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EIBTM 2010 Industry Trends & Market Share Report

An evaluation by Rob Davidson
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BY ROB DAVIDSON



PREFACE

2010 will be remembered as the year when the meetings and events industry, reflecting the global economy as a whole, shifted towards an optimistic outlook. It was a year in which our industry effectively adjusted to the new realities of a slowly recovering economy and global imbalances, as most world markets rebounded from challenging times.

At times, the business world in 2010 presented a confusing picture, with fluctuating and sometimes contradictory economic data emerging month by month. In the context of such an array of bewildering market intelligence and market uncertainties, it is essential that meeting professionals stay focused and aware of current trends happening in the industry. This 2010 Industry Trends and Market Share Report provides a clear digest of key macroeconomic and meetings industry data, looking back at what took place during 2010 and forward to what trends are widely anticipated for 2011.

As this tumultuous year draws to a close, the prevailing mood of our industry and most of its clients is one of cautious optimism, born of a conviction that the worst is behind us and that we are better prepared than ever to face the challenges of the future.

THE GLOBAL ECONOMIC CONTEXT

2010 was a year of recovery, in most sectors of the economy and in most world regions. However, that recovery has been variously described as 'slow', 'faltering', 'weak' and 'uneven'.

Nevertheless, Gross Domestic Product development has turned positive in most countries, but the recovery has been fragile, particularly in the world's advanced economies.

Global imbalances have been accentuated, as the Asia-Pacific has brushed off the recession with impressive speed and resilience, while many of the advanced nations are characterized by much more sluggish economies, lingering high levels of unemployment, and low consumer confidence. Sovereign debt is a persistent problem for many countries, and entire industries have taken a hit as governments have withdrawn the stimulus packages they introduced to contain the fallout from last year's recession. A major development this year has been the widespread introduction of government cuts to reduce national debt, policies which have at times inflamed demonstrations of civil unrest of varying degrees.

However, despite these formidable challenges facing policymakers across the globe, there are a great number of positive indicators. Chief among these is the prediction by the International Monetary Fund that global economic output is likely to grow by 4.2 per cent in 2011 (up from the 1.9 per cent that the IMF predicted back in early 2009) and its conviction that the 'probability of a sharp global slowdown, including stagnation or contraction in advanced economies, is still low'. However, that growth will be unevenly distributed between developing countries (up by an average of 6.4 per cent) and advanced nations (up by 2.2 per cent) still struggling with the effects of the financial crisis.

KEY MARKETS

The US

In the US, unemployment remains high, at around 10 per cent, with no relief in sight; national housing figures continue to be pessimistic; and consumer confidence is low, as consumers have reduced their pace of spending, choosing instead to boost their savings. According to Deloitte Research, US households have also increased their cash holdings while reducing their debt. Household saving began to rise in mid-2008 as the recession deepened, and in 2010, household savings were up just over \$450 billion dollars over the past two years. This is the sharpest increase in savings in the post-World War II era.

The Federal Reserve has initiated a programme of quantitative easing, with the intention of bringing down unemployment and ensuring price stability in the US. The dollar was brought down in value by the first round of quantitative easing in 2008, but it rallied again from late 2009 through mid-2010 on the heels of the European debt crisis. However weaker US growth and expectations of another round of quantitative easing have started to push the dollar lower again. For the moment, the weaker dollar coupled with a rebound in the global economy has produced a strong recovery in US exports. While not back to its peak levels of mid-2008, the rebound in global trade has been one of the pillars of growth in the otherwise weak US recovery (Deloitte Research). This may partly explain the high levels of business confidence prevailing in the US, as noted in this summer's KPMG Global Business Outlook Survey:

'As was the case in February, companies in the US report a substantial degree of confidence regarding future activity. For manufacturing, June's net balance of +69.3 is the second-highest of all surveyed countries, while the figure for services is +61.2, topping the global ranking. US companies generally attribute their optimism to expectations of continued economic recovery during the next twelve months'.

Europe

Within Europe, the performance of national economies in 2010 has been highly differentiated, with some countries on the periphery still struggling to tackle spiralling budget deficits (Greece, Ireland, Portugal, Spain) while others such as the core countries of Germany and France, with their exports-led economies, are pointing the way to further recovery. Nevertheless, there are positive indicators. For example, industrial orders in the eurozone are rebounding: almost 25% higher this August than in August 2009. This is easing concerns that the eurozone's economic recovery might be endangered by widespread government cuts designed to reduce the size of some countries' budget deficits.

BRIC nations

The BRIC nations, which account today for about 40% of the world's population and 40% of the world's annual gross domestic product (GDP), are set to become the global growth locomotive. Collectively, they are expected to outperform world as a whole and major industrialized economies over the next two years. Some countries, such as China and India, will expand even more robustly than the bloc on average, with 10 percent growth in GDP predicted for China in the coming year and 8.8 percent for India. In 2010 China took from Japan the title of the world's second largest economy. Driven by a vibrant domestic demand, the expansion in the BRIC markets will be so buoyant that, by 2014, these countries will account for as much as 61% of the overall growth in the world's output.

KEY INDUSTRY SECTORS

As a vital business service provider, the performance of the meetings and events industry is closely linked to the performance of its key sector clients. Two of the most important of those sectors, for the corporate meetings and events market, are the medical and automotive industries. How have they both performed in 2010? In markedly different ways.

Medical

In a 2010 MeetingsNet article on medical meetings, the President and CEO of Orlando/Orange County Convention & Visitors Bureau said that while no segment was entirely recession-proof, 'the healthcare industry is about as recession-proof as you can get'.

Globally, several factors have shaped the medical/healthcare sector in 2010. Product pipelines also play a key role – the volume of new products being made available. The drop in volume of large pharmaceutical meetings experienced by many destinations in 2009 was partly due to a shortage of new products, and a concomitant shortage of product launches. But that trend was reversed in 2010, with overall growth in this sector. This was in line with the prediction of IMS Health, the leading annual industry indicator of dynamics in this market, which reported that the value of the global pharmaceutical market in 2010 was expected to grow 4 - 6 percent, exceeding \$825 billion. The same forecasters also predicted that global pharmaceutical market sales would grow at a 4 - 7 percent compound annual growth rate until 2013, taking into account the impact of the global macroeconomy, the changing mix of innovative and mature products, and the rising influence of healthcare access and funding on market demand.

The MeetingsNet article confirms the impact of this growth on the meetings and events market, with the Managing Director of Convention Sales of the Chicago Convention & Tourism Bureau being quoted as saying that the medical segment has held up for his city during the recent tough times: 'Medical meetings have been the most consistent over the past few years'. However, he added: 'Exhibitor numbers might have been down, but attendance has been either flat or up. We're definitely seeing a growth in attendance this year, and the early projections are that we'll be seeing more of it next year'.

Automotive

Reflecting global economic imbalances, the BRIC countries provided the best prospects for business in this sector in 2010. India and Russia were the markets expected to offer the greatest growth opportunities. Volkswagen, Ford Motor Co. and Toyota increased output and rolled out new models in Russia in 2010, and sales in that country were predicted to grow by 13 percent in 2010. Indian passenger-car sales jumped 33 percent from a year earlier to a record 160,794 in August 2010, according to the Society of Indian Automobile Manufacturers. Annual sales could reach 3 million by 2015, doubling from last year, according to the same source.

Elsewhere, however, as was expected, the automobile industry faced a challenging operating environment in 2010, reflecting a lack of consumer confidence in some key markets and the end of government incentives in the US, China, Europe and Japan to persuade their citizens to purchase new vehicles. In the summer months, Bloomberg Businessweek reported that high levels of unemployment in the US and government measures to cool China's economy were damping demand in the world's two largest car markets, weakening the outlook for the industry. US car sales in August were the worst for the month in 28 years, while China's passenger-car deliveries to dealerships increased at the slowest pace since March 2009.

In September, registrations of new cars in Europe were 9.2 percent lower than the year before, with 1.26 million new vehicles registered. The year-on-year fall was the sixth decline as many months, with all major European markets down. In the UK, new car sales were 8.9 percent lower, while France and Germany saw falls of 8.2 percent and 17.8 percent respectively. Spain saw the biggest fall, dropping 27.3 percent.

Nevertheless, towards the end of 2010, car sales even in these challenging markets began to strengthen slightly, suggesting a steady recovery. For example, according to preliminary estimates, total US October light vehicle sales reached just over 12 million vehicles, at a seasonally-adjusted annual rate, the highest since the 2009 incentive scheme – but still far below pre-recession levels of 16 – 17 million units, according to the Financial Times.

MEETINGS AND EVENTS TRENDS IN 2010

ECONOMY-RELATED TRENDS

2010 was a year in which the meetings and events industry continued to adapt to the new norms of cost efficiency prevailing across all markets. However, a number of new qualitative and quantitative changes occurred in demand for the services and facilities provided by our industry.

Corporate meetings

There was a discernable relaxing of restrictions on business travel in general in most world regions. For example, in the 2010 American Express/CFO Research Global Business and Spending Monitor survey, only 34% of respondents said that they planned to restrict travel for sta meetings or internal business (a fall of 47 percentage points compared with 2009), and only 35% of respondents said that they planned to restrict travel to conferences and retreats (a fall of 44 percentage points compared with 2009).

The resurgence in corporate meetings has been particularly significant in Europe, according to the August 2010 MPI (Meeting Professionals International) Business Barometer, which indicates that in the EU in particular, the international corporate meetings market has led the net increase in meetings activity in 2010.

But growth in the volume of corporate meetings has come with a lower price-tag attached, in many instances, as buyers have become increasingly adept at driving down costs through tough negotiations. Benchmark Hospitality International's Top Ten Meeting Trends for 2010 include the observation that:

The aftermath of 2009 is that planners come to pricing discussions today armed with negotiation skills carefully honed over the last 12-18 months. Their expectation is for properties to extend significant concessions across the board to pump up value for the meetings budget.

The findings of the Advito 2011 Industry Forecast corroborate this:

2010 has seen a resurgence in meetings bookings, but at a lower average room spend per participant of 16 percent (January-June). Buyers have successfully negotiated lower venue rates thanks to meetings suppliers correctly gauging the prevailing mood of austerity.

Linked to buyers' wish to negotiate effectively is the ongoing trend of short lead times. Benchmark found that the booking window for US corporate meetings remained very short term – from 30 to 45 days on average. The pervasiveness of short lead times was found to be the most mentioned trend of all in the June MPI Business Barometer, and the Advito 2011 Industry Forecast suggested three main reasons for this:

- Meetings organisers cannot be confident they will have sufficient budgets until relatively soon before the event.
- Buyers are betting they will obtain lower rates by booking at shorter notice as hotels and other venues worry about whether they will fill unallocated space.
- Booking at short notice minimizes the risk of cancellation and the need to pay cancellation fees.

In the 2010 meetings climate of tight and highly scrutinized budgets, another discernible trend was the continuation of moves to avoid frills and the appearance of lavishness in meetings. Time will tell whether this trend will be reversed when the world economy returns to healthier days, but in the meantime, meetings continue to be much more serious in their content, with social functions and special dinners being increasingly replaced by working sessions. According to Benchmark Hospitality International, 'meeting spending is seriously conservative, highly image conscious, and focused on the basics with little attention paid to the spa or a round of golf. Teambuilding, if it occurs, is integrated into the body of a meeting as there is little time to set aside for an afternoon on the high and low ropes courses'.

Incentive Travel

Indicators widely suggest that the incentives market recovered slightly in 2010, though not as much as other parts of the meetings sector. But, reflecting the caution that characterized corporate spending in 2010, incentives have also changed in the following ways, according to Advito's research:

- Almost the only incentive trips which have survived are those with a well-defined return on investment, such as a sales scheme.
- The average number of nights per trip has fallen from 6.5 to 4.
- Although still highly desirable, trips are less extravagant than in the past. Primary target destinations tend to be domestic or shorter haul international. However, there is a growing interest and activity in longer haul international in which the long-haul flights have generally been downgraded from business class to economy. In some cases, hotel standards have moved one tier down (for example, from luxury to upper-upscale).
- There is now nearly always a business element to the trip, such as discussions about corporate strategy and direction.
- There may well also be a "corporate giving" element to the trip, such as a team-building project that supports a local charity or community. This approach is increasingly popular in the U.S.

Other qualitative trends were highlighted by the Incentive Research Foundation, whose Pulse Study revealed that 29 percent of incentive professionals polled in a June survey were considering a switch, either temporarily or permanently from group travel programmes to individual awards in 2010. Among other findings: 44 percent of respondents indicated that procurement and purchasing involvement with incentive travel programmes would increase in 2010.

Association conferences

Published in January, the 2010 MPI Futurewatch study reported that association planners predicted lower onsite attendance in 2010, combined with stronger demand for educational content and a more consistent effort in the direction of sustainable meetings. However, later in the year, the August MPI Business Barometer reported that the domestic association conference market had led the net increase in meetings activity in the US in 2010.

REGIONAL VARIATIONS

The US

The North American Meetings Market: Outlook 2010/2011 is based on research carried out by PCMA, AMEX and YPartnership during April and May 2010, looking at intentions regarding the planning and hosting of off-site meetings. The findings reflect the general optimism within the meetings industry about a growth in the volume of meetings towards the end of 2010.

There was found to be a net increase in the number of off-site meetings planners expecting to book in 2010 and 2011, versus 2009. 25 percent of meeting planners expected the number of meetings they book in 2010 to increase compared to 2009, and 31 percent expected this trend to carry over into 2011. There was also a net increase in expected attendance at off-site meetings in 2010 and 2011, versus 2009. Meeting planners surveyed in the North American meetings Market study also stated that they were less likely to postpone, cancel or rebook future meetings in 2010, whether due to 'current economic conditions' (6 percent vs. 41 percent), 'current downsizing/consolidation' (3 percent vs. 22 percent), or 'current negative media coverage about the meetings industry' (1 percent vs. 8 percent). On average, professional meeting planners said that they expected to pay approximately \$7,600 in cancellation/rebooking fees for meetings they intend to cancel, postpone or rebook in 2010, and only about \$3,500 in such fees in 2011. This represents a significant decrease from the amount cited in the 2009 survey: \$81,000.

The 2010 MPI Futurewatch study echoes these encouraging results. That research found that US-based planners expected to plan 21 percent more meetings in 2010, although more of those meetings would also be held closer to home, with US planners expecting to locate 80 percent of their meetings within the US in 2010, compared to 61 percent expecting to do so in 2009.

Further evidence of recovery in the US meetings market was provided by the June 2010 Maxvantage Travel Buyers Survey. According to the survey results, respondents indicated they were beginning to find it increasingly difficult to find meeting room availability and more challenging to negotiate favourable rates. When compared to six months previous, the buyers felt the following:

June 2010 versus December 2009	Easier	About the same	More challenging
Negotiating Terms and Conditions	9% vs. 18%	68% vs. 53%	18% vs. 21%
Finding Availability	9% vs. 26%	50% vs. 51%	37% vs. 18%
Negotiating Lower Rates	17% vs. 43%	50% vs. 50%	30% vs. 18%

Steve O'Malley, senior vice president and general manager of Maxvantage interpreted these results as indicators pointing to a move back toward a sellers' market, after a two year period characterized by a buyers' market environment, when year-over-year savings had been easier to achieve, for buyers.

As a destination for international association events, the US maintained the top position in the International Congress and Convention Association country rankings that it has headed since 2004, with 595 conferences of this type in the latest data to be released by ICCA.

Europe

There was evidence that, unlike the US market, European meeting planners were organizing their events further afield in 2010, with fewer being located domestically. Reporting signs of economic recovery in the European meetings and events side of their business, Carlson Wagonlit Travel (CWT) noted that their European clients organized 30 percent of their meetings outside of their home country in 2010, compared to 20 percent one year ago. Average spend per participant per day was 175 in 2010, compared to 150 the previous year. And cancellations of meetings and events handled by CWT were down from 15 percent to 10 percent.

As a focus for international association conferences, Europe continued to maintain its dominance, with 7 countries in the top 10 destinations being European countries, as indicated by the ICCA rankings released in 2010. Germany, second only to the US as a destination for meetings of international associations, was number one in Europe for the sixth time running. According to ICCA, with 458 international association meetings, Germany was the first in Europe, far outpacing Spain (360 meetings), Italy (350 meetings), the UK (345 meetings) and France (341 meetings). Statistics released by the Union of International Associations (UIA) in 2010 revealed that Europe's share of the market for conferences of international associations had slightly increased, from 52.73 percent to 54.1 percent.

Supply-side growth of meetings facilities continued in Europe in 2010, with a number of high-profile openings of new convention centres in cities such as Dublin, Wroclaw, Copenhagen and Rimini, and a number of further openings (for example, Stockholm and Reykjavík) in the pipeline for 2011.

China

China's determination to succeed as a world-leader in terms of winning high-profile business events led to many new initiatives in 2010, with a number of new cities entering this market. For example, Chengdu partnered conference and incentive travel industry players in Hong Kong to drive a twinning of destinations and to increase awareness of Chengdu among corporate event planners by capitalising on Hong Kong's success as a business destination and the extensive air links between the two cities.

At the same time, China's impressive economic growth rate made it a prime target for other destinations' promotional activities, as a growing number of countries targeted the Chinese market for meetings and events. For example, in 2010 the Dubai Convention Bureau opened representative offices in Beijing and Shanghai, following its strategic plan for expansion in China. This expansion is partly based on the fact that business sectors that are travelling outbound from China for meetings and incentives are in strong alignment with the primary business sectors of Dubai: financial services, insurance, communications, medical and automotive.

Evidence of high levels of latent demand for business travel among the Chinese business community was revealed in the survey, *Global Business Trends in the Third Millennium*. In response to the question, 'To achieve your business goals, do you wish you were taking more, less, or about the same number of business trips?', 71 percent of Chinese respondents opted for the choice of 'more', compared with only 40 percent of US respondents and 31 percent and 25 percent respectively of UK and German respondents making the same choice.

Australia

A clear beneficiary of the upturn in the world economic situation was Australia, the first major industrial economy to recover from the global recession. Australia saw significant growth in the number of visitors coming to that country to attend meetings in 2010.

There were 168,000 convention or conference arrivals during the year ended 31 August 2010, an overall increase of 15 percent year-on-year. This was significantly greater growth rate than that seen in overall business arrivals, which increased 9 per cent year-on-year, and in total arrivals to Australia, which increased 6 per cent in the same period.

Business continued to build from several of Australia's most important markets, including India (convention and conference arrivals increased by 21 percent), Korea (up 23 percent), China (up 17 percent) and Japan (up 20 percent). There was also an encouraging positive growth out of the North American markets, with the US showing growth of 36 percent .

TECHNOLOGY-RELATED TRENDS

On-site Internet access

Despite the wide range of applications on offer from information and communications technology, simple, efficient internet access proved to be the one that most meetings planners sought to enhance the quality of their events. The 2010 MPI FutureWatch, for example noted that, as with past editions of the study, planners attached very high importance to the availability of onsite Internet access, but were dissatisfied with its general availability and affordability. The Benchmark study concurred, concluding that: 'maximum Internet bandwidth is the expectation for planners this year. All other technology demands are eclipsed by this'. It continues:

'In 2010, planners are not interested in the most advanced, cutting edge meeting technology available. Conversely, they're coming to negotiations with the expectation that a hotel, resort or conference center will have current meeting technology installed. What they are demanding, however, is that providers be able to provide maximum connectivity to support online content and applications during the meeting. This is of critical importance universally'.

Social media

A major technology story for 2010 is the rapid growth in the use of social media by venues and Convention Bureaus, as part of their marketing communications strategies. In moves to appeal to the younger generation of meetings planners and delegates, destinations and venues are increasingly turning to Web 2.0 applications such as blogs, Facebook and Twitter in order to drive business to their websites and to monitor what the market is saying about them. For example, in a 2010 survey of major conference centres in the UK, it was found that marketing staff were spending approximately one half-day each week promoting their venues on the social media.

According to the Benchmark study, LinkedIn and Trip Advisor are growing in importance to planners as they seek information and customer feedback on properties they are considering. Additionally, an increasing number of planners are using Facebook to befriend sales executives from provider properties with whom they have developed a relationship, offering another channel of friendly and casual contact to solidify a business exchange: 'In 2010, relationships actively nurtured in old and new media are a reliable pillar of success!'

Video-conferencing

2010 saw an evolution in the balance between the use of virtual meetings and the use of face-to-face events, with advances for both sides. On the one hand, a 2010 study published in the Cornell Hospitality Industry Perspectives series provided compelling, science-based arguments that large-group, face-to-face meetings and events are by far the most effective option when a business or organization needs to:

- * capture attention for a new or different strategy, relationship or project
- * inspire people and build a positive emotional climate
- * build the strong relationships and human networks that form powerful informal levers for success in business

Nevertheless, for reasons no doubt linked to the state of the economy, the use of virtual meetings to substitute face-to-face events or to complement them made advances. For example, the MIA Pathfinder Report conducted in Spring 2010 noted that there had been a slight increase in video-conferencing usage and just over 50% of survey respondents stated that they planned to invest in this technology in the future.

Later in the year, Carlson Wagonlit Travel launched a new service to encourage its clients to integrate virtual meetings into their managed travel programme. CWT now offers its clients access to Cisco TelePresence suites at 22 locations around the world, as a way of using virtual meetings to complement business travel. The service also includes a cost comparison tool that helps when deciding whether to have a face-to-face meeting or a virtual one. According to CWT's vice president, global customer product marketing, telepresence can be a 'compelling alternative' to business travel under certain circumstances. She cited as prime examples regularly scheduled internal meetings that last less than a day and involve colleagues located around the world. She added:

'Meetings can be conducted more often, bringing more people together quickly and easily for greater collaboration. Telepresence can also increase contacts with clients and business partners outside of the company. And a better work-life balance for employees, coupled with a more sustainable impact on the environment, are also important'.

CORPORATE SOCIAL RESPONSIBILITY

Incorporating CSR elements into meetings and events became a 'given' in 2010, for certain types of clients, although the prevalence of such initiatives remained somewhat uneven. This is nowhere more clearly stated than in the Benchmark study, which reported that:

'Being Green is now generally assumed, but for certain segments, such as Federal & State Government and Education business, it's a requirement. For corporate groups, meeting providers are generally expected to have green programs in place, although this is not yet universally required by corporate America. For federal and state government business as well as the education segment, however, properties must meet basic green hospitality requirements to even be considered for a meeting or event this year'.

But the including of social legacy initiatives in meetings and events also became more prevalent in 2010 not only in the corporate market but also for association event, as confirmed by the President and CEO, Orlando/Orange County Convention & Visitors Bureau, who was quoted by MeetingsNet as saying that one big trend he's seeing is medical associations asking for information about community service projects: 'They want to connect with the local community in a meaningful way'.

The meetings industry itself is continuing to set an example in this regard. At the MPI 2010 World Education Congress held in Vancouver, British Columbia, Orlando, which is hosting the 2011 WEC, based its luncheon presentation on corporate social responsibility. Orlando is home to Clean the World, a nonprofit organization that cleans and recycles soap discarded from hotels for distribution to impoverished countries as well as to shelters in the US.

OUTLOOK FOR 2011

For most of 2010, economists continued to be divided on whether the global recovery would grow, stall, or even be reversed in the year ahead. However, by the end of the year, more and more of them were daring to talk about favourable prospects for global recovery, albeit it slow and uneven.

However, the vast majority of indicators for the meetings and events industry point to improved business conditions ahead in 2011.

- * MPI Business Barometers in 2010 indicated that the industry was continuing its recovery at a steady pace. The majority of August 2010 Business Barometer respondents (62 percent) indicated that current business conditions were better than a year ago. At the same time, there was a clear majority feeling optimistic about the future, with 70 percent of August 2010 Business Barometer respondents projecting better upcoming business conditions than a year ago.
- * The Benchmark study noted that a highly positive signal was that the overall pace was up significantly for advance bookings in 2011.
- * Corporate budgets for meetings and events were widely expected to grow in 2011. For example, in the British Meetings and Events Industry Survey corporate respondents reported an average 5.6 percent increase in their budgets for 2011 – although association budgets were predicted to fall by an average of 1 percent.
- * The outlook for the incentive travel market also looks favourable, according to the most recent Pulse Survey from the Incentive Research Foundation, which reveals that survey respondents (incentive providers, corporate incentive travel buyers, incentive suppliers, and others) predict that the incentive business will improve in both 2011 and 2012. Overall, 68 percent of Pulse Survey respondents predict that business will be better for the incentive industry in 2011, and 77 percent say it will be better in 2012.
- * heralding positive news for suppliers, the Advito 2011 Industry Forecast 2011 predicts that although the supply of corporate meetings facilities and services outweighed demand in 2010, that will begin to turn around in 2011, reversing the trend for lower rates and short-notice reservations. According to Advito 2011 will see sustained growth in demand for corporate meetings, which will push up rates for the first time since 2008, but shaky economic confidence means that increases will generally be small, with the possible exception of markets characterized by high-demand levels, such as New York and London, where steep rate rises may occur. If occupancy rates continue to rise in 2011, then supplier confidence will strengthen considerably and, with little new supply expected, pricing will turn sharply upwards in 2012. Advito's advice to its clients included the recommendation to buck the trend towards shorted lead times by booking their corporate meetings earlier in order to avoid either zero or only expensive availability in 2011.

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