

EVENTS MARKET IN GERMANY IS IN TRANSITION



The German National Tourist Board, (GNTB), the EVVC European Association of Event Centers e.V. and the GCB German Convention Bureau e.V. present the results of the new "Meeting & Event Barometer 2020/2021". The key figures on the meetings, conventions, and events market in Germany in 2020 confirm how the event world is changing as a result of the corona pandemic.

Currently, we are in transitional years towards new normality. From 2021, the market is expected to recover under changed conditions.

Like everywhere else in the world, the events market in Germany plummeted last year: **The number of face-to-face events recorded a decline of 70 percent, and the number of participants fell by 86 percent.** Cancellations, postponements or changes in the general conditions for events have also largely caused business travelers to stop traveling. As expected, the share of international participants has fallen - from ten percent in the previous year to 2.4 percent in 2020. This is also confirmed by the figures of the IPK World Travel Monitor: after many years of robust development of European business travel to Germany, the market experienced a decline of 62 percent last year.

Germany's position in the European market nevertheless remains stable, according to Petra Hedorfer, Chairwoman of the Board of the German National Tourist Board, (GNTB): "Despite Corona-related declines, we were able to confirm our exposed position as the top 1 destination for European business travelers in 2020: With 5 million business trips, Germany topped the rankings, far ahead of France and the U.K. in second and third place. The current fiscal year gives reason for cautious optimism. According to IPK International, 22 percent of foreign travelers worldwide are planning business trips this year. Germany can benefit from this, especially as a MICE location in international competition. 81 percent of respondents planning business trips to Germany intend to take MICE trips, 36 percent traditional business trips."

Structural Change of the Market

The events market in Germany underwent structural changes last year - both in terms of quantity and quality. Among all event types, business events, in particular, experienced a strong shift toward digital and hybrid formats. Overall, a considerable proportion of the face-to-face events planned for 2020 were rescheduled and held virtually due to the pandemic. If the event forms of hybrid and virtual events are added to the 0.8 million face-to-face events, then around 2.3 million events with approximately 234 million participants were held in Germany in 2020.

Recovery of Source Markets

Due to restricted air traffic and the cancellation of most international events, source markets in Europe initially gained in importance for Germany, in addition to national demand. Austria, Switzerland and the Netherlands occupy places one to three in the ranking of the most important source markets. Accordingly, an international recovery is expected in phases, with the national market coming back first, followed by Europe and finally the overseas demand. However, according to IPK, a high intention to travel for business is already apparent in 2021 for some overseas markets, above all in Japan, China, the USA and South Korea.

Capacity Adjustment for the 'New Now'

Event venues have significantly reduced capacity due to hygiene requirements. The loss of revenue in 2020 resulting from this and from the many event cancellations is 70 percent. For 2022, a revenue loss of only 17.7 percent is expected. "The event centers, conference hotels and event locations are positioning themselves well even under the more difficult conditions. With the appropriate hygiene and security measures, as well as the necessary technology and infrastructure to also be able to carry out hybrid and virtual formats, event centers are ready for a safe re-launch of face-to-face events in the 'New Now'," says Ilona Jarabek, President of EVVC (European Association of Event Centers).

Prospects for Future Development

With the growing recovery of the markets, due to the steady progress of the vaccination campaign among other things and the implementation of a digital vaccination passport, a cautiously optimistic forecast for the meeting and convention destination Germany can be seen. The surveys of the Meeting & Event Barometer confirm: **Face-to-face events will come back strongly by 2022 with a growing share of hybrid formats, whereas virtual events will decline again.** The current and the coming year can therefore be described as transitional years towards new normality.

"The study results clearly show how quickly event organizers have been able to adapt to the challenges posed by the coronavirus and reposition themselves with virtual and hybrid events," explains Matthias Schultze, Managing Director of the GCB German Convention Bureau e.V. "The importance of the future role of business events as a corporate communication tool will continue to grow in this context, across all formats. The players in Germany as a meetings and conventions destination are ready to actively shape the 'New Now'."

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