

**Market Analysis**

July 2019

# EUROPE AS A DESTINATION FOR MEETINGS AND CONFERENCES



**STRATEGIC ALLIANCE  
OF THE NATIONAL CONVENTION BUREAUX OF EUROPE**

A joint look at the current economic and socio-political trends influencing Europe as a meetings destination by members of the Strategic Alliance of the National Convention Bureaux of Europe, supported by Simpleview and the PCMA.



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# I.

## Research Background: Objectives, Partners & Methods

The “Europe as a Destination for Meetings and Conferences” study project was initiated as a joint project by nine members of the Strategic Alliance of the National Convention Bureaux of Europe. Alongside the GCB German Convention Bureau as lead research partner these are the Austrian Convention Bureau, Convention Bureau Italia, Croatian National Tourist Board, Meet Denmark, Netherlands Board of Tourism & Conventions, Polish Tourism Organization, Swedish Network of Convention Bureaux and Visit Norway. The project was supported by Simpleview and the PCMA as industry partners.

The partners’ objectives can be summed up as follows:

- Highlight economic, political and social conditions and current trends impacting the meetings industry
- Identify the impact these developments have on the meetings industry
- Help European DMOs and its cooperation partners to assess opportunities and challenges
- Develop recommendations for actions

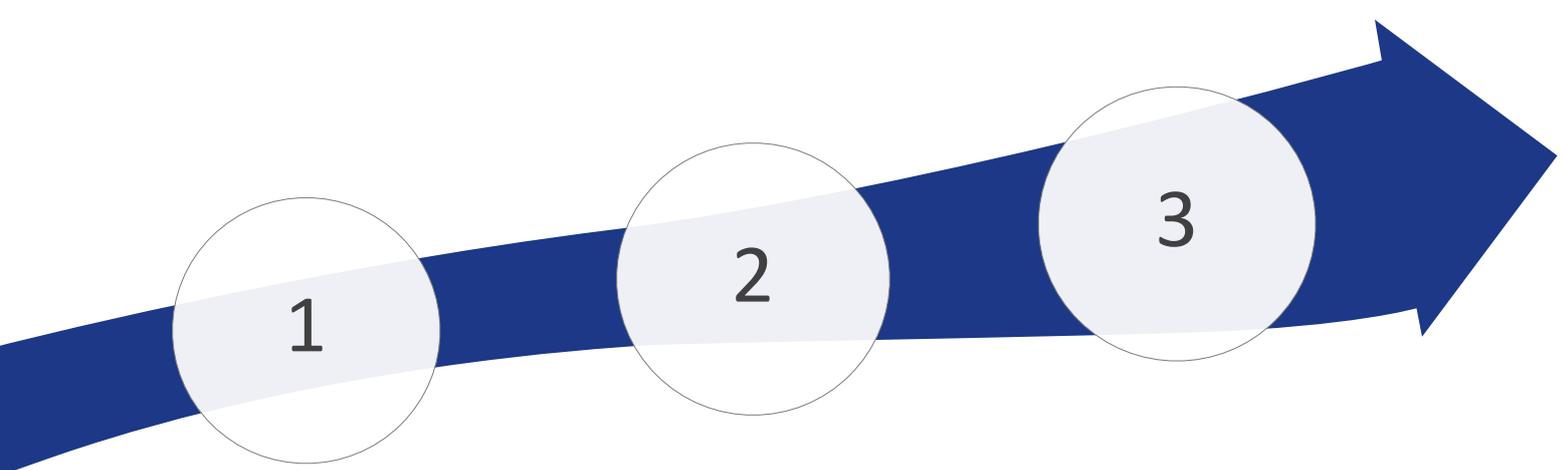
### Research was divided into three phases:

**Phase 1:** in-depth desk research

**Phase 2:** qualitative research – telephone interviews with 45 European and US meeting buyers and sellers in different industries

**Phase 3:** strategic analysis & reporting

Research was carried out by SIS International Research.



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## II.

### **Analysis of Status Quo: Europe as a Meeting and Conference Destination**

Europe is a well-established hub for international events. Based on ICCA (International Congress and Convention Association) figures, 52.5% of meetings organised by international associations take place in Europe. Asia and the United States follow with 20.1% and 11.1% and while particularly in the Middle East and Asia the market is growing, the data indicates that Europe's global dominance in the international event space is not going away any time soon.

Europe's solid standing as a leading destination for meetings and events is anchored in the diversity and broad range of offers European countries can provide. This success factor can be extrapolated from the analysed ICCA data showing that the countries topping the rankings of European meeting destinations do not lead the rankings on a city level. Germany, for example, sits firmly at the top as Europe's leading country for international conventions, however, it has only two cities in the top 25.

At the same time, the top 5 European countries taken together are home to about 45% of the top 100 cities and 56% of the bottom 100 cities. In essence, the key to regional dominance for any specific country is not having the highest number of top cities but one or two of the top cities, along with a much larger proportion of "lower tier" cities that host fewer meetings each.





### III.

## Challenges and Opportunities in a Changing Environment

While Europe's current status quo of long-standing dominance in the international event space still equips industry players with a certain sense of confidence, the immense pace of global change means that the European meetings community is faced with multiple challenges, including social, political and economic factors, tech trends and general industry trends:



### Social, political and economic factors

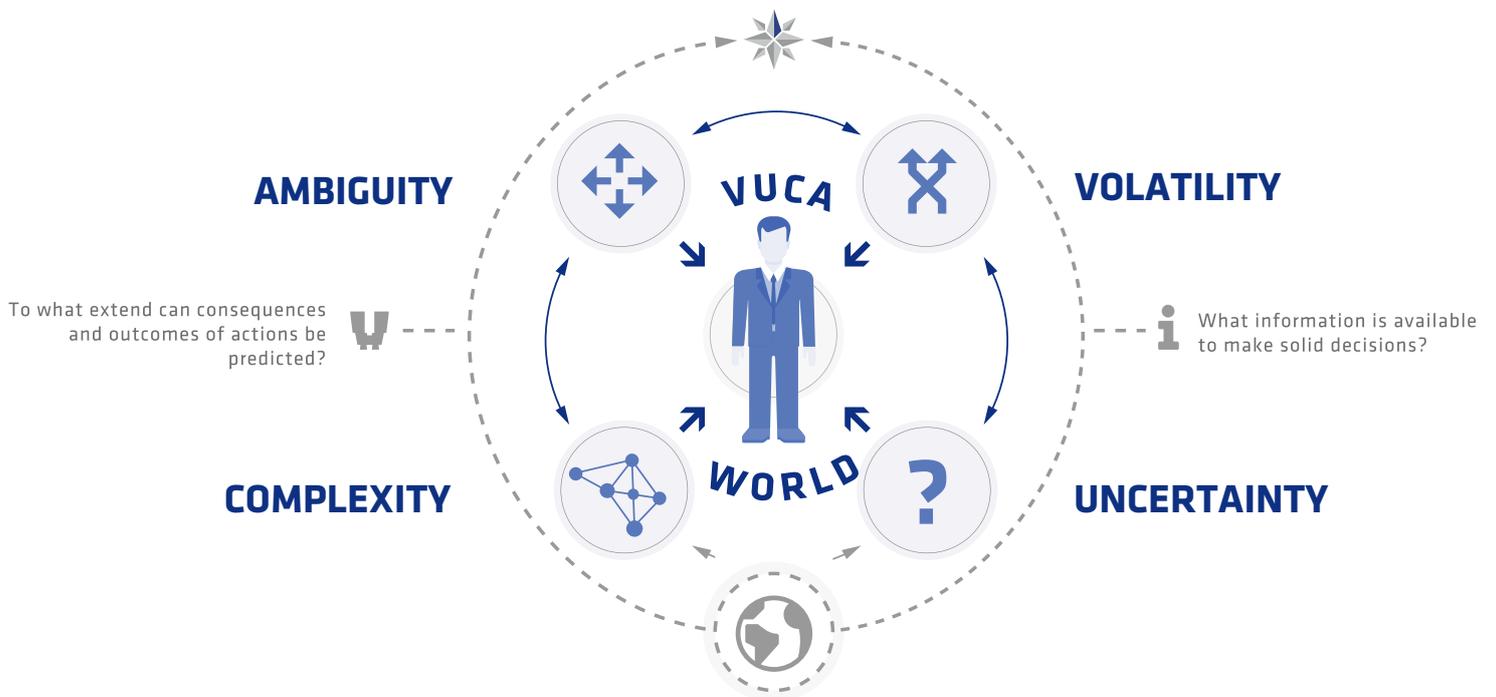
The research defined four main points to be considered, i.e., the economic outlook (global and state of the EU), Brexit, social unrest, e.g., the “Yellow Vest” protests in France, as well as general security concerns. In a nutshell, all these issues can be summed up under the overarching theme of uncertainty that ran through all our conversations with industry professionals. At the same time, this sentiment of uncertainty is geographically fragmented, i.e., while people doing business with the US were concerned about the Trump administration, Spanish planners worried about the situation in Catalonia.

Looking into individual aspects in more detail, the **economic outlook**, both globally and within the EU, does not necessarily inspire confidence: A good ten years after the global financial crisis, many fear that we are on the brink of another Eurozone showdown. Global debt is 174% higher than in 2007 and EU GDP could drop below 1.6% in 2019. However, global macroeconomic trends are not all bad news for the meetings and events industry in Europe, as the growing strength of the US Dollar is making Europe a comparatively cheaper destination which could lead to more organisers hosting their international conferences in European as opposed to American cities.

Within Europe, **Brexit** in equal measures presents threats and opportunities for the industry. The meetings and events business across Europe could be hit hard as the UK is a key source market for many major venues in the EU. However, depending on the final deal or no deal situation, it might become more difficult to host in the UK. Organisers will likely look to other countries which could potentially leave a considerable portion of the market share up for grabs by other top destinations in Europe.

How **social unrest** can impact the industry is exemplified in France, where the yellow vest protests have already affected the industry with hotels, who host almost 50% of all business conferences and events, seeing cancellations rising. As long as yellow vest unrest is still an option in France, Paris as a major European location for meetings is vulnerable, opening up opportunities for European competitors.

While heightened **security threats** are certainly real, it is noteworthy that most of the professionals interviewed for the study are not too concerned with it. They either simply follow all the standard security practices without actively worrying. Or, should a terrorist incident occur, they would cancel or move an event that is scheduled in the same city. On an optimistic note, the meetings sector can, in fact, play a positive role in restoring stability and normalcy in the wake of a terror event and, historically, event attendance tends to remain strong, compared to other types of visits, after a terror event.





## Technological trends

Looking at tech trends as a major driver for change in the conference and meetings space, the five main areas of consideration are hybrid and online meetings, internet speed, 5G networks, the Internet of Things (IoT) and Artificial Intelligence (AI):

**Hybrid meetings**, where some attendees are physically present while others participate virtually, are on the rise across the world. According to the GCB's "Meeting & Event-Barometer 2018/2019", 10.4% of all conferences and events in Germany were hybrid in 2018, up from 8% in the previous year. The general trend for more hybrid and virtual events in the German market was confirmed in the interviews conducted for the Europe study, with planners looking to conduct more hybrid meetings, add more online elements to physical meetings, and generally use digital technology to create more interactive and experiential events.

The increase in **internet speed** as the second trend, certainly contributed to the ongoing growth of hybrid and virtual meetings, and, as simple as it may sound, when we asked planners about technology "must haves", the number one was reliable and fast Wi-Fi, as the building block on which meeting planners can execute everything they may want to do, from hybrid meetings, video conferencing to conducting real time interactive audience surveys.

Another key technology sure to revolutionise traditional, hybrid, and virtual meetings, are **5G networks** to be rolled out this year and expected to be widespread in 2020. Conference planners and venues alike should be thinking about how to leverage 5G capabilities. As these networks offer unprecedented speed and connectivity, forward thinking professionals with the most innovative and creative usage ideas will have the opportunity to get ahead of the competition.



Global Economy

State of EU/Eurozone

Brexit

„Yellow Vest“ Protest and Social Unrest

Terrorism and Security



- Hybrid and Online Meetings
- Internet Speed Necessity
- 5G Networks
- Internet of Things
- Artificial Intelligence



Sustainability  
ROI

A circular icon containing a white silhouette of a factory with two smokestacks, representing industry or manufacturing.



The roll out of 5G networks will also give the **Internet of Things** (IoT) a boost. Over 24 million IoT connected devices are forecast by 2020 and the technology is likely to impact conferences and events most through wearable technology, making events even more convenient for attendees while gathering invaluable data for organisers. Many respondents we interviewed, especially those in more technological industries, are keen on greater implementation of IoT tools, whether that be tracking systems that enable greater personalisation or foot traffic mapping to enable more informed advertising decisions.

**AI** as the currently hottest and most debated tech trend on the planet offers a variety of applications in meetings and events. Based on feedback provided by our respondents, a kind of AI movement is currently building in the industry, with many planners already using AI matchmaking tools and/or chatbots or are planning to. As networking is among the top five reasons for attending events, AI software that learns attendees' preferences through their own input as well as through analysing social media to suggest other attendees to connect with could considerably improve attendee experience. Chatbots as another major AI application in events have grown much more sophisticated in recent years and are now capable handling most run-of-the-mill customer service inquiries.



## Industry trends

Alongside a need to make events more experiential and personalised to counter the effects of a crowded market where growing numbers of events compete for attendees' valuable time, sustainability and an increased focus on ROI are the two major industry trends established in our research:

Environmental **sustainability** concerns around events are a major factor and were mentioned by a majority of respondents. In a nutshell: businesses, meeting planners, venues, and attendees alike are all concerned about lessening their impact on the environment. This means that planners evaluate if physical meetings are actually necessary and attempt to consolidate them into fewer, larger events while moving others to online formats, in an effort to cut down on air travel. In addition, planners increasingly expect venues to enact more sustainable practices, making environmental sustainability a key criterion in their selection of partners. This means that a hotel's water-saving or single-use plastics policy could help them win an event over a similar competitor without such initiatives.

Apart from sustainability, an increased focus on the **ROI** of events was highlighted by many professionals we spoke to. This is very fragmented, depending on the industry-sector in question, however, the general gist here is that, in the industries where the bottom line is an issue, upper management demand more justification for the budget of events. For many, events need to be more focused and actively solve business problems.



## IV.

### Recommendations for Action

Based on the socio-political, technological and industry trends and input collected in our qualitative research, **six key recommendations** emerge from the “Europe as a Destination for Meetings and Conferences” study for meeting industry professionals to future proof their business:



#### 1. Communicate and respond swiftly and be open and transparent when sharing information:

A common frustration of planners is getting all the information needed from a venue – in one place and online so that they can make efficient and effective decisions. Lengthy response times on the side of venues is another concern. In today’s connected world, buyers go elsewhere if their enquiry is not answered swiftly. To address this situation, a robust online presence, including virtual tours and demonstrations of capabilities can be a strong differentiator for venues and basic communication best practices, as simple as it sounds, go a long way in a time-pressured environment such as the meetings industry.



#### 2. Build relationships:

Meetings and events is a people’s business, built on trust and strong relationships. To achieve that, clear communication, as mentioned in our first recommendation, is key. Continuity is the second aspect of relationship building. High staff turnover and constantly changing contacts are extremely frustrating for planners. Try to address these issues to stand out from the competition.



#### 3. Diversify:

As there is a great deal of fragmentation across the events industry, with some factors affecting only specific geographic areas while having no real impact on others, it is important to diversify. This applies in particular to sell-side professionals, such as venue managers or third-party planner, who should look to diversify as much as possible to be less affected by any kind of issues arising in one area or industry.



#### 4. Invest in technology:

As planners report increasing budgets for virtual and hybrid events, sellers who are best positioned to provide hybrid functionality will be the ones to benefit from this growing spending power. Also, venues should focus on investing in their audio/visual equipment, as well as their internet networks, to be able to help clients effortlessly stream events to virtual attendees in real time at high quality.





## 5. Highlight scientific and economic expertise:

Especially for smaller cities lower on the overall rankings, promotion of their location based on key buyer decision factors such as ease of access, venue availability and, last but not least, regional scientific and economic expertise is key. To focus your marketing on being a “lower cost” destination is unlikely to be as effective as, when it came to decision making, budget was not one of the first three factors considered by planners we interviewed. Finetuning location and destination marketing according to specific local strengths and expertise is of increasing importance. Therefore, think about what makes you stand out: Leaders in – broadly speaking – the area of technology and innovation should highlight these credentials and target organisers of tech-focused events. Your destination can offer convincing achievements in sustainability and renewable energy? Make sure to communicate accordingly with buyers concerned about the environmental impact of events. Anything to shout about that has international cultural appeal or could be of interest to particular fan bases? Get your thinking caps on as there might be something in it for incentive events.



## 6. Work with national convention bureaus:

Use local expertise in the regions you are considering for organising your event. We are lucky in Europe to have highly professional convention bureaus in every country that can provide very valuable information on anything related to planning and organising events - be it destinations, venues, service partners, costing or taxes - and therefore help saving time and unnecessary hassle.

Ultimately, the opportunities to be seized by the European meeting and event industry provide considerable scope for growth and development. While macroeconomic developments cannot be controlled and are – due to the complexity of political and societal trends – currently certainly more of a concern than in previous decades, Europe's standing as a destination for meetings and conferences can still be further enhanced. What is now needed is a creative and flexible approach that not only harnesses technology to add value to events and to improve sellers own marketing and communication capabilities but that also homes in on the requirements of specific target groups to provide customised experiences.



## Research Partners

9 members of the Strategic Alliance of the National Convention Bureaus of Europe



## Industry Partners



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