axis. One example of the power of the Gulf carriers to pour capacity into a market is Emirates’ expansion of services between Dubai and the UK at the end of last
year. This service alone means that Emirates is accountable for nearly 35,000 passengers per week each way between the two cities. This ‘opening up’ of the market can only be good news for the local meetings and events industry, allowing international delegates easy access to meetings, making the experience easier, and reducing the cost for international event planners.

Finally, looking forward, one trend worth noting, and again highlighted in the BDC research, is a pricing concern in India, where costs may rise because of the new ‘Goods and Services Tax’. The impact of the highest GST tax band will vary across the country, as a luxury tax already applies in some Indian cities. The new 28 percent rate will replace a 15 percent luxury tax in Delhi and 10 percent in Mumbai. But the increase will be much bigger in states like Andhra Pradesh and Telangana, which had previously charged just a 5 percent luxury tax.

In the meantime, the Middle East again represents a maturing market finding its feet in the international meetings and events industry, but seeing enough value to drive standards both on the supply and demand side. It will be interesting to mark its progress this time next year.

AFRICA

Africa’s economic picture is mixed. Insecurity and political instability afflict the North, while growth has slowed in sub-Saharan oil-producing nations like Nigeria and Angola, reports Advito’s 2017 Industry Forecast. However, solid growth continues in much of the remaining areas of the continent, and that means travel demand in most countries is firmly on the rise.

This is a market that relies on demand from China, the region’s largest investor, and while this has weakened, its slowdown has not hit Africa as hard as other parts of the world. From an access point of view, Advito reports the continent’s airlines expanding their networks in response to the intensifying demand; growing capacity by 9.1 percent in the first five months of 2016. Meanwhile some cities are growing into major regional hubs, supported by carriers; examples of this are Angola, Rwanda and Mauritius, which is becoming an emerging offshore financial centre and leisure destination. Equally, the Advito forecast reports that Air Mauritius has ambitions to develop a transit hub in the Indian Ocean.

However, flying within Africa remains expensive due to limited services and challenges such as high operating costs and over-regulation. Intercontinental fares, on the other hand, have stabilised thanks to rising capacity and lower oil costs.
In terms of supply, particularly the hotel market in Africa, the Advito 2017 Forecast again predicts a continual advancement in terms of quality and options, particularly as global brands grow their bases across the region, increasing consumer choice, and giving inbound visitors safer options.

The forecast also points out that rates for foreign business travellers, especially from the US, are falling in South Africa as the rand continues to depreciate, but this is pushing up rates paid in local currency. With few good-quality hotels outside this market, rates are extremely high for quality accommodation in cities such as Accra, Kigali, Luanda and key business centres in Nigeria. These high prices, set against concerns over security, explain why travellers are looking to more cost-effective options.

Looking forward, many cities in sub-Saharan Africa will remain expensive for the business traveller because of this fundamental imbalance between supply and demand. However, global chains could drive down rates as they open more hotels in key cities. Across North Africa and in Nigeria, rate growth will be restrained by security and economic problems respectively. Advito forecast a growth before the end of 2017 of 2 percent or less. Air travel fares will also stay high, especially for business class travel. However, continuing low oil prices mean they’re unlikely to increase much. Again, the report predicts growth in economy fares to range between -1 percent to + percent for intercontinental routes, while regional fares will remain the same.

Many of our members represent the sector of this industry that deals with training programmes, and this is an interesting prism with which to view the wider industry. At IACC, we see two main trends, one opportunity, one threat.

Firstly, the investment in training is usually a very good barometer for the general health of the meetings and events industry. When the training ‘tap’ is turned on, it usually signifies an imminent uplift in incentive programmes, conferences and large meetings; and is an indicator of a company investing in staff and growing its business. At the moment this tap is on, and the confidence our members have is high.

The second trend is a challenge. One of the many global issues we face at the moment is the large movement of people. The ability of an industry to attract, and keep, the best talent is crucial to its long-term success. This is a concern for our members, who seek to find the very best talent and want good people staying in their businesses long term. Historically, when it comes to workforces, this industry is transient and we need to look at new ways to keep great talent in an industry that can really look after them, and give them an amazing career.”

Mark Cooper, International Association of Conference Centres (IACC)
OUTLOOK FOR 2018

Economic Outlook
Returning to the IMF’s World Economic Outlook, the economic outlook is positive as of summer 2017: the acceleration that began in 2016 continued throughout 2017 and was expected to do so into 2018; the report also predicted a rise in world growth from 3.5 percent in 2017 to 3.6 percent in 2018.

Questions around stability however, are not going away. The instability around the US, North Korea, Russia and China has repercussions for the rest of the world and as we enter 2018. Equally, the relatively recent fall in business confidence in the US will have implications for emerging and established markets, as well as wider industry in general. As commentators often say “When America sneezes, everyone else catches a cold”.

Economists were already wary of the bubble busting on economic growth. The Economist Intelligence Unit predicted that the US economy will continue to grow quickly into 2019, but warned the possibility of a business-cycle downturn in 2020, which would have far reaching global consequences, again specifically within emerging markets.

Regardless of the knock-on effects of a tough last six months in 2017, the important role of emerging markets is ongoing. Again, the IMF’s World Economic Outlook predicted that emerging markets will now account for more than 75 percent of global growth in output and consumption, almost double the share of just two decades ago. These markets rely heavily on external stability and their success is linked to that of these larger economic zones.

In other parts of the world, economists are predicting that Chinese growth will slow, also with knock-on consequences for the region. While they also, once again predict continuing growth in the Eurozone, a surprising about-turn from this time last year.

However, despite potential reasons for doom and gloom, there is also renewed optimism. Instability has become the ‘new normal’ and business and industry are both proving more resilient than in recent times, against continuing instability. Research contained within this report continually references an approach from business of ‘getting on with it’ rather than waiting for outcomes that seem never to come. From Brexit to ecological disaster, business has learnt that it cannot wait forever for a calmer period.
Emerging Industries

Another area for optimism within the global economy is the establishment of new industries. As referenced in both the sections on Incentive Travel and Association Meetings within this report, the emergence of new industry sectors is always good news. Examples of this have been FinTech in recent years; the establishment of global marketplaces around The Blockchain, Bitcoin and the like. These markets create opportunities for entrepreneurs, trade associations and corporate organisations to share knowledge, network and communicate. They create new businesses, business growth and industry communities; exhibitions, meetings, incentive programmes.

Where instability has become the ‘new normal’ it’s worth noting that not everything that lurks around the corner will be negative.

The Outlook for the Meetings and Events Industry

When asked to identify three main trends that will affect the short-term future of the meetings and events industry, Paul Van Deventer, President & CEO, MPI (Meetings Professionals International), named three areas that seem to encompass the general outlook across the industry, and captured within this report.

The first was business confidence. Despite continuing global instability, as it stands, businesses are strong, and the global economy is growing. This means companies are continually looking for strong relationships, tight communication and positive teams; all drivers towards meetings and events. MPI’s most recent research report, the MPI Meetings Outlook 2017 Fall Edition, reports that of those canvassed, 57 percent of respondents predict favourable business conditions over the next two years, while 23 percent predicted negative conditions. On a more detailed level, the research also showed that 48 percent of respondents were positive about attendance at live events, and 22 percent were negative.

The M&C Research 2017 Meetings Spend Survey, supports this confident outlook from the industry. 54 percent of respondents in the survey feel that budgets will go up during 2018, and only 12 percent feel they will go down. It’s worth noting that this is a slightly more confident market than the same research last year which reported 53 percent and 11 percent respectively.

The findings within this report, across corporate, association and incentive meetings sections, show that this industry benefits from business in two ways; specific industry growth and confidence from business in the value of meetings and events. While the first leaves the industry as a beneficiary of a
growing economy, the second makes it an all-round more stable industry regardless of the wider economic context.

The second trend pointed out by Mr Van Deventer is also reflected by both association meetings and incentive travel sectors. Furthermore, it is a trend mentioned in BCD, CWT, SITE and ICCA research: the move towards experience. The ILEA UK Chapter (International Live Event Association) characterises this trend as a shift in where the industry sees its own value, from an operationally effective industry, to that of a creative one. Whereas once meetings and events were evaluated on their organisation, they are now valued for their long-lasting impacts on people, companies and industry.

This trend sits hand in hand with the continued penetration of event technology into the industry. ILEA also report that event planners are now able to track everything from delegate movement to delegate sentiment, improving their ability to show ROI (return on investment) and now ROE (return on engagement). This trend has also boosted the role of ‘out of room’ experience, also a subject MPI has examined for some time now. The association’s Meetings Outlook Report has tracked virtual audience for some time and predicts a rise of 2.6 percent compared with a rise of 0.9 percent in traditional live audiences.

This is also a trend that the MPI research subjects heartily agree with; 63 percent of those asked projecting that virtual attendance growth will be positive and just 11 percent believing it will be negative. Again, with increased reach and engagement, this is a trend that is being embraced by many within the meetings and events community.

Both the DestinationNEXT 2017 Futures Study and the BCD Meetings & Events Trends Report concur. DestinationNEXT goes one step further commenting on the knowledge economy giving way to the experience economy, and that ‘tourism and business events are all about experiences, and experiences are the dominant force driving human interest and behaviour.’ The report also discusses the role of destinations in creating these experiences with travellers looking to participate in cultural exchanges, connect with nature and historic places, and have meaningful and responsible trips.

The BCD report puts it more emotionally: “It’s no longer enough to provide the basics—people want to be ‘wowed.’”

The third trend from MPI is a word of warning, that is again reflected across this report, but should be bought into focus here. Supply and demand equations are constantly changing but for now prices and budgets are being squeezed with increasing costs. As companies look to boost experience, they also
need to push budgets to create this additional value. MPI see this as meaning, ‘that the industry is looking for more, for less’, and that more knowledge and experience needs to be squeezed into a smaller place of time, and with a smaller budget.

The supply and demand equation will also be compounded in line with the wider global trend of ‘consolidation’. This is no better demonstrated than in the hotel industry and we continue to see mergers and acquisitions that put the purchase power in the hands of major players. This creates more robust brands, and while on an individual level there is disruption, it can mean that hotels can make decisions on the business they take on based on more wider economic factors, and create deals with large meeting bookers.

Conversely, as ILEA see meetings and events moving towards the creative industries, the need to add value through original thought looks even more important as we enter 2018.

Lastly, on a more sombre note is the need for the industry to address security and to look after the wellbeing of delegates in all its forms. The DestinationNEXT 2017 Futures Study reports that ‘security is emerging as a destination necessity’. While the MPI Meetings Outlook recognises ‘the trend towards increased interest of both personal security and cyber security’. This trend is more than just risk assessment and the careful selection of destination partners. The report also found that industry professionals are giving fresh attention to details such as contract clauses they may have to exercise if a meeting must be cancelled, as well as aspects such as emergency communications.

Meanwhile, in the UK, there is a rapid concern around delegate health, both from a delegate lifestyle point of view as well as a security one. This is even extending to the welfare of the organiser themselves – Forbes recently listing ‘event coordinator’ as in the top five list of most stressful vocations.

This summer saw the first Eventwell campaign in Britain, a growing movement that highlighted mental health within the events industry. It also saw the continued emergence of World Obesity’s ‘Healthy Venues’ accreditation, created as part of an initiative from the association to combat the global obesity epidemic. Already venues including the Scottish Event Campus, the Vancouver Convention Centre and the Convention Centre Dublin, have achieved this standard as part of a wider responsibility to look after both the nutrition and activity levels of delegates while on site.

It seems that wellbeing is either supplementing or replacing the industries concern over sustainability, the meetings and events industry is looking more closely at its effect on people as well as the environment.
The approach of the industry towards these trends, both opportunity and threat should all be seen as positive; of a continually maturing, concerned and responsible industry, that takes seriously those at the very heart of its business; people.

**A Word on Technology**

One of the major causes of both disruption and excitement in the events industry is the advent of event technology. This is by no means a new trend but, increasingly, discussions are being had across our trade associations – most specifically within ILEA and MPI – about the relationship between event technology and event organisers.

ILEA specifically have been talking about the ‘adoption rates’ of event tech by organisers, and the need for new innovation to be tested and proved before bringing it into a live environment. Equally, the association continues to discuss the ‘value exchange’ between organiser, visitor and brands when it comes to the collection of big data. The events industry has quickly realised the opportunity it has in the data industry and there are multiple discussions taking place on how to handle this new power.

Enter the discussions around GDPR or The General Data Protection Regulation; a new law that seems to be arriving quickly at the feet of meeting and event planners. With the legislation going live May 2018, debates and discussions are rife arounds the global events industry on how we keep hold of the date of thousands of individuals.

Boardroom magazine best layout the implications of GDPR and its wide-reaching effects. ‘GDPR is an EU wide regulation … and concerns the holding of personal data of any EU national, whether held in Europe or not.’ The article also lists the responsibility of event organisers in regards to this data, including both their own responsibilities and those of any third parties that have provided data to the organiser in the past. The regulation is vast but adds a layer of responsibility towards the organiser to gain consent for the use of the data, and to treat it responsibly both before and during an event.

GDPR will continue to be discussed into 2018 and while its implications for the industry are yet to be understood, it represents another disruption to the lives of event organisers around the world.
CONCLUSION: Taking Care of Business

One of the main themes for the World Trends Watch Report 2016 was instability, and a hesitant approach by business and those in the meetings and events industry to major economic and political shifts.

What becomes clear as the industry enters 2018 is that hesitancy has been replaced by resilience. That uncertainty has been replaced by confidence, and that despite 2017 presenting such extreme challenges for the world, we see an industry emerging that is more responsible, positive and secure in itself.

Instability has become the new normal, and businesses are carrying on regardless, and that means investment in staff, communication, knowledge, intelligence and relationships. The theme of this report should therefore be ‘taking care of business’. An event is a decisive action, a fixed point in the future, and the sign of an organisation that wishes to communicate, show dynamism and agility while others hesitate. This is an industry that is now beginning to grasp its true value and not only demonstrate it, but sell it back to customers.

No event takes place without the investment of a business or a brand; be it delegate tickets, sponsorship, or the creation of an event itself. Again, we see the meetings and events industry getting closer to business, earning its trust and faith and delivering. The relationship between business and the meetings and events industry seems to be growing stronger every day.

This is also a transient business, driven by the quality of destinations around the world. Both the importance and the quality of these destinations continues to shine through, despite continual upset amongst even the industry’s biggest destination players. This is a sign that people still want to travel, to have amazing experiences in unforgettable places. Even despite unimaginable trauma, not only do delegates continue to travel and embrace such cities, but organisers also take on the responsibility to rebuild, invest and support those in need.

The meetings and events industry has always been robust because delegates around the world, no matter what happened the day, week or month before, still need to work. Equally, businesses need to grow, associations need to meet, knowledge needs to be shared, and new discoveries and stories need to be told.
Lastly, this is an industry that seems to be taking on its responsibility in the world. Finding new ways to look after itself, but also the communities and people it serves. At the beginning of this report, the global economic outlook reported a political climate that continues to point towards a ‘protectionist’ agenda. But business is advocating collaboration and stronger ‘global economic integration’. Companies continue to operate without borders, looking to grow and compete around the world.

Despite increased technology, new market entries, and new ways of communication, businesses find growth in the same way. They look after their staff, they look after their customers, they develop new products, and communicate with new markets. In is this environment, the meetings and conference industry looks to thrive ...
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