



Market report MICE

May 2020

Status from Great Britain, Sweden, Russia and Germany



Great Britain

The Biggest challenges in Great Britain right now – current situation

This is what actors from the industry say in our dialogue with them:

- *Main challenge for all live agencies are that they have no income. Agencies that have digital expertise are working on virtual events, but it is harder to monetize.*
- *We are still following up and dealing with cancellations, and also moving some events to 2021, but with huge amount of contingency planning*
- *We have made use of the government scheme for small business it has been easy to access and a real lifesaver.*
- *Most of the teams are now furloughed and we try to support them and keep them motivated through training, team meetings and generally just being there for them. Now that the government has extended the furlough system to October, we also need to understand what changes this second wave will bring and how it will effect us and our employees.*



The biggest challenges in Great Britain continues...



- *We are working on getting better structures within the company, we are updating our website, making our templates more efficient, rewriting our contracts with much greater focus on force majeure, reassessing our services and potential partnerships. We generally looking to have better infrastructure when we return to normal and are literally doing all the things we always talked about doing, but never had time to do.*
- *Important to keep in touch with the clients and discuss their challenges and how they see the future. We are not advising clients to book at this point as everything is too uncertain and we would not look credible.*
- *A big challenge is that there needs to be a huge behavioural shift for people to be comfortable to return to meetings and conferences, we spend time looking at different scenarios so that we are ready when the lockdown is ended.*

The biggest challenges in Great Britain continues...

- *A lot of rumours in the media makes planning even harder. Most challenging thing is we have no idea of what will happen in the future. We are just waiting for government statements.*
- *Corporate planners are spending time upskilling their staff on virtual solutions as they expect hybrid events to become the new normal*



Foto: CH - Visitnorway

When might we hope for bookings from Great Britain to Norway again?

- Any events placed internationally will take place in 2021 at the earliest and will depend on the rules in different countries, companies finances and willingness to take risk and last but not least delegates willingness to attend.*
- I do not think the UK borders will be reopening this summer. The UK has recently introduced a new measure in which everyone entering the country has to stay in quarantine for 2 weeks. This is being reviewed every three weeks though, so things can change fast.*
- The FCO advised British people against all non-essential travel worldwide. This applies for an indefinite period due to unprecedented international border closures and other restrictions. All countries may restrict travel without notice.

Market insight from Innovation Norway's office in Great Britain

An important thing to note is that when I phone around so many people are furloughed. The agencies are confident (-or at last they are saying so) that most of their staff will return in the autumn. However, many agencies large and small are very dependant on freelancers and there is some speculation that these will disappear out of the industry as the government support for them is much less and they might not be financially able to wait for the return of live events.

There seems to be less furloughing in the Corporate sector





Sweden

Sum-up of the current situation

- The biggest challenges remains; trying to get through this crisis alive without almost any income . Concerns are about losing employees and no borders opening for travel before end of year. Finding other ways to deliver on costumers needs and educate staff within digital tools and solutions.
- Event agencies turn their services/business to deliver knowledge in professionally produced digital meetings (agendas, content and tech solutions).
- Almost all Event agencies have furloughed staff, some also laid off staff.
- Many actors believe that we will see more bankruptcies the coming weeks and the summer will show who survives within the MICE-industry and who will not.

Market insight from Innovation Norway Sweden



Status of reopening of the border

- *Per today Sweden and UD discourages abroad travel till 15/7. We hope to get further information beginning of June.*

Travel advices in Sweden per today

- *The domestic travel advice is 2 h from your home.*
- *We follow the discussion about open borders between Nordic countries closely.*



Russia

The Biggest challenges in Russia now – to overcome the crisis

Overcoming the crisis

- The biggest challenge is **to overcome the crisis**.
- Russian agencies hope to keep the company and continue their work after the crisis. The main challenge is to **survive a year without profit**.
- Many **managers are furloughed** without salary.

Refunds & re-bookings

- Many agencies dealing with cancellations of the events and have difficulties to refund money, they offer to **reebok trips/events** to the end of this year, or to the 2021.
- Some agencies started to offer new products: **digital and virtual events**. It takes time to change the business model.



BOOKING SITUATION



For the time being Russian agencies do not have any new bookings or very few. **Almost completely stop!**



The sale of **local events** will probably start from **summer 2020**.



The sale of **international events and corporate trips** will start most probably **after New Year 2021**.



Important to **stay in touch with the key clients**, have dialogue and when the situation will be more stable and predictable, the agencies could start offering them new events, programs and itineraries.



Too **much speculation and rumours** about the future. It is impossible to make any prediction or forecasts. All Russian agencies have to wait for the official government statement.

BORDER SITUATION & TRAVEL ADVICE



According to representatives of the Finnish Consulate General in St. Petersburg, the issue of lifting restrictions on crossing the **Russian-Finnish border has been postponed until June 14, 2020.**



The largest Russian airline Aeroflot suspended international flights up to **August 1, 2020.**



The domestic market will be re-opened from **June 1, 2020.**



TOO MUCH SPECULATIONS, I do not think that the Russian border will be **reopening before August/September 2020.**



Travel advice from the Russian government – **stay at home or travel in Russia.**

Russian MICE Market recovery after the crisis

I think that the consequences of the crisis will be felt by the MICE tourism industry for more than 1 year:

International Air traffic will not be recovered immediately, especially international, due to which MICE agencies will not get 30-40% of business for a long time.

Companies themselves can impose restrictions on a number of international destinations at the first stage due to increased security measures.

The crisis has affected absolutely all sectors of the Russian economy, which means that customers will also need to recover in order to return to the previous volumes of business trips.

The psychological factor will hold back the rapid growth of the industry — people need time to overcome their fears and return to their previous lives.

Main trends of Russian MICE market after the pandemic

- **Budgets** for MICE will **decrease** in the coming year.
- Some of the **meetings are now going online**, and someone will obviously continue to use this format after the quarantine.
- It will **take years** for everything **to return** to its previous volumes.
- At the same time, people are very **hungry for live communication**, so we do not expect widespread rejection of business/corporate trips and events.
- Corporations spend their considerable MICE budgets to maintain such an important indicator as **employee engagement**. Not any online systems can handle this.
- MICE is not facing the first crisis in Russia, and every time the business tries to **find new ways of optimisation**.
- Every crisis in the MICE and business tourism industry predicts a decline, but this is a dynamic business that is capable to recover. **MICE is the first to suffer, but also the first to gain momentum**.

Information to the Norwegian MICE industry



Do not give up but **think about the future. People still be travelling and having meetings** in the future.



After all, **the value of personal contact** with colleagues, face-to-face negotiations with customers and suppliers will not be replaced by any technologies of remote communication.



It is important **to keep the dialogue** with your key partners.



Russian agencies are **hungry for digital activities** (webinars, Workshops).



Germany

Feedback from German event planners

- Most events for the rest of the year (national and international) have been postponed or cancelled.
- Many agencies are looking for alternative event formats and working on virtual or hybrid events, open-air concepts, etc. (e.g. VOK DAMS aims at becoming the leading event agency for virtual events).
- The majority of event planners are in short-time work and work from home. Office hours changed.
- Some event agencies filed for insolvency (e.g. New Ego in Munich) and some had to lay-off employees (e.g. Banks Sadler in Dusseldorf).
- The general perception of planners is that face-to-face events will come back because of personal interactions and the current lack of it. People are already annoyed from Zoom meetings and webinars and want to meet again. The question is how, when, where and how often this will be allowed and doable again.

Feedback from German event planners



- It seems that companies will focus much more on national events now and it will take even longer for international events to recover. One reason therefore is that the regulations are so different from country to country. This is misleading and complicated to understand.
- A few planners are working on proposals for 2021.
- A slight recovery can be expected for early / mid next year.

MICE industry updates by Lieb Management

- On 6th May, the German Convention Bureau published an analysis about the consequences of the Corona virus on the German events industry. The major findings are that the Corona pandemic is changing the volume and structure of the market and that recovery will take time. It shows that larger events tend to be postponed, whereas smaller events are often completely eliminated or relocated to virtual space. The study also predicts the average loss of sales for the first quarter of 2020 in a six-digit range for all types of event venues. The absence of tasks due to failure or legally prescribed closures in combination with the drop in sales inevitably leads to job cuts. This means that every third job in the event industry is at risk. Moreover, the report deals with various recovery-scenarios and highlights the trend towards hybrid meetings. www.gcb.de
- According to the recent study by VDR, 74 percent of German companies now allow business trips again. The number of companies with travel bans decreased from 42 percent in March to 21 percent now. But as long as travelling and staying abroad is associated with risks, high demands are placed on business travellers, mobility partners, accommodation providers and business travel agencies. www.cimunity.com



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