

FINANCIAL CRISIS (UN)LIKELY TO HURT MICE



The International Congress & Convention Association (ICCA) recently conducted a survey of its global membership to obtain an overview of industry confidence in the light of the constantly publicized crisis sweeping through financial markets. Over a quarter of ICCA's 850 member companies and organisations responded, providing the most current overview of how the meetings industry is coping, and how industry leaders predict they will be affected in future.

Less than 6% of respondents have suffered a significant downturn as a result of the economic environment, whilst 60% report no impact whatsoever. ICCA members are more negative about the prospects for the rest of the year, with only 44% believing there will be no negative impact because of these factors. However, a surprisingly large figure of 42% are expecting their company's 2008 performance to be better than 2007, a year which previous ICCA surveys have indicated was a record breaker in all regions of the world. Less than one third think this year will be weaker than 2007.

Only 12% of the respondents are planning to cut their marketing budgets during the rest of 2008, whilst over three-quarters indicate that they will definitely not be making cuts. This is good news for magazines and trade show organisers everywhere, and it is in marked contrast to the big cuts which were seen in the previous economic downturns.

However, the final question of the survey delivered results which call this optimism into question. Asked what impact the current financial crisis will have on the meetings industry in general, only 6% felt there would be no significant impact at all. Just over half felt there will be significant negative impact but restricted to certain regions, over one third felt there would be significant short-term global impact, whilst 7% felt there is likely to be significant global impact lasting longer than 18 months.

ICCA CEO Martin Sirk comments: "It would seem that optimism about personal business performance is balanced by a far more pessimistic perception of how others in the industry are likely to be affected. There is still a great deal of uncertainty in the marketplace, but it is clear that the financial turmoil has not yet been translated into any noticeable cutbacks amongst clients. This reinforces other anecdotal feedback we are obtaining from meeting planners which indicates that international meetings are becoming ever more important to companies and associations alike, and they are more reluctant to cut events which have become "mission critical" to achieve their business objectives. If this is so, it will help our industry to weather any future economic downturn." Very few in the industry have been seriously affected up to now by the financial turmoil and economic uncertainty, with many predicting yet another record year. Surveys amongst MPI and PCMA members were in line with these results, but the experts suggest caution, since there is a possibility of a downturn in 2009 or 2010.

In general, compared with previous economic downturns, the industry is in a significantly stronger position. Firstly, it has become a genuinely global industry, with massive investment in Eastern Europe, the Middle East, and especially Asia with China and Macau showing exceptional development, and with India poised to join them in the rush to win more business.

One of the biggest challenges facing the industry is going to be the fight to recruit and retain the most capable young executives. If anything, this is going to be a bigger challenge than facing up to the increasing level of competition that all of us are going to face. The companies that align themselves to their customers' needs, who instigate strong HR development programmes, and who constantly reinvest in their infrastructure will be in the driving seat.

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