

## ROB DAVIDSON, STAR OF INDUSTRY TRENDS

Each year Rob Davidson, University of Greenwich (pronounced 'Grenitch' not 'Greenwich') gives his annual state of the industry address at EIBTM in Barcelona. It's a synthesis of cross-industry research over the past year, combined with a touch of clairvoyance and crystal ball gazing.

This year's was the most difficult of all in such times of great changes. The full report you will find online at [www.eibtm.com](http://www.eibtm.com) is the third version he wrote and it's really worth reading, if you want to try and make some sense out of this volatile fast changing world in which we all have to become so much more flexible in everything we do.

I make no apologies for plagiarising a selection of Rob's PowerPoint slides (in italics). It's the only way I can highlight the major trends he identified so they are quick & easy to scan. But if you still don't have time, then scroll directly to the last one which for me is by far the most important.

As Rob pointed out in his initial comments, *"it was a year of two halves and a planet of two halves"*. Business confidence was high in the first six months and then suddenly lost momentum as the economy dominated the second half of the year.

### Overview 2011

- *An increasingly uneven and uncertain economic recovery.*
- *But the prevailing mood in the meetings and events industry is still one of confidence and steady growth towards 2008 levels of demand.*

### The global economic context – Europe

- *Business confidence here lower than the world average.*
- *Concern over the Eurozone sovereign debt crisis – and the threat of financial market contagion.*
- *Risk of a return to recession.*

The two planets are the developed and emerging economies, and the greatest growth potential is from the latter as can be clearly seen in the 3 key client sectors below.

### Key client sectors – pharmaceutical

- *Increasing demand, to fulfil the health needs of ageing populations.*
- *But a trend towards generics and drug discounting could limit growth in Europe.*
- *BRIC countries seeing fastest growth.*

### Key client sectors – automotive

- *Radical shift in the location of production facilities towards lower-cost regions.*
- *But a recovery in vehicle sales in the US.*
- *India (14.7%) and China (8.3%) to account for greatest growth over the next 5 years.*

### Key client sectors – financial services

- *Non-traditional entrants creating a competitive environment.*
- *More consolidations and mergers.*
- *Traditional players seeking expansion in the BRIC countries.*

### **Corporate meetings trends**

- *Improved business results. More meetings, especially to BRIC and between BRICs*
- *But delegate numbers still below pre-recessionary levels.*
- *Shorter meetings .*

### **Association meetings trends**

- *Ongoing creation of new associations.*
- *Delegate numbers up.*
- *Revenue from exhibitions remains stable.*
- *Marginal increases in revenue from housing and sponsorships.*

### **Incentive travel trends**

- *Stabilising - but still sensitive to program extravagance (64%)*
- *Choice of destination: 25+% moved from international to domestic; 10%+ from domestic to international; rest - no change.*

There is separate information on regional variations for the US, Europe, China, Middle East & Australia which is well worth looking at too.

### **OUTLOOK FOR 2012 –MEETINGS & EVENTS**

*How would you describe your company's 2012 budget for meetings & events?'*

- *46% 'About the same'*
- *33% 'Higher than 2011'*
- *21% 'Lower than 2011'*

*ACTE Survey October 2011*

### **OUTLOOK FOR 2012 - INCENTIVES**

- *Almost 80% of incentive planners were looking toward a positive 2012.*
- *41% expecting an increase in budget.*

*Incentive Research Foundation, spring 2011*

### **OUTLOOK FOR 2012 – THE INDUSTRY AS A WHOLE**

- *The meetings and events industry will learn more about operating within volatile markets.*
- *Innovation, cooperation, collaboration.*
- *We will position ourselves as part of the solution.*

Rob is confident in the industry's ability to adapt to the increasingly volatile environment in which we all have to operate. As he says, *"we will learn to get better at what we do and get smarter"*.

For me the three key words for the future are in the second line:

#### **Innovation, cooperation, collaboration**

Necessity has always been the Mother of Invention & Innovation, and there'll certainly be plenty of necessity around in 2012. And then there's cooperation & collaboration and changing the way we think about our competitors and work with them where it makes sense to do so.

And lastly the industry must position itself as part of the solution to the economic situation and prove once and for all that business events are not a waste of money. People from all over the world have to continue to meet, exchange ideas and find solutions not just to the current economic mess,

but in all other walks of life, science, medicine.....and live events which are fully measurable have also become an integral part of the marketing process.

**MORE INFO**

Here is the direct link for the full EIBTM Industry Trends Report:

<http://content.yudu.com/A1usv2/EIBTM-2011-REPORT/resources/index.htm?referrerUrl=http%3A%2F%2Fwww.eibtm.com%2Fpage.cfm%2FLink%3D1%2Ft%3Dm%2FgoSection%3D1>

If anyone is interested in the full set of easy-to-read slides, contact [R.Davidson@greenwich.ac.uk](mailto:R.Davidson@greenwich.ac.uk)  
I am sure Rob will not mind sending them.

Congratulations on a very professional report!

It should be required reading for everyone in the Meetings & Events industry.

By Bruce Taylor