



Conference and Incentive Tourism Study

Final Report

PART I: SITUATION ANALYSIS

Prepared for The CYPRUS TOURISM ORGANISATION

by RAI CONSULTANTS SERVICES Ltd

April, 2004





T able of Contents

Introduction	3
Part 1 Corporate Events	
Conferences And Meetings	8
Part 2 Corporate Events	
Business Incentive Travel	17
Part 3 Corporate Events	
Association Conferences and Meetings	23
Part 4 The Cyprus Product	29
Part 5 The Competition	38
Part 6 Image of Cyprus	48
Part 7 Constraints and Limitations of Cyprus	52
Part 8 Target Markets	56
Appendix A	
Conference and Incentive Infrastructure of Selected European Cities	86
1. Glasgow	88
2. Biarritz	89
3. Nuremberg	90
4. Dresden	91
5. Nice and Marseille	92
6. Montecatini	93
7. Gran Canaria	94
8. The Adriatic Region – Croatia	95
9. Oslo	96
Appendix B	
Conference and Incentive infrastructure Of Cairo and Istanbul	97



Introduction

Scope of the Research

Conference and Incentive travel is a major business sector, which is both extensive and highly competitive. Conference activity has become a profession and an industry of its own. It provides one of the most profitable segments of the communications and tourism markets. As a result, most countries and major cities in the world wish to establish themselves as Conference and Incentive destinations.

In the context of the Strategic Plan set by CTO for the period 2000-2010, Conference and Incentive travel has been identified as a priority segment because of its significant contribution to The Cyprus Tourism Organisation's basic strategy objective and its contribution towards the

seasonality goal. Furthermore, Cyprus has already established itself in certain markets as a Conference and Incentive destination and has to a great extent the know-how and infrastructure to attract this segment. However, the increasing competitiveness in the industry and the high degree of professionalism required both from the product as well as from the marketing site make it necessary for the CTO to adopt a comprehensive Product and Marketing strategy at targeting these segments.

RAI Consultants has been commissioned a market research project, which would answer the following objectives, as stated by the Cyprus Tourism Organisation in their Terms of Reference:

- Identify the size, potential, characteristics and trends of the international Conference and Incentive travel

segment. Special emphasis will be given to patterns in demand in Europe and the Middle East.

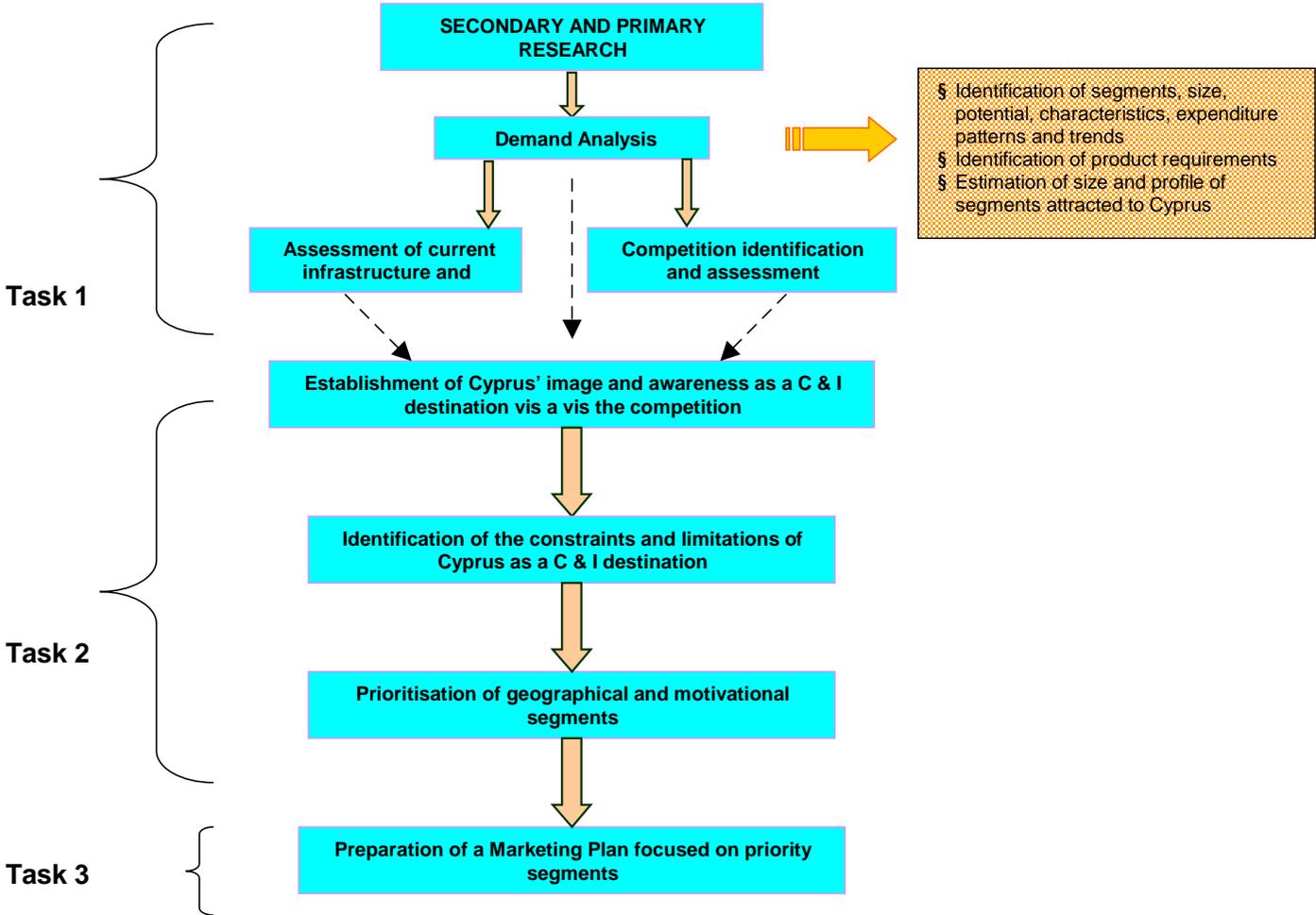
- Identify the existing Conference and Incentive facilities in Cyprus and assess their suitability, attractiveness and ability to meet demand. The assessment should also include local infrastructure, amenities and additional services offered by DMC's.
- Identify and analyse the regional competition, including their market organisation and structure.
- Establish the image and position of Cyprus as a Conference and Incentive destination vis-à-vis the competition.
- Define the constraints and limitations of Cyprus as a Conference and Incentive destination and suggest ways to redress the situation.
- Outline a short to medium term marketing plan for the sector. The issue of the better organisation of the sector will also be addressed and the case for/against the establishment of a Convention Bureau and its responsibilities will be appraised.



Project Plan

Encompassing on the project's objectives stated above, and in accordance to the Tasks/Phases outlined in the Terms of Reference,

the market research project was shaped as shown in the diagram below:





Following the Terms of Reference put forward by the Cyprus Tourism Organisation, this present document comprises the Draft Final Report on the study. Part I consists of an executive summary of the overall findings of both the primary and desk research that were carried out and Part II contains the Marketing Plan and Organisational recommendations

Primary Research - Methodology

Method of Data collection

Quantifiable data was collected via telephone interviews with buyers/organisers/ associations and DMC's, both in competitive and target markets as well as in Cyprus. Interviewing took approximately 20 minutes per interview.

Coverage

The fieldwork locations researched during both the quantitative and qualitative

stages proposed in our Research Plan were mainly dictated by the target geographic markets identified in the Cyprus Tourist Organisation's Strategic Plan for 2000 – 2010, as being potentially lucrative Convention and Incentive markets for the Cyprus Business Travel product, as well as being significant Conference and Incentive destinations in themselves, according to Secondary research already carried out in the development of the proposal. One major competitive market, Spain, was included in the sample of countries to be covered by the survey, both because of its already highly developed role in the Conference and Incentive industry, and its similarity to Cyprus in terms of climate and Mediterranean location. Russia was included mainly as an exemplar of an emerging market that is a potentially lucrative Convention and Incentive market for the Cyprus Business Travel product.

The greatest part of Conference and Incentive tourism to Cyprus currently originates in The UK. Whilst not all potential and competitor markets have been included in coverage (for obvious reasons of cost), the sample chosen is a representative range of the European and Middle Eastern Conference and Incentive market.

Specifically, the quantitative telephonic interviewing took place in the following countries:

- § Austria
- § Belgium
- § Denmark
- § France
- § Germany
- § Greece
- § Netherlands
- § Russia
- § Saudi Arabia
- § Spain
- § Switzerland
- § United Arab Emirates
- § United Kingdom

Eligible respondents were those responsible for organising incentive/conference travel. Those who organise just for their own country were excluded.

Specific issues covered in the telephone interviews were:

- § Decision-making unit/responsible person and title
- § Company size and industry category
- § Size, extent/frequency and duration of Conferences and Incentive
- § Locations visited and rated/repeat visits to a location
- § Range of requirements/ability of locations to meet these requirements
- § Comparative image positioning of locations
- § Awareness levels of Cyprus vs. competition as conference/incentive destinations.





Quantitative sample size and structure

Total sample: N = 1020 telephone interviews

The Sample broken down per country was as follows:

1. United Kingdom

Total sample size= 180 telephone interviews.

These were further broken down among businesses and organisers/travel agents:

120 interviews with businesses, 30 interviews in each segment– Professional, Manufacturing, Retail, IT

One third of the sample – 500+ employees

One third of the sample – 251 to 500 employees

One third of the sample – 50 to 250 employees

60 interviews with Conference and Incentive organisers/travel agents organising such travel. With a person who was responsible for organising incentive/ conference travel outside their own country

2. Other countries:

Total sample size = 840 telephone interviews

A sample size of 70 interviews were conducted in each of:

- § Austria
- § Belgium
- § Denmark
- § France
- § Germany
- § Greece
- § Netherlands
- § Russia
- § Saudi Arabia
- § Spain
- § Switzerland
- § United Arab Emirates

These were further broken down among businesses and organisers/travel agents: 48 interviews in each country with businesses, 12 interviews in each segment – Professional, Manufacturing, Retail, IT

One third of the sample – 500+ employees

One third of the sample – 251 to 500 employees

One third of the sample – 100 to 250 employees

22 interviews in each country with incentive organisers/travel agents organising such travel. With a person who was responsible for organising incentive/ conference travel outside their own country

Interviewer Training

All interviewers and supervisors employed in the study were drawn from the fieldwork team of the agencies cooperating with RAI on this study in each of the countries being covered by the research. Two RAI Directors went to Hamburg for central training and personally briefed all country managers on the aims, objectives and scope of the study to ensure full comprehension and adherence to the methodological procedures required.

Fieldwork controls

A research executive, who was assisted by supervisors in each country, managed the

telephonic operation/fieldwork. Supervisors worked directly with the interviewers and they also back-checked on at least 15% of the completed questionnaires on a daily basis either by telephone or personal recall.

RAI executives oversaw the whole project to ensure that the operation ran correctly and smoothly.

Qualitative Primary Research

Method of Data collection

In-depth discussions with buyers/organisers/associations and DMC's, both in competitive and target markets as well as in Cyprus.

Coverage

As outlined in the section on the quantitative phase, the fieldwork locations that were researched were largely dictated by the target geographic markets identified in the Cyprus Tourist Organisation's Strategic Plan for 2000 – 2010, as being potentially lucrative





convention and incentive markets for the Cyprus Business Travel product. Discussions also took place in Cyprus (among DMC's).

Specifically, interviewing took place in the following countries:

- § Austria
- § Belgium
- § Denmark
- § France
- § Germany
- § Greece
- § Netherlands
- § Russia
- § Saudi Arabia
- § Spain
- § Switzerland
- § United Arab Emirates
- § United Kingdom
- § Cyprus

Discussions took place with those responsible for organising incentive/ conference travel, those who organised just for their own country were excluded.
Recruitment

At the end of the quantitative telephone interview,

respondents who stated that their *company had participated in Conference and Incentive Travel* were asked if they would be take part in further research. If they agreed, these persons were recruited for the in-depth face-to-face interviews.

Sample Size and Structure

Total sample: N = 175 in-depth interviews
The Sample broken down per country was as follows:

1 In each country other than the UK and Cyprus:

4 interviews with businesses, 1 interview in each segment – Professional, Manufacturing, Retail, IT

6 interviews with incentive organisers/travel agents organising such travel. With a person who was responsible for organising incentive/ conference travel outside their own country

2. Within the UK:

A total sample of 20 in-depth interviews were carried out:

8 interviews with businesses, 2 interview in each segment – Professional, Manufacturing, Retail, IT

12 interviews with incentive organisers/travel agents organising such travel. With a person who was responsible for organising incentive/ conference travel outside their own country

3. Within Cyprus:

A total of 35 in-depth interviews was carried out, with:

15 travel Agents/DMCs* who organise Conference and Incentive tourism into Cyprus

20 Hospitality professionals within establishments* that offer conferencing and incentive facilities in Cyprus

Interviewer Training

All persons conducting the in-depth interviews were experienced moderators drawn from the fieldwork team of the agencies cooperating with RAI on this study in each of the countries being covered by the research. A RAI Qualitative Director personally briefed all moderators and Country Managers on the aims, objectives and scope of the study to ensure full comprehension and adherence to the methodological procedures required.

Fieldwork controls

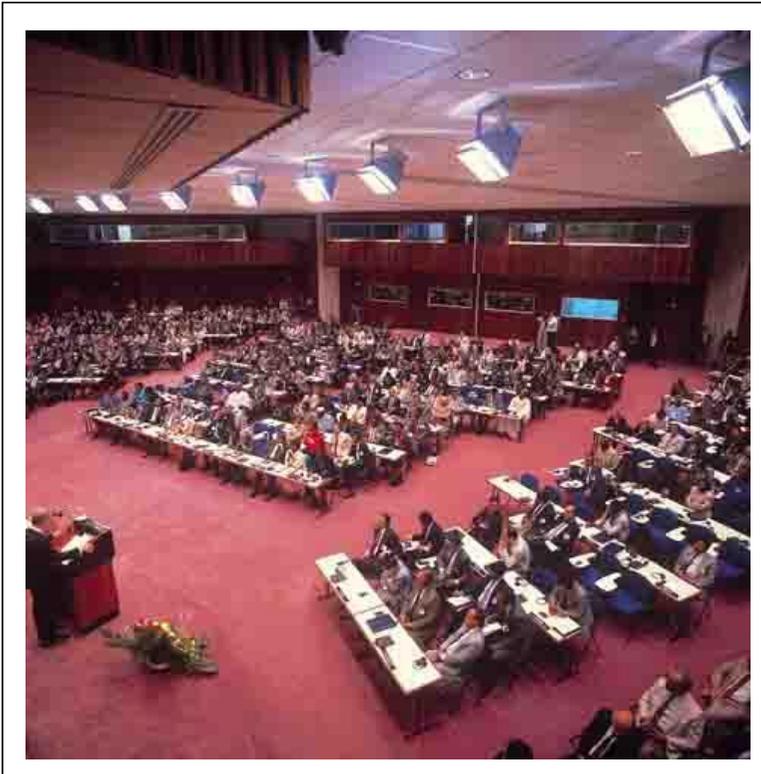
The RAI Qualitative Director oversaw the whole project and ensured that the interviews were conducted in adherence with the discussion guidelines.

* Utilising CTO lists of such agencies/establishments.





8
Conferences &
Incentives



*P*art 1

CORPORATE EVENTS

CONFERENCES AND MEETINGS

Identify the size, potential, characteristics and trends of the international corporate events, conferences and meetings, market, relating to patterns of demand in Europe and the Middle East.



Definition

Corporate meetings cover a wide spectrum, from small single-purpose seminars to large-scale company conferences. They may be internal, with delegates only from within the company's work force, or external, extended to include distributors and agents, shareholders, associated companies or clients.

An international conference or meeting indicates that delegates travel to a host country from regions of the source country, or from a more widely spread geographical base taking in multiple regions and nations.

Overall Market Size

This sector of the market, corporate conferences and meetings, represents the largest share of the Meetings Incentives Conferences and Exhibitions market, (hereafter referred to as MICE market). At present this share of the market is reported to be at around 48%, and it is

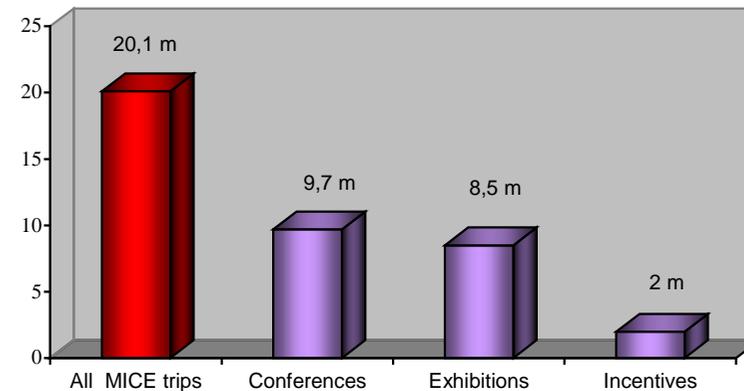
estimated to include 9.7 million outbound trips from Europe, with predictions of growth to 53% in the immediate future.

The international corporate conference market is global, but shows strong regional subdivisions. The strongest of these regional sectors is Europe, both in terms of sourcing and of hosting conferences. France, United Kingdom and Germany attract the major share of this European market. These countries have established conferencing facilities, and easy transport access.

As countries in Southern Europe, such as Spain and Italy, extend their presence, this European conference market sector will continue to grow, and with it the recognised preference of European countries to stay within the European Union. Although this preference is something of a barrier to Cyprus now, accession to the European Union can only be a boost to this arm of the tourist industry. Cyprus will move into the European perceptual set.

Within this regional division of Europe, smaller sub-groups can be seen. For example, the Scandinavian countries of Denmark, Norway and Sweden have a tight-knit group, acting in concert to hold the majority of meetings within the Scandinavian borders. Reasons for this can be company associations and affiliations within the region, accompanied by easy and speedy transport access.

Volume of the different MICE segments





In all 13 countries surveyed for this project, activity in the corporate international meetings market was reported by all, both the industrial companies and the agencies. As would be expected, the travel trade organises more conferences than the individual companies, with an average of 24 conferences per travel trade company compared with an average of 4 for industrial companies.

Based on the *CTO Expenditure Survey January – December 2001*, it is estimated that the total Conference and Incentive tourism in Cyprus amounts to a maximum of 4% of all tourist arrivals on the island.

The average per capita budget for conference trips, according to the companies surveyed, ranges from an average minimum of Euro 769 to an average maximum of Euro 1752. (*Source: Primary Research*)

In addition to the above amounts, conference

delegates spend, on average, an extra Euro 109.53 per day during their stay in Cyprus (*Source: CTO Expenditure Survey January – December 2001*). This amount, being significantly higher than that spent by the average holiday tourist, i.e. Euros 40.59 per day, highlights the importance of the MICE tourism for Cyprus.

Market Characteristics

Survey data reveals the market to be segmented, giving rise to differences in profiles and characteristics. As well as source country, divisions are apparent based on the size of the company and the industry sector.

There are characteristics that are applicable generally across the market. The first of these is the average duration of a corporate international conference, which is 3-5 days. Exceptions to this are Russia and Saudi Arabia, where longer meeting periods prevail, and can be extended to 8 days.

The impact of this short duration period on the Cyprus tourist industry lies in transport facilities and air access. To attract this

conference trade and establish Cyprus as a conference location, travel to the island by frequent, scheduled flights is vital. Flight time is less important to the conference organiser than availability. Where direct flights of the required frequency are not feasible, it is important to present to the conference organiser an alternative travel plan, linking into time compatible connecting flights.

The second general characteristic of the market is the preferred time of the year. The high season for conference trips falls in the spring and the autumn months. For Cyprus, this emphasises the value of this market. Tourism receives a boost in the mid-low season, and does not compete with the high season for holiday travel.

Winter is not a popular time for corporate conferences, but there is here an opportunity for Cyprus with the presentation of a cost-effective hotel package coupled with the mild winter climate.

The average per capita cost lies in the range from a minimum of Euros 769 to a maximum of Euros 1752. High spending countries are Austria, Spain, The Netherlands, France, Switzerland and Saudi Arabia: the lowest per capita costs are recorded in Russia and Belgium.

Company Size

The number of conferences that companies organise per year increases with the size of the company. Large companies, with more than 500 employees, organise on average 6 international conferences and meetings per year, compared with 3 for the medium and the small companies.

As would be expected, these conferences and meetings organised by large companies have a greater number of delegates in attendance. This is particularly evident at the smaller meeting end



of the spectrum. At the other end of the spectrum, the large corporate conference, the difference between the large and the medium-sized company is less dramatic, with 315 delegates from the large company compared with 288 from the medium-sized company.

Consequently, both the large and the medium-sized companies can be seen as target segments for the Cyprus Tourism Organisation. This is encouraging for Cyprus as the current core market segment is that of the medium-sized company.

In terms of overall revenue, however, the large companies are more profitable, with a noticeably higher budget than their medium-sized counterparts.

Conferences market Summary

Market size	9.7 million trips from Europe
Conference and Incentive tourism in Cyprus	4 % of tourist arrivals
Average duration	3-5 days
Time of the year	Spring and Autumn
Average per capita budget (including flights and accommodation)	Min.: Euro 769 - Max.: Euro 1752
Additional average daily expenditure in Cyprus	Euro 110



Industry Sector

Companies in the manufacturing sector are the least active in the holding of international conferences, reflecting the global economic downturn.

Other sectors show a more or less equal activity in conference organisation, although the technology sector is lagging slightly at the present time. This contrasts with published data from the recent past, which has pointed to I.T. companies as major players in this market.

Professional companies, representing the services sector, are the present leaders. This sector organises marginally more international meetings and conferences, with a considerably larger number of delegates attending than is the case for the retail and the technology sectors. The per capita budget for conferences in the professional sector is also at the higher end of the average range.

The retail sector has the greatest number of small meetings, with delegates numbering less than 50.

Internal Decision Making Unit

In those countries with a long tradition of organising corporate events, the decision structure is well defined – whether this is an individual, a committee or a department. The purpose of this structure is to make a permanent record of events held and a collection of information on conference venues and facilities required, as well as overall destination data.

Large companies in mature markets can be expected to operate corporate events through a specialist department within the firm. This gives a gateway for direct mailing of Cyprus Tourism Organisation information.

Use of External Agency

The strength of the supporting trade for international conferences is a sign of the maturity of the market. Across the sample surveyed the average

proportion of business made up of organising conference trips by the trade in general is 28%. This varies by country, with the trade in Russia and Saudi Arabia reporting the organisation of conferences as a very minimal part of business.

A knowledgeable in-house decision making team, working with an experienced specialist agency substantially reduces the planning and organisation time, thus allowing for a short lead time of six months or less in the case of large companies, and under a year for a medium-sized company.



Requirements from Destination

The main considerations given to the choice of a destination for an international conference are :

- § Professional local tourist industry
- § Ease of access/travel details
- § Safety and security
- § Quality hotels
- § Overall costs
- § Climate

The most important barrier to the conference market in Cyprus is the limited availability of direct scheduled flights from many European source countries. In the absence of such flights, it is unlikely that the planning team will search for alternative flight links and connections. This is a factor that must be addressed by the Cyprus Tourism Organisation in the marketing of Cyprus as an international conference destination.

Furthermore, a considerable share of present air capacity is being allocated to tour

operator business. This hinders the growth potential of the Cyprus CIT market. Conference and Incentive delegates may find it difficult to find seats available for direct booking.

Another factor that is often a drawback to the choice of a destination is the keeping of the costs within the set budget. The comparatively high cost of flights to Cyprus from European centres could give the impression to those with no actual experience of Cyprus of increased overall costs. However, the overall cost of a conference in Cyprus is shown in the survey data that those who did organise a conference in Cyprus considered the costs to be substantially lower than in European countries.

The most expensive conference destination is in the United Kingdom.

A professional local tourist industry is an essential to ensure a smooth-running and satisfactory conference. This is an aspect of the Cyprus product, with an industry that works together, but this may not be known to those who have never

organised a conference in Cyprus. In this corporate conference market, a meeting that is trouble free and enjoyable leads to repeat booking.

Professional local tourist industry
Ease of access/travel details
Safety and security
Quality hotels
Overall costs
Climate

Requirements at Conference Venue

At the conference venue the main requirements are:

- State-of-the-art technical equipment
- Educated technical support staff
- Under-one-roof facilities for meetings and accommodation
- Meeting room flexibility – plenary and syndicate sessions
- High standard of delegate accommodation
- Communications technology
- Easy and comprehensive booking of all facilities

According to data published in the web site of the Cyprus Tourism Organisation, 64 hotels offer conferencing facilities in Cyprus. The greatest capacity is for 1,650 delegates, available in ‘theatre style’ at the Hilton Park Hotel (previously known as the Forum Hotel). The Cyprus

International Conference Centre and International State Fair each has a capacity for hosting up to 1,200 delegates.

Cyprus is currently able to satisfy virtually all the requirements at the conference venue. The only apparent difficulty in this context is the requirement for the “under-one-roof” conference, which is not available for very large-scale conferences with over 1,500 delegates. However, Cyprus has a near-limitless target of conferences that it can potentially attract, since the vast majority of conferences organised by both the corporate sector and by associations, according to our primary research, comprise of numbers of delegates that are well below the 1,500 limit, as the following table shows.

Maximum no. of delegates who may participate in each conference trip (Source: primary research)

Base: all who organise conferences

	Corp. sector	Assocs.
>1,500	7	11
1,000-1,500	4	5
500-999	7	10
<500	82	69

Market Trends

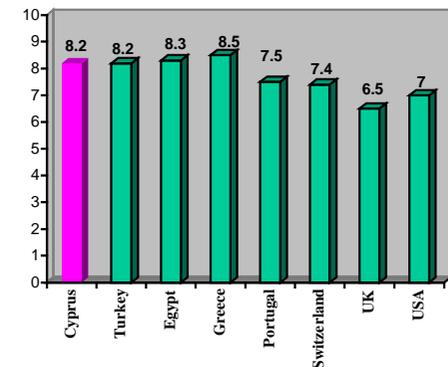
Resulting from the global economic downturn, companies organising conferences are already introducing cost-saving measures. This includes the reduction in the duration and in the size of the conference, using technology such as video conferencing as a supplement. 1-2 day conferences are becoming more popular in European markets, which inevitably brings the location nearer to the home base. Cyprus has an advantage on this dimension, with a 3-4 day meeting on the island likely to cost less than a shorter trip within Europe, plus giving the longer period that is more satisfactory for discussion and networking. *

* This assessment is based upon comparative five star hotel single room rates in Europe, which is in the region of Euro 250 and in Cyprus, which is in the region of Euro 180 (Source: EZ Associates, International Conferences and Marketing Research, Geneva, May 2002 and Quotation given by Hilton International, Nicosia, following a relevant request

Perceptions of Cyprus as being characterised by more “satisfactory overall costs” than are other countries such as Portugal, Switzerland, the UK and the USA, with regards to conferences, established in our primary research, add substance to this advantage, not least because they are expressed by both those who have experience of organising an event in Cyprus and by those who have not.

Rating of degree of satisfaction with conferences “Overall Costs”

Base: All Respondents



Rating scale:

10 = very satisfactory
1 = Not at all satisfactory

Source: Primary research



Technology is being used in particular to reduce lead times and for easier and less time-consuming booking procedures. The Internet is used regularly for initial planning and comparison of destinations, with national websites consulted to evaluate the facilities on offer at conference venues. An informative and easy to navigate national website is an essential in this market.

The “9/11” effect has increased the emphasis on safety and security. Destinations and travel are chosen on the basis of security, and reputation for law and order.

- Cost saving measures
- Reduction in the duration
- Reduction in the size
- Use technology for planning and booking
- Emphasis on security



Potential

The results of our primary research showed that 4% of the companies and organisations surveyed had organised their last trip in Cyprus. More importantly, a very low proportion of respondents surveyed had any experience of organising meetings in Cyprus. Taken together, this gives a clear indication of the extremely high potential of Cyprus, which is at present an unknown destination.

Immediate target markets for the C.T.O. can be defined along the dimensions of:

- Size
- Strong travel trade
- Structured in-house decision-making

giving market segments that are substantial and accessible, with information gateways both in-house and in the agency trade. The designation of the aforementioned dimensions, i.e. size, strong travel trade and structured in-house decision-making is based on the analysis of the desk research carried out for this project. These elements are taken into consideration on an initial level, whilst at a second stage, other parameters, which have been identified by the analysis of the primary research carried out for this project, such as the frequency of flights available to a country, other specific demands of the

conference tourist such as language, past experience and established contacts of the local tourist industry with specific countries and the Accession to the European Union are also taken into consideration in the evaluation of the potential of source countries.

The source countries that immediately meet the "first level" criteria are the *United Kingdom, Belgium, The Netherlands, Germany and France*. These countries are the origin of substantial numbers of conference trips annually, as indicated by the *European Travel Monitor IPK International 2000*.

Furthermore, they have a strong travel trade and, as established by our primary research, they have a structured in-house-decision making mechanism.

Emerging source countries with less well-defined patterns of decision-making are *Greece and Spain*. Greece can be included as an immediate target, because it is already a part of the core market for Cyprus. Cultural links give Cyprus a competitive advantage as a destination. *Spain* as a target segment needs more research. There is no natural affiliation between Cyprus and Spain, and the lines of communication through the travel trade are not clear. Also importantly, there are currently no direct flights between Cyprus and Spain

Russia is already a prolific organiser of conferences in Cyprus, and may be expected to be followed by other Eastern European countries. Little is known about in-house decision making practices, and there is no simple way to access this market, given the low involvement of the travel trade.

Companies in the Middle East have positive reactions towards Cyprus, but as with Saudi Arabia they have a preference to hold conferences and meetings in Arab countries, where they feel more comfortable and familiar. As the Lebanon has returned to peace,

Saudi Arabian conferences that could have used Cyprus as a destination are drifting back to Beirut.

This fall-off can be seen from incoming tourist figures to Cyprus overall.

An exception to this is the U.A.E., which again is a prolific organiser of conferences in Cyprus. Again, as with Russia, the drawback as a target segment is the lack of reach through the travel trade.

Inbound Tourism to Cyprus 1996 – 2000

	1996	1997	1998	1999	2000
	'000s	'000s	'000s	'000s	'000s
Region of origin					
Africa	-	-	6	9	10
Americas	-	-	26	31	38
Europe	1,773	1,979	2,112	2,312	2,554
East Asia & The Pacific	-	-	10	11	14
South Asia	-	-	11	13	16
Middle East	105	53	51	56	51

Conferences
Incentives



*P*art 2

CORPORATE EVENTS

BUSINESS INCENTIVE TRAVEL

Identify the size, potential, characteristics and trends of the international corporate events, conferences and meetings, market, relating to patterns of demand in Europe and the Middle East.



Definition

Incentive travel is a form of reward or motivation, for effort and loyalty. The incentive travel group is made up of employees, agents, distributors and sometimes customers.

Participants can be drawn from any part of the company's activities, and could equally well be all from different regions of one country or from a wide spread of international regional bases.

The defining feature is that it consists of travel to an overseas location that can offer meetings facilities as well as leisure and sight-seeing opportunities and sporting and adventure activities.

Overall Market Size

This has been a growth sector of the market during the 1980s and 1990s.

Programmes have been extended to include a wider range of employees than the more traditional sales force. Expenditure levels have been

lavish to meet the objective of providing a memorable overseas trip as a reward for loyalty to the company.

This sector has an estimated 10% share of the MICE market and includes 2.0 million outbound trips from Europe. (*European Travel Monitor IPK International 2000*)

The average per capita budget for Incentive trip participants, according to the companies surveyed, ranges from an average minimum of Euro 856 to an average maximum of Euro 2407 (*Source: Primary Research*)

In addition to the above amounts, conference and incentive delegates spend, on average, an extra Euro 78.78 per day during their stay in Cyprus (*Source: CTO Expenditure Survey January – December 2001*). This amount, being significantly higher than that spent by the average holiday tourist, i.e. Euros 40.59 per day,

highlights the importance of the MICE tourism for Cyprus.

Destinations for incentive travel are varied and global, with a substantial minority of long-haul trips. As our primary research has shown, Cyprus is already well-placed as a destination for incentive trips with its rich culture and heritage offering the "something different" that is essential. This conclusion is made on the basis of the high ratings given to the various aspects of its incentives travel market product. (By the companies surveyed for the present project which had experience of using Cyprus).

Activity in the incentive travel sector of the market is reported by all companies surveyed across the 13 countries, but with a lower

direct corporate level than is the case in the conference and meetings sector. An average of 26 incentive trips per year are organised by the travel trade, compared with an average of 2 trips

organised by the corporate buyers.

Those travel agencies whose specialty is MICE tourism, i.e. conference and incentives organisers, are particularly strong in this market, indicating a clear direction for the marketing efforts of the Cyprus Tourism Organisation.

The level of activity in incentive travel generation varies from country to country, from a high of 98% of companies surveyed in Greece and Switzerland, to a low of 33% in Russia.

Market Characteristics

Survey data reveals that in this sector of the MICE market differences between segments are minimal. The sector can be seen as sharing general characteristics.

Large companies source marginally more incentive trips per year than the medium and small companies. The retail trade is in the lead, whilst incentive





trips from the I.T. sector are more rare.

Primary research indicates that the duration of an incentive trip is, on average, between 3 and 7 days. Incentive trips reported to be of a longer period, extending to 11 days, were from Russia (Possibly a result of the extensive inconvenience entailed in obtaining an exit visa from this country making a longer period abroad more worthwhile) and from Saudi Arabia. On the other hand, trips originating in Denmark, Germany, Switzerland and The Netherlands move to the other end of the spectrum, with short trips of 2 days not uncommon, and a long incentive trip being of 5 days duration.

As with corporate conferences, this short but varied duration period has a strong influence on the choice of Cyprus as a destination. Flight availability from source country to Cyprus is vital to attract this sector of the market. Lack of scheduled flights at convenient times can outweigh the positive factors associated with the destination. This is an issue that must be addressed by the Cyprus

Tourism Organisation when marketing the island to this sector. Where direct flights of the required frequency are not feasible, it is important to present to the incentives organiser an alternative travel plan, linking into time compatible connecting flights.

Spring and autumn are the preferred times of year for incentive travel, which is valuable to Cyprus in smoothing out the seasonality curves in the tourist industry. Participants on incentive trips show a slight interest in the winter months, particularly January. This offers an opening for Cyprus as a winter destination. The mild winter climate permits outdoor activities all the year round, and the varied terrain of the island provides opportunities for contrasting climatic conditions and activities. For example, there is skiing on Troodos in the morning, followed by water sports at the beach in the afternoon.

The corporate incentive trip is smaller than meetings in

terms of the number of participants. The group can be as few as 25 participants, and on average a large group would number 140.

According to the results of our primary research, the largest groups originate from Spain, United Kingdom, France and Austria, and the smallest minimum size groups come from Russia and Saudi Arabia, with numbers that can be less than 10 participants.

Large companies, and those in the retail sector, organise larger groups for incentive travel, at both the minimum and maximum level.

Primary research indicated that high spending countries are Spain, Austria, United Kingdom, France and Germany respectively.

The lowest average cost at both minimum and maximum level are recorded in Russia and in Greece.

In the corporate sector, the budget for an incentive trip rises with company size: variations within industry

sectors shows that the retail trade has a lower incentive trip budget.



Incentives market
Summary

Market size	2 million trips from Europe
Time of the year	Spring and Autumn
Average per capita budget (including flights and accommodation)	Min.: Euro 856 - Max.: Euro 2407
Additional average daily expenditure in Cyprus	Euro 78.78

Use of External Agency

In this sector of the business travel market, there is little evidence of a formal internal decision making structure. Potential participants to the incentive trip are given opportunities to express preferences, but this is on an ad hoc basis.

Companies of all sizes rely for the organisation and planning of incentive travel on an external agency, with heavy reliance on the services of a specialised incentive travel agency. This then is the gateway for marketing efforts to this sector of the market.

Generally, trade organisers are active overall. Greatest use of incentive travel agencies is in Belgium, France and The Netherlands, whilst the trade accounts for very little of the organisation in Russia and in Saudi Arabia.

European companies view the agencies as a cost saving exercise, utilising an existing library and experience rather than using staff time to collate destination, activities and travel details for the relatively small groups involved.



Requirements from Destination

When selecting a destination for an incentive trip as a reward to staff, a company is looking for :

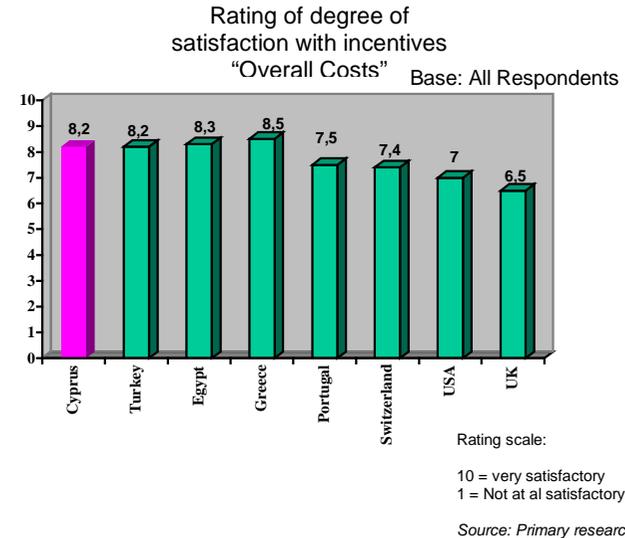
- § Professional and innovative DMC
- § Diversity and novelty to give an outstanding tourist experience
- § Sporting, cultural and shopping leisure activities
- § Climate
- § Standard of accommodation
- § Ease of access/travel details
- § Safety and security
- § Overall costs

From this list, it is again clear that the most important barrier to developing the incentive travel market in Cyprus is the limited availability of direct scheduled flights from many of the source markets. Although the travel agencies will have full travel information readily available, giving links and connections, it is more likely that direct flight destinations will figure more highly on the list of options prepared by the agency for company approval.

An advantage for Cyprus lies in the perception of overall costs. In the incentive travel sector, Cyprus falls into the same category as Greece, Turkey and Egypt, which are described as satisfactory in terms of overall costs. Portugal, Switzerland, U.S.A. and the United Kingdom are less satisfactory than Cyprus when it comes to the overall costs of incentive trips.

A professional and innovative local destination management company is an essential to prepare the programme in advance and to liaise with the incentive travel agency in the source country. A satisfactory experience leads to the continued use of the destination for future events.

For the incentive trip, the activity programme is critical, and originality of events is hard to find. All destination countries receive relatively low ratings on this attribute, because as the market has



matured it has become more difficult to introduce a truly original activity.

In effect, the notion of "originality" is closely linked to the objective of providing a memorable tourist experience. This may in fact be less a question of the actual activities and more a question of the setting for events. It is, for the participant, that element of "something different", the experience of a culture that

is different from the homeland.

On this dimension Cyprus is well placed with its rich heritage of archaeological sites and mediaeval castles. Use of such sites for incentive travel events would stamp Cyprus with originality and culture, setting the island as "a whole magical world at the crossroads of three continents and cultures", and indeed a memorable tourist experience.



Market Trends

In line with other business activities the demand for incentive travel programmes must follow the cyclical movements of the global economy. This sector lags behind in showing the effect of the economic downturn.

However, the growth of the 1980s and 1990s is now being curtailed, but as the corporate sector has recognised the value of incentive travel as a motivational tool, it is predicted to continue but with some cost-cutting policies.

A first cost-cutting measure is to reduce the duration of incentive trips, and to incorporate free days to reduce the ground handling costs. Shorter duration trips put even more pressure on flight availability, as participants will wish to spend the bulk of their time at the destination.

The move towards long-haul destinations seen in the growth period is likely to pull back. This is predicted to be a move to the medium-haul destinations, which still have a culture and nature advantage, rather than to

the more prosaic neighbouring short-haul countries. This aspect works very much in favour of Cyprus with its multidimensional heritage and atmosphere.

A further factor in this sector is the introduction of alternative ways of rewarding service and loyalty, such as cash and merchandise. However, companies are likely to continue to opt for incentive travel. Cash and merchandise can be compared exactly, giving rise to the de-motivational negatives of envy and undervaluation.

Potential

As a result of the fact that in some countries, the state taxes declared incentive trips, some companies are reluctant to proclaim the number of incentive trips which they offer to their staff. Instead, they classify incentive trips as "conference trips" thus evading taxation. The possibility is therefore

present that the actual number of incentive trips in the European MICE market is larger than actually reported.

Of the companies surveyed for our primary research that reported organising incentive trips, 3% claimed that they had used Cyprus for their last incentive trip. Awareness of Cyprus as an incentives destination is very low amongst companies surveyed. Together, this gives an indication of the potential for Cyprus to present its ability to host these trips to a high degree of satisfaction.

Desk research indicates that immediate target markets for the Cyprus Tourism Organisation should be measured, at a first stage, along the dimensions of:

- Company activity in this sector
- Size of groups
- Per capita spend
- Strength of local incentive travel trade

The source countries that meet these criteria are the

United Kingdom, France, The Netherlands and Spain.

Greece is the most active source country, and a prolific organiser of incentive trips to Cyprus. The comparative profitability of this source country is in doubt, however, because of small number of participants and low per capita spend. A less well-developed local incentive travel trade also makes Greek companies less easy and more expensive to reach.

Switzerland and Saudi Arabia are also high on the company activity level, but both are low on number of participants.

At a second stage, other dimensions such as frequency of flights, past experience of the hoteliers with specific countries or membership in the European Union would suggest that other countries in Europe and the Middle East have a potential as source countries and should be addressed by the CTO.



Conferences
Incentives



*P*art 3

CORPORATE EVENTS

ASSOCIATION CONFERENCES AND MEETINGS

Identify the size, potential, characteristics and trends of the international corporate events, conferences and meetings, market, relating to patterns of demand in Europe and the Middle East.



Definition

The association sector of the conference market is extremely diverse in range and nature. It is a market sector that is generally subdivided into three major categories:

- § Government sponsored
- § Medical/health/scientific/professional
- § Trade
- § Social/cultural/family

All of these hold member congresses and meetings, but with wide differences in frequency.

Medical/health/scientific/professional associations are the most prolific organisers of congresses, with an international congress annually and smaller regional meetings as required.

Frequency of meetings within the other categories differs according to the numbers of members and their geographical spread. However, there are basic similarities in the hierarchical

structure of associations, the decision-making practices in destination choice and the needs and requirements at the congress/meeting venue. Insight into these similarities is important for the Cyprus Tourism Organisation to direct effectively its marketing activities to this sector.

Overall Market Size

Association congresses make up the second largest sector of the MICE market in Europe, having an estimated 27% share in 2002.

(Source: European Travel Monitor IPK 2002)

It is a global market, with the membership of large associations geographically dispersed throughout the world. There is no decisive regionalisation for annual congresses, but more an extension. During recent years Australia has joined the U.S.A., Europe and the Far East in the hosting of these congresses.

Extension is aided not only by the development of new conferencing facilities but

also by the practice of destination rotation. Annual congresses move each year to a different destination, reflecting the wide geographical dispersion of membership.

This rotation system opens up opportunities to Cyprus as a host country, to represent membership of associations on the island.

Government sponsored associations often also act on a rotational basis, to take in the countries represented, but the choice of destination is not automatic. There is still the need for Cyprus to put in a bid along with the other competing destinations.

That Cyprus has the ability to prepare a bid presentation, and to host a major international meeting is evident from the successful Commonwealth Heads of Government Meeting in 1993.

The vast majority of associations surveyed in this project, organise between

one and five international congresses or meetings per year. It is estimated that there are approximately 10,000 different association meetings organised on a regular, annual or bi-annual basis. These can be large global congresses or smaller regional meetings, incentive trips and training seminars.

Market Characteristics

The average duration of an association congress is 3-5 days, three days for a regional meeting, and five days for an international event.

This duration again highlights the need for regular and frequent direct flights or connections. For an annual congress delegates will be attending from all parts of the world and would need to arrive at the destination on the same day. This is an important aspect in preparing a bid to host the congress.

Association congresses and meetings are large, with a minimum of 350 delegates





for smaller events and 550 for larger conferences. They are also relatively high-spending events, ranging from Euros 850 to Euros 1618 per delegate. This is a lucrative market sector that cannot be ignored in the plans for the development of Cyprus as a MICE destination.

Association incentive trips have a longer duration of 5-8 days with a smaller attendance of between 70 and 77 participants, but still with a relatively high spend.

Seasonal patterns of association events is less clear than for the corporate sector. This relates to the diverse nature of the association sector and its individual membership. Members must organise their own attendance, and may find it necessary to use vacation days in order to attend. Summer months can be popular if a high proportion of membership is in the academic world.

Decision Making Practice

Although an association normally has a planning committee to organise a congress, this planning committee operates in a fragmented manner. Members of the committee are separated geographically, and the decision is fragmented to give each section of the planning committee a specific function.

Elements in the decision and priorities take the following format :

At the initial stage of planning, the Board of the Association meets to consider the bids put in by the national branches to determine the destination.

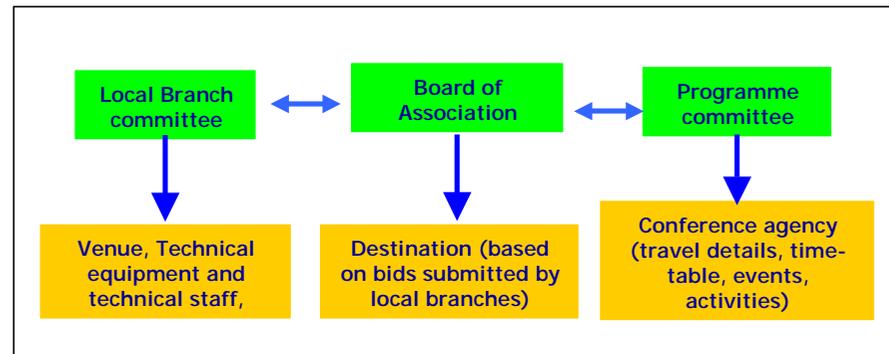
Once the destination has been decided upon and the local branch has been advised, this local branch forms a committee to decide upon the precise venue at the destination, to meet the requirements of the congress. This committee then takes responsibility for negotiating and booking the venue,

including technical equipment and technical staff.

The programme committee is often an external agency (a PCO) which specialises in arranging congresses for associations. This agency committee plans travel details from the various countries, prepares a programme of events and activities at the destination and a time table that gives a balance of lectures, seminars and leisure activities. This programme committee liaises with the local branch committee, and with agencies at the destination.

Market size	10,000 regularly organised meetings of various sizes
Average duration	3-5 days (conferences) 5-8 days (Incentives)
Time of year	Year-round
Average per capita cost	Min.: Euro 850 - Max.: Euro 1618

Decision Making Practice



With this fragmentation, association meetings have a long lead time, which may be up to three years, depending on the size and complexity involved.

Access to this association market is through the Cyprus branch membership. A role for the Cyprus Tourism Organisation is to give assistance in the preparation of the initial bid.

Requirements from Destination

An essential factor at the destination is the availability of cultural activities, which give the flavour of the destination country. In this respect, Cyprus is well placed with its rich heritage of the meeting of three continents, and a historical background of mediaeval castles and archaeological sites.

Other leisure activities, such as shopping, night-life and sport, are of interest but of less importance.

For the programme committee, the requirements

from the destination are a professional tourist industry and reliable ground handling facilities.

Availability of cultural activities
Leisure activities (shopping, nightlife, sport)
Professionalism of local tourist industry
Reliable ground handling facilities

Requirements at Conference Venue

There is a real need for a conference venue that can meet the practical requirements of an association congress or meeting.

The first priority is the availability of a plenary hall large enough to seat all the delegates for the opening and closing ceremonies and the keynote speech.

Lecture theatres are an essential, as a main purpose of association congresses is the keeping up-to-date by the dissemination of information and the sharing of the findings of research projects. At a large association congress more than one lecture theatre will be in operation at the same time, representing the specialised subdivisions of the association.

Between lectures, there are discussion groups, workshops and seminars, which require a large number of syndicate rooms.

Because of the mix of nationalities, there is a demand for simultaneous translation services: and finally there is a preference for an “under-one-roof” site, to facilitate informal meetings and discussions.

Conference venue to meet practical requirements
Translation services
Under-one-roof site



Market Trends

Because of the long lead times in the planning of an association congress/meeting, this sector takes longer to react to global economic cycles. Although remaining robust to date, the effects of the downturn can be expected to take effect from 2003.

This longer reaction time is compounded by the spread of costs, with delegates paying their own transport, accommodation and conference fees.

As delegates become more cost-conscious their attendance at congresses and meetings can be expected to be significantly curtailed.

Awareness of economic conditions has already brought about changes in the association environment. Recognising the predicted fall-off of delegates, associations are moving towards conferences with changing aims. Congresses as an opportunity for membership networking are giving way to a more specialist approach.

Congresses emphasise the acquisition of knowledge, through new research strands.

This in itself leads to a shortening of the duration period, of perhaps 3-4 days, which in its turn leads to a greater degree of regionalisation.

These two factors are an aid in establishing Cyprus as a destination for association congresses and meetings. The shortened time period limits the conference to a medium haul destination, relevant to associations based in Europe and the reduced number of delegates opens up an opportunity for the tourist industry.

In terms of reaching the association sector, the trends are also favourable. Associations can recognise that the present decision making structure is not compatible with the contemporary world. Because of the widespread nature of membership, the Internet and the use of e-mail are more relevant to this sector than to others, but its use is

hampered by the fragmented decision practices.

The move is to simplify the organisation of a congress by extending the use of the external agency. Initial stages will continue to be a bid from the national branch and a destination decision by the Board of the Association. Following this decision, a professional conference organiser can cover all the functions. This will give rise to shorter lead times.

Longer reaction time
Curtailed attendance of delegates
Shortening of duration period



Potential

At present the Cyprus share of the association conferences, congresses and meetings market is minimal. Given the large number of competing countries in this global sector, Cyprus has received little consideration as a destination. The reason for this is two-fold: on the one hand, it lacks a wide-ranging awareness as a conference location and on the other hand it lacks the ability to provide facilities for large scale conventions, thus being out of the consideration set of the larger organisations. Nevertheless, there exists a very high potential for Cyprus as an association congress centre, given the inexhaustible number of associations.

Immediate target markets in the association sector for the Cyprus Tourism Organisation can be defined along the dimensions of:

§ Strong local affiliated branch

§ Links with Cyprus § Specialised facilities in Cyprus

Worldwide, association conferences, which focus on scientific and medical related subjects, are very common. The scientific community in Cyprus is substantial and with international connections, as a result of the fact that until recently Cypriot scientists were likely to have been trained abroad. Consequently, medical or scientific associations would have the greatest potential to organise their conferences in Cyprus.

Examples of existing potentials

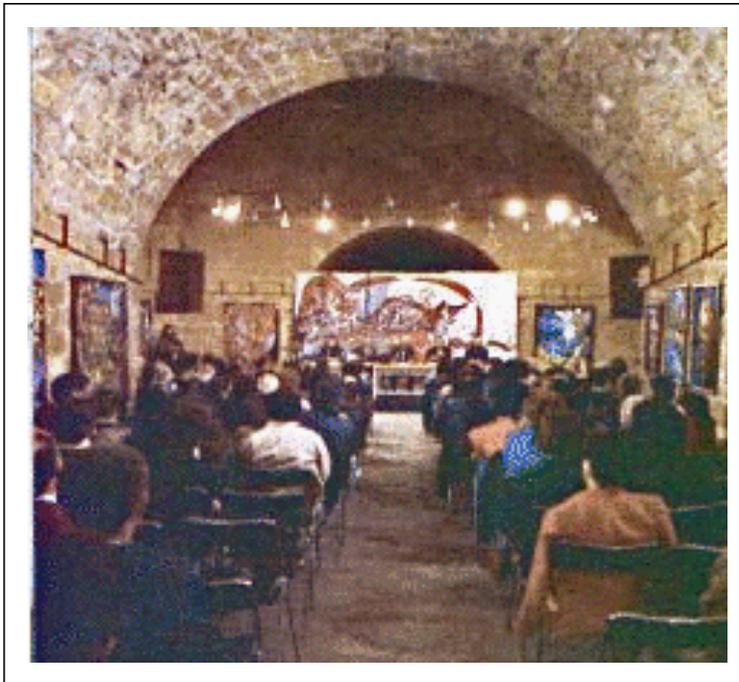
In 1997, the International Medical Acupuncture Symposium was organised at the International Conference Centre.

The Cyprus Yachting Association hosted the Annual Conference of the International Sailing Federation in 2002 in Limassol, using the strength of the branch and the position of Cyprus as a sailing centre in the East Mediterranean area.



§

Conferences &
Incentives



*P*art 4

THE CYPRUS PRODUCT

Identify the existing conference and incentive facilities and assess their suitability, attractiveness and ability to meet demand. The assessment should also include local infrastructure, amenities and additional services, including services offered by DMC's.



Importance of Conference/Incentive Tourism to Cyprus

Conference/incentive tourism makes a significant contribution to the Cyprus economy as a whole, and to the tourist industry in particular. Emphasising the importance of this sector, hoteliers and travel agents cooperate closely to ensure that these corporate events are smooth and trouble-free. Representatives of the local industry consistently point to the repeat business that is generated from a well-organised conference or a memorable incentive trip. Satisfaction with an event rests not only on the conference facilities available, but also, and perhaps to a greater extent, on the professionalism of the local tourism industry.

Profitability is the central significance of the conference/incentive travel sector, but the desirability of attracting the international corporate events market has other advantages and benefits to the tourist industry in

Cyprus. The timing of these events, mainly in the spring and in the autumn, coincides with the low season in the industry. Thus, this sector plays a vital role in smoothing out the seasonal curves. Source companies also gain in choosing this timing, as the hotels are able to offer advantageous conference deals and dedicated service.

Delegates and participants to these events represent the quality section of the tourism market. Taking an interest in Cyprus, the culture and heritage, the archaeological sites, the environment and the people, these delegates may return for a family holiday, with more time to explore the island than is possible during a short-stay conference.

Characteristics of the Market

In general, hoteliers look upon a conference as a 3-4 days event, with three nights in the hotel. An incentive trip is often spread over a slightly longer period, to allow the participants more time for leisure and sporting activities,

and more time to “get to know” Cyprus. For the incentive trip, the activities organised outside the hotel have a major influence on the success of the trip.

Again as an overall generalisation, a typical budget for a 4-day event is £1000 per head, which covers flights, accommodation and meals in the hotel. Of this, the hotel can expect to earn in revenue around £350 per head.

The number of delegates attending a typical conference hosted in Cyprus is up to 250, although larger conferences can be catered for.

There is a long-standing tradition of Cyprus as a host country for companies in the United Kingdom. This is still the principal source country for corporate conferences and meetings, but hoteliers and travel agents make constant efforts to extend the source market. Numerous hotel and travel agency web sites promote Cyprus as a destination with much to offer to the corporate client beyond

the traditional holiday image of sunshine and sea. In this way, they support and reinforce the Cyprus Tourism Organisation’s own web site, whilst at the same time promoting the conferencing facilities available at the hotels and the opportunities for external activities planned and arranged by the local DMC/travel company.

In recent years, Russia has become the second largest source country in the corporate conference market. Building on existing relations with Russian companies, Cyprus has been prominent in the early days of the development of this market. It is ideally placed both geographically and culturally to bring together Eastern and Western Europe, within the context of a modern social and physical infrastructure.

The Russian market continues to grow, and is followed by other countries from Central and Eastern Europe. The introduction of visa requirements for Russian nationals is not expected to have a significant impact on





the Russian influx, as the Ministry of Interior is introducing measures which would facilitate the issue of visas at the Moscow Embassy.

Extension into the source markets in Western Europe is progressing more slowly. Except for the traditional market of the United Kingdom, Germany represents the most active source country for Cyprus. Belgian companies show a high interest in Cyprus as a destination for corporate events, but find it difficult to organise suitable flights.

The European Union is an area that is targeted by the tourist industry in Cyprus because of its potential in terms of both conference and incentive travel. Hoteliers maintain contact with business travel agencies throughout Europe ensuring an awareness of the hotel and its facilities for both business and leisure, and of Cyprus as a destination. DMC/travel agencies in Cyprus work closely with international incentive houses and group organisers confirming the

professional approach taken by the tourist industry in Cyprus overall, and of course promoting their own services

Israel is mentioned as a source country for business events, and the Middle East had been a source area in the past, but was currently less prominent in this market.

A growing source of conference/incentive travel business is Greece, with the medical and pharmaceutical sectors in the lead.

The industry in Cyprus is firm in its belief that the best way to acquire a presence in the conference/incentive travel market of the European Union is to work with the organising agencies, international and country specific. This is because in their experience, direct contact with client companies is rare, and tends to be limited to those organisations that have already visited the hotel for conference purposes, or those large companies known to have an in-house events department.

However, the crucial importance of addressing directly both the companies in the corporate sector and associations should not be overlooked when marketing Cyprus as a CIT destination, since, as has been shown in our primary research, their immediate involvement in the organisation of MICE events is very common.

Conference Facilities

Hotels

There are currently 64 hotels offering conference facilities in Cyprus. These hotels cover classifications from 5-star to 3-star, with a price range to suit all budgets.

Hoteliers claim that facilities such as simultaneous translation, video conferencing facilities, PA systems, flexible meeting rooms, break-out rooms, technical equipment are available in the hotels, which operate in a professional manner, appreciated by those companies with experience of them.

(Please refer to pages 33-34 for a detailed table of Cyprus Hotel conference capacity)

The International Conference Centre

The International Conference Centre has the ability to cater for all types of corporate group events from the small seminar and incentive groups of 50 or less participants to the large international conferences with an attendance of 1,200 delegates. The facilities required, including technical equipment and support staff, are also available at the International Conference Centre.

The Cyprus State Fair

A new development by the Cyprus State Fair Authority is the creation of the Multi-Purpose Hall Complex. The result of redesigning and refurbishing two of the existing pavilions has given way for an impressive complex, which combines functionality and flexibility. The new Multi-Purpose Hall Complex meets the growing demand for high standard exhibition centres which can offer a conference facility alongside the exhibition area. Two Halls offering 1100 and 730 sq. meters respectively, an adjacent exhibition hall of 2500 sq. meters and a 300 sq. meters





Foyer complete the setting of the new Complex, which can host as many as 1,200 conference delegates.

Although, in theory, a considerable number of delegates can be catered for, by some of the individual hotels or the International Conference Centre, with claims from local hoteliers that they provide conference rooms for more than 1,500 delegates, this declared capacity must be judged with caution. Conferences which involve large numbers of delegates entail additional demands for more rooms, such as break up rooms, or other plenary room facilities. With the exception of one or two hotels in each town, it is doubtful that the other hotels which offer conferencing facilities can handle large conferences of more than 300-400 delegates or more than one conference event at a time. A very large conference will obviously overwhelm the resources of any one venue in all its aspects. All the facilities of the hotel, including seating in the lounges, restaurants and bars would be stretched to the limit. Furthermore, activities and meals taken outside the hotel are constrained by the size and capabilities of the venues and restaurants.

This limitation would have repercussions on the ability of the Cyprus Conference market to manage an increase in the number of Conferences without additions in its infrastructure of conference facilities.

A further drawback is the lack of matching accommodation for a large group in one hotel. Only a limited number of hotels on the island have a capacity of over 300 bedrooms. Consequently, Cyprus is restricted to offering conferencing facilities with accommodation for small-to-medium corporate meetings and incentive events.

Larger conferences and association congresses cannot be hosted adequately, due to lack of "under-one-roof" accommodation. Grouping of accommodation and meeting rooms in a satellite system of hotels in close proximity can overcome this problem, but there is no formal structure to bring this action into play. It is something that has to be organised informally between the hotel managers in the area. This can cause delay, in a market where loss of time in responding to a request equals loss of bookings, where speed and short lead times have become a central feature.

In terms of technical equipment, the trade in Cyprus, being

optimistic, claims that it is confident that the facilities available are comparable with the established European centres, and that technical staff are of a high educational standard. The most frequently requested items of equipment are provided by the hotel, and more unusual requests can be hired in from a modern technology industry. Translation services in many languages can be provided by the International Conference Centre. Again, however, the limited capacity of for the provision of these facilities to large conferences is an issue that must be addressed when planning for an increase in the number of conferences hosted in Cyprus. The hoteliers clearly underestimate the weight of a large conference of over a thousand delegates and the demands it represents, on their resources, basing their confident assumptions on their experience of conferences which involve relatively small numbers of delegates.

Primary research in the source countries shows that companies which have experience of having organised an event in Cyprus are satisfied with the facilities available by the local tourist industry.

Infrastructure

Cyprus has a well-developed physical and social infrastructure. Modern highways link all the major towns, and give easy access to the mountain range of Troodos.

A sophisticated communications system is maintained by CYTA, including video conferencing lines, to maintain contact with the corporate home base. This is particularly important where the conference includes delegates from the higher ranks of management. Along with communications, the conference organiser seeks reassurance as to the efficiency of the utilities. Continuity of the electricity supply, safety of drinking water and effectiveness of sewerage control, for example. On all these counts, Cyprus can be justifiably proud of its standards.

On the social side, Cyprus can offer to the corporate event organiser a stable economy and a population that respects law and order. Cyprus is a secure country for a corporate event.





Hotels with Conference facilities in Cyprus

Hotel	Class	Rooms	Beds	Conference Rooms				
				Seating style* (max. cap.)				
				#	CL	TH	RC	BQ
Nicosia								
Cyprus Hilton	*****	298	596	14	350	1000	1000	700
Forum	****	194	388	6	840	1650	2500	1200
Holiday Inn	***	140	265	6	300	700	900	480
Cleopatra	***	89	170	3	200	300	400	300
Limassol								
Le Meridien	*****	298	596	6	350	600	750	450
Mediterranean Beach	****	291	582	4	170	310	500	250
Four Seasons	-	287	574	4	360	660	700	550
Hawaii Beach	*****	255	510	7	750	1200	1200	800
Amathus Beach	*****	244	596	6	124	258	250	100
St. Raphael	*****	216	432	2	300	525	500	280
Apollonia Beach	*****	204	408	4	200	250	250	340
Atlantic Bay	****	201	400	4	245	490	594	390
Ajax	****	176	352	3	168	315	280	225
Elias Beach	****	168	336	2	120	230	-	100
Churchill	****	144	288	3	190	395	450	320
Poseidonia Beach	****	138	276	2	200	250	-	300
Marathon Beach	****	130	260	3	144	465	1000	450
Columbia Beach (Pissouri)	****	129	258	2	180	200	200	160
Curium Palace	****	63	112	2	150	250	-	-
L' Onda Beach	-	49	114	2	70	90	120	45
Paphos								
Phaethon Beach	***	422	802	4	400	600	750	500
Leptos Coral Beach	*****	304	608	15	590	900	1000	600
Aloe	****	272	544	1	190	200	2000	400
Ledra Beach	****	261	522	4	130	200	210	150
Paphos Amathus Beach	*****	257	514	4	149	425	450	150
The Pioneer Beach	****	254	508	3	500	800	1000	600
St. George	****	245	490	2	110	180	150	110
Imperial Beach	-	242	484	1	400	650	550	450
Cypria Maris	****	237	474	4	128	240	240	140
Alexander the Great	****	202	404	3	240	300	400	200
Annabelle	*****	198	376	6	260	400	400	350
Azia Beach	*****	183	366	5	350	650	800	700
Venus Beach	*****	180	347	3	200	420	430	300
Amalthia Beach	****	168	336	3	80	120	150	100
Dionysos	***	94	179	1	30	40	75	40

CONFERENCE ROOMS		CLASSIFICATION SYSTEM	
* Seating styles		Hotels & Hotel apartments	
CL	Classroom	Hotels:	0 – 5 stars
TH	Theatre	Hotel Apartments:	A, B, C (with self-catering facilities)
BQ	Banquet		



(Cont'd)

Hotel	Class	Rooms	Beds	Conference Rooms				
				Seating style* (max. cap.)				
				#	CL	TH	RC	BQ
Larnaca								
Palm Beach	****	228	456	1	400	700	700	450
Sandy Beach	****	205	410	2	75	150	200	100
Golden Bay	*****	193	386	3	130	220	220	150
Beau Rivage	***	188	362	2	60	130	50	50
Lordos Beach	****	175	350	2	120	220	550	450
Princess Beach	****	138	274	3	100	200	1000	500
Sun Hall	****	112	224	2	150	220	275	125
Henipa	***	89	169	2	100	200	400	250
Ayia Napa								
Sunwing Sandy Bay Village	A	342	696	4	80 160	-	-	-
Grecian Bay	*****	271	542	2	239	358	394	-
Nissi Beach	****	270	540	3	150	300	500	200
Aeneas	*****	259	516	5	400	550	800	500
Napia Star	***	217	412	1	60	140	180	-
Adams Beach	****	209	418	3	200	350	350	200
Dome	****	205	410	1	100	120	150	140
Olympic Napa	****	179	358	1	50	160	160	80
Panthea Tourist Village	-	152	304	1	200	-	-	-
Paralimni/Protaras								
Grecian Park	*****	245	490	3	210	410	700	250
Sunrise Beach	****	235	470	3	250	350	750	500
Capo Bay	****	225	450	2	120	230	340	130
Cavo Maris Beach	****	212	403	2	200	350	400	150
Nausicca Beach	A	185	374	4	200	365	500	300
Antigoni	***	172	327	1	60	-	-	-
Golden Coast	****	172	344	3	80	110	180	100
Iliada Beach	****	105	210	1	100	-	-	-
Mountain Resorts								
Rodon	***	155	298	2	200	280	-	-
Forest Park	****	137	280	5	200	300	400	200
Pendeli	***	81	154	2	80	140	100	80
The Churchill Pinewood Valley	***	49	94	1	20	35	-	-

Source: Cyprus Tourism Organisation



Amenities

Corporate events extend beyond the confines of the hotel, and add to the overall value of the destination. Cyprus has an abundance of added-value amenities (e.g. archaeological sites, museums, art galleries). Sporting and leisure activities, and nightlife and entertainment, can compete with other conference destinations.

The culture and heritage of Cyprus is unique, with its long history of having been a meeting place for continents and peoples. It is this cultural element that gives Cyprus its distinctive flavour, which is a feature in the choice of destination by corporate clients.

DMC Services

The local DMC and the hoteliers operate in unity to ensure a Cyprus product of high quality. The role of the DMC is to organise group activities outside the hotel.

DMCs in Cyprus promote their services on web sites, and maintain close contact with agencies abroad to generate group travel, particularly incentive travel. The focus of their approach is the reliability and professionalism of the local tourist industry, which is known to have an influence on choice of destination.

A successful DMC is the one that is innovative in the planning of activities, aiming above all to provide the feeling and ambience of a Cypriot setting. It is this distinctive flavour that acts as a comparative advantage, differentiating Cyprus from the competition. The Cyprus heritage of archaeological sites and mediaeval castles vastly enhances the drama and memorability of group events. But the use of these sites is rare, blocked by rules and regulations of hire. DMCs surveyed suggested that making archaeological sites available for CIT purposes would add further value to the Cyprus product.

Advantages and Disadvantages of Cyprus

The advantages of Cyprus as a conference/incentive travel location are very clear to the local industry. It has an ideal location, centrally placed for Europe, Western and Eastern and in proximity to the Middle East. The local infrastructure is modern and safe, and the tourist infrastructure offers high standards of accommodation and conference facilities. It is well able to satisfy the needs of the most demanding of conference organisers.

There are, however, disadvantages.

The most crucial of these is the accessibility of Cyprus from the various potential source countries. Throughout the tourist industry there is a constant reiteration of lost contracts due to infrequent and inconvenient flight schedules that do not fit in with the short duration corporate event.

Although it is clear that in the absence of direct flights there are good links and connections, the buyer, the conference organiser, is not prepared to spend time looking up these connections when there are direct flights to a competing destination. Hoteliers and the DMCs put effort in to suggest alternative routes, but this is done informally and may take time. Even minor delays in this market are not acceptable, as lead times grow ever shorter. A more formal approach to this problem is necessary, with alternative travel details prepared, known throughout the industry, and promoted positively.

The second drawback also requires a formal structure. This is the issue of limited availability of accommodation for large conferences. Under-one-roof is often preferred, but not essential if a good alternative is immediately given. Given a formalised procedure, this shared hosting of a conference between a number of hotels in close proximity can become a





positive selling point for the destination, also highlighting the professional nature of the industry.

Promotions of Cyprus as a conference destination tend to be fragmented. Hotels and travel companies in Cyprus carry out their own promotional campaigns with web sites and contact with agencies abroad. This leads to much duplication.

The Cyprus Tourism Organisation is already attempting to promote Cyprus as a destination in this market, which to some extent again duplicates the activities of the tourist industry.

To strengthen the attack, a concerted effort from all concerned is necessary, compiling information on flights and conference capacity, technological expertise and professionalism, into one source document.

A major objective of a promotional campaign aimed at this conference/incentive travel market is to escape from an image of Cyprus purely as

a holiday destination. This image is counterproductive to the corporate events market. Relaxing idly in the sun is the opposite of the aims of a working conference or group event. Without denying the predominant image of Cyprus as a holiday destination, the challenge would be to strengthen elements such as professionalism, and expertise, giving Cyprus the distinctive identity that would differentiate it from the other countries which are placed in the same perceptual map.

The countries which can be said to be in the same perceptual map as Cyprus as far as the CIT market is concerned are:

- § Turkey
- § Egypt
- § Morocco
- § Tunisia

These countries are regarded as belonging to the same 'perceptual' map as Cyprus for the following reasons:

- § The pattern of using them by the main source countries as a conference

location during the year 2002 was similar to the pattern of using Cyprus
(Source: Primary Research)

- § They share a similar Geographical location with Cyprus
- § Their strong points such as the weather, the people, cultural elements etc are rated similar to Cyprus by respondents in the main source countries.
(Source: Primary Research)



National Convention Bureau

An obvious need for a National Convention Bureau is seen within the industry.

The Convention Bureau would be focused on the promotion of Cyprus as a leading conference and incentives destination. Operating a wide range of marketing activities specific to the discretionary business tourism market, including International and National Associations, Corporate and Incentive Meetings, the Bureau would encourage potential conference and event organisers to choose Cyprus, its venues, hotels and support services.

The Convention Bureau would co ordinate and promote the conference and incentives related services and would set standards for all these services.

The formalised structures required to overcome problems of flight non-availability and accommodation for large conferences cannot be

achieved by individual hoteliers and agencies alone.

A National Convention Bureau would serve as a central resource point, with a dedicated web site and one-stop booking facility.

This Bureau would concentrate on the promotion of Cyprus as a conference destination, thus reinforcing the professional and reliable nature of the Cyprus product.

The Cyprus Product

Cyprus as a conference destination offers the contrasts of history and modernity, sophistication and simplicity, dramatic mountain terrain and relaxed beaches, set within the warmth and charm of the Mediterranean climate and people.



Conferences
Incentives



*P*art 5

THE COMPETITION

Identify and analyse the competition, including their market structures and organisation



Conference Venue Supply

Fuelled by the growth in demand for conferencing facilities, and by the lucrative nature of this sector of the tourism market, there has been increasing investment in the provision of such facilities. New purpose-built centres have been built and hotels have invested in extensions designed to meet the current need for a flexible layout for large meeting rooms and small syndicate rooms. At the same time, the established centres in Europe have undergone extensive refurbishment and renovation, necessary to retain their dominant position in the conference market.

Cities and countries throughout Europe, and globally, can now offer high standards of conferencing facilities. At the same time, the economic slowdown is affecting the strength of demand for corporate conferences.

The following pages (pages 40-42) consist of the wide-ranging list of European cities which

offer conference facilities and promote themselves as such through the Internet. This list is an explicit indication of the magnitude of conference venue availability in Europe. (Please refer to *Appendix A* for an account of the CIT capabilities of selected European cities).

Inevitably, then, the effects of an expanding supply in a contracting market lead to an intensification in competition.

Currently, this economic slowdown is most evident in the corporate sector, with moves towards reducing the costs of conferences already well reported. In the association sector, because of the longer lead times, demand remains robust in the initial stages. Longer term trends in this sector of the market indicate that recognition of global economic problems is already bringing about changes, with more niche conferences replacing the annual congresses, with the accent on sharing of information rather than bonding and networking.

Such changes in association conferences can be beneficial

to Cyprus, where one of the barriers to hosting association congresses/meetings is the limits on ability to cater for large size events.

A further trend in this market sector, attracting a small but steadily growing share, is dedicated residential conference centre. These centres are placed strategically to take advantage of travel routes, mainly within Europe. Aimed at short-stay conferences and meetings, with all amenities on-site, these centres can be seen as a response to the reported trend to the shorter period conference, with no more than one overnight stay, as a cost-cutting feature.

In published data, there is a tendency to treat all destinations generally as interchangeable destinations, with no account taken of the different characteristics and the varied requirements of the buyer market. This pushes the established centres of Northern Europe into an apparently dominant position, and distorts the perspective of

the direct competition to the smaller players such as Cyprus.

Nevertheless, with the EU accession in process, Cyprus is currently at a transitional stage. While geographically it is located in the Eastern Mediterranean, its economic identity is increasingly associated with the European milieu. Consequently, the Cypriot culture is gradually being identified with Europe, while at the same time its ancient and inestimable heritage bestows upon it a unique and distinctive character, valuable for the promotion of Cyprus as a CIT destination.

Moves to reduce costs
More smaller "niche" conferences
Purpose-built flexible venues
Extensive refurbishment
High standards of conferencing facilities
Dedicated residential conference centre



European Cities Which Offer CIT Facilities

France
Biarritz Tourisme http://www.biarritz.tm.fr/ANGLAIS/congres.htm
Bordeaux Gironde Convention Bureau http://www.bgcb.com/default_gb.htm
Cannes Convention Bureau http://www.cannes.fr/Anglais/uneuk.html
Dijon Convention Centre & Tourist Board http://www.ot-dijon.fr/uk/seminaires-congres.html
Lyon Bureau des Congres http://www.lyon-france.com/pages/en/
Marseille Convention Bureau http://www.marseille-congres.com/congres/introuk.htm
Bureau de Congres de Nimes http://www.ot-nimes.fr/english/congres.html
Nice Office du Tourisme et des Congres http://www.nicetourisme.com/pro/GB/cadres/cadre_affaires.html
Paris Convention Bureau http://www.paris-cvb.com/ (site currently being reconstructed)

The Netherlands
Convention Bureau The Hague http://www.holland.com/denhaag/gb/index.html?page=http://www.holland.com/denhaag/gb/conventionbureau/congresscity/index.html
Amsterdam Congres Bureau http://www.amsterdamcongress.nl/
Region Eindhoven Convention Bureau http://www.recb.nl/int/index.htm
Groningen Convention Bureau http://www.groningencongresbureau.nl/
Groningen Convention Bureau http://www.groningencongresbureau.nl/
Maastricht Convention Bureau http://www.maastrichtconventionbureau.com/englishgroot/home/home.html
Rotterdam Marketing Conventions & Incentives http://www.vvrotterdam.nl/uk/themapagina/mice/
Utrecht Convention http://www.utrecht-congress.com/uk/welcome_flash.html

Germany
German Convention Bureau http://www.qcb.de/index_eng.htm
Berlin Tourismus Marketing Gmbh http://www.btm.de/english/zielgruppen/e_zg_tagungsteilnehmer.html
Btz Bremen Tourist Board & Convention Bureau http://www.bremen-tourism.de/english/frame.htm
Dresden Tourist Board http://www.dresden-congress.de/rooteng/home/home.html
Frankfurt Tourist & Congress Board http://www.frankfurt-tourismus.de/default.htm
Heidelberger Kongress und Tourismus Gmbh http://www.cvb-heidelberg.de/index_hei?lang=1&card=heises.4d065c03ae1690c28b50b326248a0d01&
Leipzig Tourist Service http://www.leipzig.de/eng/tourist/index.htm
Convention Bureau of the Munich Tourist Office http://www.muenchen.de/index.html
Nurnberg Convention & Tourist Office http://www.congressing.de/main/dbksiq1n/page.html

Austria
Graz Tourist Board http://cms.graztourismus.at/cms/ziel/41999/EN/
Convention Bureau Linz http://www.linz.at/tourist/e_raum_suche.asp
Vienna Convention Bureau http://www.vienna.convention.at/meeting/frameset.htm

United Kingdom
Aberdeen & Grampian Convention Bureau http://www.agcb.org/frames.htm
Northern Ireland Conference Bureau http://www.nitb.com/
Belfast Visitor & Convention Bureau http://www.qotobelfast.com/home.cfm?CFID=113576&CFTOKEN=81237903
Coventry & Warwickshire Promotions http://www.visitcoventry.co.uk/conference/index.htm
Edinburgh Convention Bureau http://www.edinburgh.org/conference/
Wales Tourist Board http://www.meetings.visitwales.com/conf/conferences.htm
Greater Glasgow & Clyde Valley Tourist Board http://www.seeglasgow.com/ConventionBureau/default.asp?lang=1
London Convention Bureau http://www.visitlondon.com/convention_bureau/
Marketing Manchester Visitor & Convention Bureau http://www.conference.destinationmanchester.com/
Scottish Convention http://www.conventionscotland.com/default.aspx
Convention Bureau of Ireland http://www.conference-ireland.ie/





Italy
Arezzo Convention Bureau http://www.acbureau.it/
Bologna Congressi http://www.bolognacongressi.it/en/home.htm
Convention Bureau Südtirol Alto Adige http://www.convention.bz.it/en/
Chianciano Terme Convention Bureau http://www.chiancianacongressi.it/
Calabria Congressi Convention Bureau http://www.calabriacongressi.it/
Ponente Congressi http://www.ponentecongressi.it/
Firenze Convention Bureau http://www.firenzeconventionbureau.it/
Consorzio Fiuggi Turismo http://www.consorziofiuggiturismo.it/
Genova Convention Bureau http://www.cbgenova.it/
Elba Convention Bureau http://www.conventionbureauelba.com/
Convention Bureau Lignano http://www.sil-lignano.net/
Convention Bureau Lucca e Valle del Serchio http://www.conventionbureauLU.it/
Montecatini Congressi Convention Bureau della provincia di Pistoia http://www.montecatinicongressi.com/
Napoli Convention Bureau http://www.napoliconventionbureau.it/
Promo Parma Consorzio Albergatori di Parma e Provincia http://www.parmaincoming.it/set3.htm
Consorzio Portofino Coast http://www.portofinocoast.it/
Convention Bureau della Riviera di Romagna http://www.riminiconvention.it/
Sanremo Promotion http://portale.sanremopromotion.com/
Siena Convention Bureau http://www.sienaconventionbureau.it/
Torino Convention Bureau http://www.torinoconvention.it/
Promotrieste Convention Bureau http://www.promotrieste.it/
Venice Convention http://www.veniceconvention.com/
Versilia Convention Bureau http://www.versiliaconventionbureau.it/

Belgium
Meeting Point Belgium http://www.meetingpoint.be/en/index.html
Antwerp Convention Bureau http://www.antwerpencongresbureau.be/
Brussels International http://www.brussels-congress.be/en/whoware.htm

Switzerland
Basel Convention Bureau http://www.baseltourismus.ch/opencms/opencms/bstour/english/
Bern Tourismus http://www.berne.ch/index.cfm/fuseaction/frame/id_sprache/3/path/1-409-410
Geneva Convention Bureau http://www.geneve-tourisme.ch/eng/congres.php3?edTemp=vivre#rub4
Interlaken Congress http://www.interlaken-congress.ch/e/index.html
Luzern Tourism http://www.luzern.org/001zch_0401_en.htm
Lugano Turismo http://www.lugano-conventions.com/
Zurich Tourism & Convention Bureau http://www.zuerich.com/conventions/en/meetingpoint.php

Portugal
Estoril Convention Bureau http://www.estorilcoast-tourism.com/uk/reunioes.asp
Lisboa Convention Bureau http://www.atl-turismolisboa.pt/business/convention.htm

Greece
Rodos Tourism Promotion Organization http://www.rodosisland.gr/rodos/default.asp
Thessaloniki Convention http://www.tcvb.gr
Hellenic Association of Professional Congress Organisers http://www.hapco.gr/





Spain
Barcelona Convention Bureau http://www.barcelonaturisme.com/turisme/exp/ing/ap01-41.htm
Costa Daurada Convention Bureau http://cdcb.costadaurada.org/eng/index.htm
Costa del Sol Convention Bureau http://www.visitacostadelosol.com/indexeng.htm
Turgalicia Direccion General del Turismo http://www.turgalicia.es/sit/informacion_form.asp?ctre=3111&cid=1
Girona Convention Bureau http://www.gironacb.com/Ingles/frames/serveis.htm
Gran Canaria Tourist Board http://www.grancanaria.com/patronato_turismo/index.php?id=366
Granada Convention Bureau (Site currently under reconstruction)
Lanzarote Convention Bureau http://www.turismolanzarote.com/eng/index.php
Madrid Convention Bureau http://www.munimadrid.es/congresos/
San Sebastian Convention Bureau http://www.ssconvention.com/eng/inicio.htm
Santander Convention Bureau http://www.santanderconventionbureau.com/
Santiago de Compostela Convention Bureau http://www.santiagoturismo.com/enlace.asp?lateral=SCCB/lateral_sccb.asp &contenido=SCCB/contenido_sccb.asp&idioma=i&nombreID=&id=
Zaragoza Convention Bureau http://turismo.ayto-zaragoza.es/ingles/congresosing.htm
Sevilla Convention Bureau http://www.turismo.sevilla.org/
Tarragona Convention Bureau http://www.tarragonacb.org/inici_catala.htm
Tenerife Convention Bureau http://www.tenerifecb.com/gb/tcbgb_global.htm
Valencia Turismo Convention Bureau http://www.turisvalencia.es/default.asp?Tema=Bureau&lang=en&inicio=1

Malta
Malta Tourism Authority Conference & Incentive Travel Division http://www.visitmalta.com/en/business_travel/

Croatia
Adriatic Istria Convention Bureau http://www.istra.com/conventions/index.html
Zagreb Tourist Board and Convention Bureau http://www.zagreb-convention.hr/conv.php?e=&n=0&i=1

Norway
Bergen Convention Bureau http://www.visitbergen.com/default.asp?sp=GB&p=55&layout=9&intro=1546_1&bhcp=1
Oslo Promotion As http://www.visitoslo.com/Congress/
Stavanger Convention Bureau http://www.visitstavanger.com/english/firmainfo.cfm?cfirma_id=668

Sweden
Goteborg Convention Bureau http://www.goteborg.com/templates/articel3.asp?id=11146
Malmö Tourism http://www.malmo.se/
Stockholm Convention Bureau http://www1.stocon.se/WMS/9/4168.asp

Denmark
Aalborg Tourist & Convention Bureau http://www.visitaalborg.com/showpage.asp?ID=129
Wonderful Copenhagen http://www.visitcopenhagen.dk/composite(135).htm
Greenland - The National Tourist http://www.greenland.com/Meetings_and_Conferences/





Corporate Conferences

France, Germany and the United Kingdom are the traditional host locations for corporate conferences, with an established strength and a reputation for setting the industry standards. The tendency for European companies to hold conferences within the European Union is bringing Italy and Spain forward as attractive destinations, particularly in view of the investment made in conference venues and facilities.

Business connections and economic conditions have been fundamental in validating these main Northern European capitals as host destinations, assisted by ease of accessibility. Convenient travel links now extend throughout the mainland of the European Union, with frequent flights between capitals, express rail connections and modern highways.

At one level, the whole global supply of conferencing facilities could be seen as the competitive challenge to Cyprus, as may be inferred from the generalised approach taken in the published literature. Direct competition to the Cyprus product can more realistically be gauged by determining that group of destinations that is perceived to share similar strong attributes.

Taken overall, the Cyprus share of the corporate conference market appears small, but even this small share of the European market puts Cyprus in a good position compared with other, smaller, destinations outside of the established European circuit. This sets Cyprus in a group with Egypt and Turkey as direct competition. Of these, Turkey shares the strong points attributed to Cyprus, thus placing Cyprus and Turkey in the same set geographically and psychologically for conference destinations.

A vital point of difference lies in the travel details. This is the aspect on which Cyprus has its lowest score. In comparison, travel to Turkey is rated highly.

Cyprus – An Actual Conference Destination

Confirming the perspective of the local tourist industry, the United Kingdom and Russia are shown to be the main source countries for corporate conferences. Both these countries also report a very similar pattern of use of Turkey as a conference location during 2002.

Our collected data show that for Russia, Cyprus and Turkey are at present the top destinations for corporate conferences, because they are compatible with the overall cost and accessibility criteria. Looking ahead (Future possible destinations), however, Cyprus appears to be losing ground to Turkey, and Egypt is now entering into consideration.

From the United Kingdom, the spread of destinations is wide and reflects the European Union tendency. Cyprus holds a strong position amongst the smaller destinations away from the European mainland.

U.A.E. is also relatively active in Cyprus, but lies well behind the strongest contender for this market segment, which is Egypt.

Turkey has hosted corporate conferences generated in The Netherlands, (likely to have been motivated by the presence of a considerably sizeable community of Turkish immigrants in this country). In the light of the perceived similarities between Turkey and Cyprus, both of which are placed in the same perceptual map, it would indicate that Cyprus can also be an attractive destination for conferences originating in The Netherlands.

The German MICE market's experience of Cyprus is





shown in our primary data to be minimal. The main destination used by Germany was Spain, and this was followed by the USA.

Cyprus – Awareness as a Destination for Corporate Conferences

Companies based in Greece show the greatest awareness of the potential of Cyprus as a host country for corporate conferences. For Greece, Cyprus ranks as highly as countries within the European Union.

The United Kingdom, Russia, U.A.E. and France all show a relatively high awareness of Cyprus as offering conferencing facilities and a potential destination. All three source countries link Cyprus into a group which comprises:

- Turkey
- Egypt
- Morocco
- Tunisia

For French companies, Morocco and Tunisia have a higher potential rating, gaining from the language advantage.

With a lower awareness rating are The Netherlands, Denmark, Spain and Austria. Again, these countries link Cyprus into the same group of :

- Turkey
- Egypt
- Morocco
- Tunisia

In Germany, awareness of Cyprus as a conference destination is relatively low. The dominant countries in this context are Spain, Dubai and Turkey.

For corporate conferences, it is clear that there exists an awareness of a set of countries outside of the European Union in the Mediterranean area that offer similar conferencing facilities and amenities.

Corporate Incentive Travel

The reward nature of incentive travel dictates a location with scope for plentiful and varied leisure activities, and a constant search for new locations. This makes the sector more volatile, which opens up opportunities for the smaller destinations outside of the European Union.

Interest shown in Dubai and Egypt is indicative of the search for unusual and exotic locations.

In incentive travel, the direct competition to Cyprus is less clearly defined than for the conference sector. When assessing an incentive travel destination, the strong attributes associated with Cyprus tend to be aligned with similar rankings for countries in Western Europe.

This is a disadvantage to Cyprus. Not only does the competition come from stronger and more accessible destinations, but also the distinctive features of culture, heritage and terrain that are the natural

advantages of Cyprus are obscured. In this sector of the market, this latter is the greater disadvantage. It is a market sector which seeks out differences in culture and environment. Therefore, the opportunity to establish a USP which strengthens the cultural differentiation of Cyprus should be seized through advertising in this sector.

Cyprus – An Actual Incentive Travel Destination

Of the companies interviewed for our primary research, Cyprus was shown to have attracted incentive travel groups from the United Kingdom, the U.A.E., Greece and The Netherlands.

Russia is not active in this sector of the market.

Companies in France have not used Cyprus as a recent destination, but show an interest in doing so in the future. (*Source: Primary research*)





Cyprus – Awareness as a Destination for Incentive Travel

Again, companies in Greece show the proximity and the shared culture in the highest recognition of Cyprus as a potential destination for incentive travel groups. Unlike conference destinations, however, as an incentive travel destination Cyprus is challenged by Morocco and Tunisia. These two latter countries offering the distinctive, exotic culture.

France and the United Kingdom are source countries that also have a high awareness of the potential of Cyprus for the hosting of incentive travel groups. For both countries, Cyprus is seen as being of equal potential with Turkey and Egypt: for France, the top rated potential destination countries outside of the European Union are Tunisia and Morocco. The potency of the language barrier is again highlighted.

U.A.E., as an already relatively strong source

country for Cyprus, recognises the potential of the destination, but places it slightly below Turkey, and well below Egypt.

The Netherlands, Belgium, Denmark, Austria, Switzerland, Spain, Germany and Russia all are aware that Cyprus can offer facilities for incentive trips. There is, however, some ambivalence as to where to set it in relation to other destinations. Generally, it is placed below the non-European Mediterranean locations, and nearer to the European countries.

Cyprus can compete in this corporate incentive travel market, but it is presently suffering from a lack of clear identity.

Association Conferences and Congresses

The global concept of competition is applicable to this association sector of the market, which has delegates attending from all corners of the world.

Competition for association meetings is between the national branches of the association, rather than a direct choice between the facilities and amenities of destinations. Location decisions depend on the strength of the local branch, and the proficiency of its bid.

Examples of local associations with international affiliates

Cyprus Association of Map Collectors

<http://www.maphist.nl/mapsoc/camc.htm>

Cyprus Association of Optometrists

http://www.assoc-optometrists.org/optical/optical_overseas_1010749089.html

Association of Agricultural Research Institutions in the Near East and North Africa (AARINENA)

<http://www.wisard.org/wisard/shared/asp/generalinfo/server/Intermediate.asp?InstitutionID=5564>

The Cyprus Association of Professional Quantity Surveyors (CAPQS)

ICEC Associate Member, 2002
MEMBERS OF THE
INTERNATIONAL COST
ENGINEERING COUNCIL
<http://www.icoste.org/members.htm>

Cyprus Nurses Association

<http://www.cyna.org/>

275th AirScouts Group of Lakatamia, Cyprus

<http://www.275airscouts.org/online/english.htm>

Cyprus Association of Medical Physics and Bio-Medical Engineering (CAMPBE) Cyprus (CY)

<http://www.efomp.org/members/cyprus/cyprus.html>

Cyprus Recyclers Association

<http://www.recycle.net/recycle/assn/rs190891.html>

Cyprus Yachting Association

<http://www.cya.org.cy/home.htm>

The Association of European Lawyers

<http://www.europeanlawyers.org/cyprus.html>





The International Industrial Relations Association
<http://www.ilo.org/public/english/iira/assoc/cyp.htm>

Accession into the European Union can be an undoubted advantage in the attraction of association conferences, but given the strength of the competition from larger branches in Europe and world-wide, the local branch members will need official help in formulating vigorous bids.

Although a very small part of the total conference and incentive travel market, Cyprus is not without experience. Factors that have assisted in a local branch winning a bid have been the amenities of Cyprus, both natural and man-made, for example, the sea, marinas and sailing opportunities; the football pitches geared to evening use in the mild climate.

To launch an attack on this market requires a breakdown of associations into those that have links with Cyprus, and those whose needs can be met by the amenities available.

Examples of local associations with international affiliates

(IIRA Regional Congresses are held at irregular intervals. The next Regional Congress will be held in [Seoul, Korea in 2004.](#))

Cyprus Association of Stock Market Investors
http://www.wfic.org/net_publish/forsi_de_lokal.asp?ID=63

Cyprus football association
<http://jason.soffe.free.fr/europe/cyprus.htm>

Cyprus Bar Association
<http://www.iurisint.org/pub/04/en/doc/88.htm>



International Association of Sports Law (I.A.S.L.)
Διεθνής Ένωση Αθλητικού Δικαίου (Δ.Ε.Α.Δ.)
<http://iasl.org/>

Commonwealth Association of Planners
<http://www.commonwealth-planners.org/members.html#cyp>

Cyprus Association of Sports Medicine
http://www.leeds.ac.uk/sports_sciences/directory/medicine.htm

Solar Electric Power Association
http://www.solarelectricpower.org/S_EPA_Member_News/index_detail.cfm?LinkAdvID=25264



Destination Patterns

Association conferences, as is obvious from their make-up and decision-making, do not follow the standard European patterns of the Northern capitals. Rather, there is a trend towards the outer edges and lesser-known locations in Europe. This presents an optimistic picture for Cyprus.

When it comes to intermediate meetings of specialised interest, destinations are again away from the European capitals circuit. An element of the exotic comes in, with locations in the Middle East – UAE, Egypt and Lebanon – being selected.

This again is an optimistic and opportunistic picture for Cyprus, particularly as these intermediate meetings are the more easily accommodated.

To this end, criteria for destination choice take on importance, given the regional situation of Cyprus. Current political trends has a

relatively strong influence because of the internationally distinguished delegates in attendance. Cyprus is in a position to offer a safe and secure environment in a global region that is characterised by turbulence.

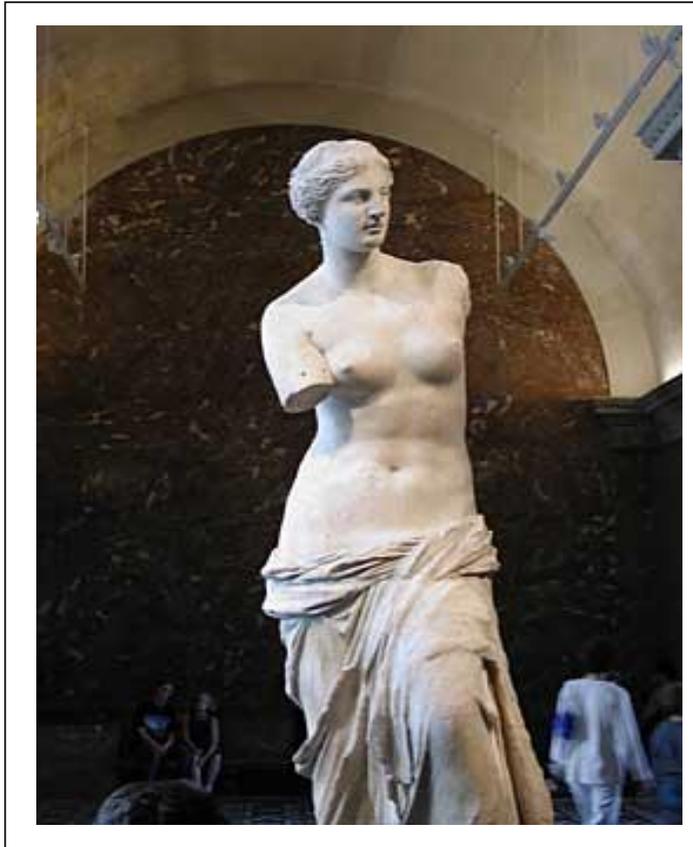
Awareness of Destinations

There is little global awareness of locations offering conference and meeting facilities. Monitoring is not a necessity for an association when conference destination decisions are determined on the basis of local branch bids.

An association does not need to build up a destination database.



Conferences & Incentives



*P*art 6

IMAGE OF CYPRUS

Establish the image and position of Cyprus as a conference and incentive destination vis-à-vis the competition



Criteria Used in Choice of Cyprus

The principal decision criteria in the choice of a destination for a corporate conference or an incentive trip are consistently reiterated as the travel details and the overall costs. In the choice of Cyprus, climate and culture are also taken into account as positive influences.

Corporate events are also influenced by past experience of the host country. A first satisfactory event increases greatly the likelihood of a return visit for future events, thus underlining the need to encourage the initial trial with familiarisation trips within the travel trade and business management in potential source countries.

An immediate repeat event is not the aim, because of the element of destination rotation which is apparent within Europe. The aim is to ensure that Cyprus is known as a high standard corporate event location within a set of

countries in the Mediterranean region. That is, to become a part of a destination rotation set.

Accession to the European Union opens up further possibilities in terms of this policy of destination rotation. Cyprus can also become included in a wider Southern European set, gaining from the tendency of European companies to host events within the European Union.

Levels of Satisfaction with Cyprus

Of the countries surveyed, three had sufficient experience with hosting events in Cyprus to be capable of statistical analysis. These three countries are Greece, the United Kingdom and Russia.

All three register high levels of satisfaction with conference facilities, organisation and amenities of Cyprus.

Those who have organised a corporate incentive trip in Cyprus are mainly

companies in The Netherlands, the United Kingdom, Greece and The UAE. Satisfaction levels with the destination and the programme are high, The travel trade in source countries rates Cyprus highly as a corporate event location, comparing it very favourably with other similar venues in the Mediterranean region. This is a major factor in this market, as in the source countries of Europe agencies play a principal role in preparing destination options for management choice and in organising travel and accommodation. On average, an agency in Europe plans and arranges 24 conferences every year and 26 incentive trips.

A successful corporate event in Cyprus is aided by the weather and the people of the country. Proficiency and reliability of the local handling agents is also strongly featured, as this gives an assurance of a smooth-running event.

Overall costs and the originality of events have

been the least attractive aspects of an event held in Cyprus. Event originality emphasises the reward element of incentive trips, and the constant search for new experiences and activities.

Expectations of Cyprus as a Destination

Conferences

Companies and agencies who have no experience of Cyprus as a conference location expect Cyprus to be marginally above average compared with the whole range of destinations available. This must be seen as a good position to be in within this wide and established group of conference venues.

The travel trade has slightly higher expectations, based on their greater knowledge of Cyprus gained from their overall experience within the travel business.

This above-average expectation is to be found in all major source countries,





with the one exception of Russia.

Attributes of Cyprus expected to contribute to the success of a conference are once again the weather and the people. Equally in agreement with those with actual experience, the least attractive aspect of Cyprus is the expectations of difficulties in the travel arrangements.

From this position of no actual knowledge of the island, doubt is expressed regarding the anticipated originality of events and the professionalism of the local tourist industry.

Incentive Travel

Both the travel trade and the buyer companies, based on reputation and perceived image, see Cyprus as a more appropriate destination for incentive travel than for conferences. Only companies in Russia and the U.A.E. have a lessened enthusiasm and take a neutral stance.

As with the organising of a conference in Cyprus, the success of an incentive trip is expected to be influenced by the weather and the people of the island.

And again the perceived drawbacks are the same – travel details, originality of events, professionalism of local tourist industry and overall costs.

Doubts surrounding the professionalism of the local tourist industry, expressed mainly by companies with no actual experience of organising events in Cyprus, during our primary research, indicate that Cyprus is not known as a corporate event destination country.

Perceptions of Cyprus

Actual experience of hosting an event in Cyprus adds to its perception as a quality venue for both conference and incentive travel. Again, this emphasises the need to encourage experience through familiarisation trips, and for advertising focused on corporate events.

Personal promotions and presentations by national representatives are also indicated to get the name of Cyprus known and linked to the high standard of conferencing facilities available.

The travel trade rates Cyprus very highly as a location for a corporate conference, but is somewhat less enthusiastic about its suitability as an incentive travel destination. For incentive travel, the question of originality of events takes on a heightened importance because of the need for the trip to offer the reward of the unusual and memorable experience.

Companies in the source countries, both the buyers and the agencies, do not rule out the possibility of selecting Cyprus as a destination for future events, but there are different levels of interest. The most enthusiastic response comes from Greece, Spain, the United Kingdom and Saudi Arabia. The least enthusiastic countries are

Denmark, Switzerland, Germany and Russia.

Comparative Image/Position of Cyprus

Throughout the research, Cyprus has been consistently placed by respondents in a perceptual set of countries sharing the attributes of a mild climate and of a distinctive culture. This set consists of :

- § Egypt
- § Turkey
- § Cyprus
- § Morocco
- § Tunisia

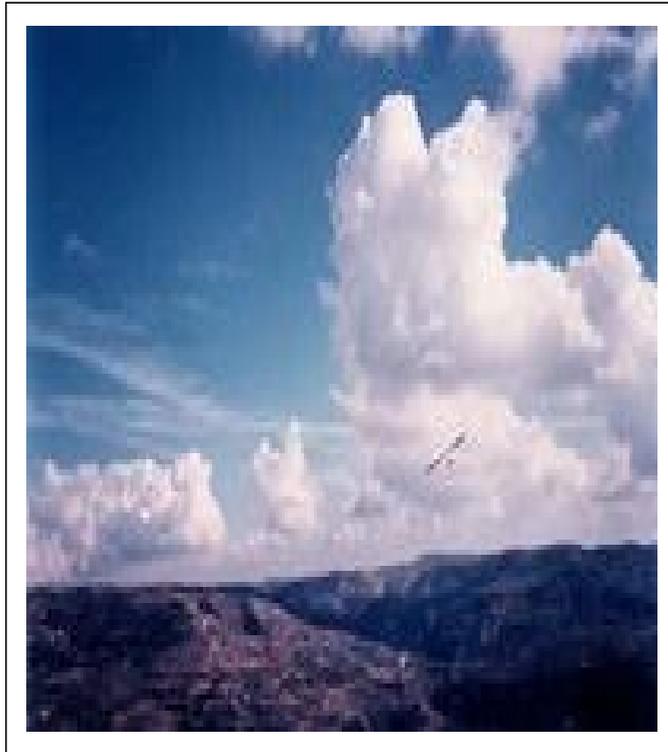
This set further sub-divides into directly competitive groups, based on geographical location and culture. Morocco and Tunisia are positioned in close proximity and have a similar cultural background: Cyprus, Turkey and Egypt are geographically close, but Egypt is differentiated by its Arab culture.

The most direct competition to Cyprus in this corporate conference and incentive



travel market is Turkey: but all five of the countries in this set are perceived as alternative destinations, offering similar attributes and a similar product.

Conferences & Incentives



*P*art 7

CONSTRAINTS AND LIMITATIONS OF CYPRUS

Define the constraints and limitations of Cyprus as a conference and incentive destination, and suggest ways to redress the situation

Strengths of Cyprus as a Destination

During the interviews carried out as part of our primary research, the respondents were asked to indicate which factors were important to them when selecting a destination for an event for their company and which factors were less important. They were subsequently requested to rate the degree to which they valued various aspects of the Cyprus product.

The findings showed that the factors of greatest importance are the following:

- § The standard of the accommodation. This is also rated highly for Cyprus, and can therefore be counted as a positive decision influence.
- § The handling agent's performance is another important factor, which also is rated highly for Cyprus. This is vital to the success of an event and to the destination decision. Any doubt about the

reliability of the agent gives grounds for rejection of the location. The handling agent at the destination is expected to be knowledgeable and to execute arrangements satisfactorily without incurring hidden costs.

§ Transportation is a necessary convenience, and a sign of a developed physical infrastructure. Again, Cyprus is rated highly on this attribute

§ The weather and its people are additional strengths of Cyprus, which are, nevertheless of less importance to the corporate organising committee as decision influencers.

	Important when choosing destination	Less important when choosing destination
Cyprus' strengths		
Standard of accommodation	●	
Handling agent's performance	●	
Transportation	●	
Weather		●
People		●

Weaknesses of Cyprus as a Destination

According to the perceptions of the company representatives interviewed for the purpose of our primary research, far and away the main weakness of Cyprus as a destination is the inconvenience of flights. From many source countries these are infrequent and are not compatible with the short duration conference or incentive trip. Provincial airports are particularly badly served with flights, which are more suited to the holidaymaker than the corporate event delegate.

Travel is a problem that is echoed consistently in the research, and most vociferously by interviewees in France and Belgium. Interest is shown in Cyprus as a destination, but quickly rejected when the travel difficulties are recognised.

A second group of weaknesses arises from a general lack of knowledge of Cyprus, and the prevailing image of a holiday island.

Given this perspective, questions are raised in the minds of conference organisers as to the professional and technical standards available. Professionalism of the local tourist industry is essential for a satisfactory conference or incentive trip, and professionalism as a holiday tourist industry is not a reassurance of professionalism for the corporate event market.

This same factor applies to the activities and entertainment at the destination. As a holiday island, it is surmised that these will be geared to the undemanding needs of the holiday maker. This would also apply to the originality of events for the incentive traveller.

The local tourist industry in Cyprus has no doubts about its ability to compete at the most modern level with contemporary needs for technological conferencing aids and professional organisation services. Unfortunately, this

information is not reaching the source market.

As has been established in our primary research, those companies which had experience of Cyprus as a destination, rated highly the facilities and the professional organisation provided, validating the confidence expressed by the local trade. However, in the minds of those who had no practical experience of organising an event in Cyprus, our abilities in this respect are doubted.

	Important when choosing destination	Less important when choosing destination
Cyprus' weaknesses		
Travel details	●	
Cyprus is perceived as a holiday island	●	

Summary of Barriers to the use of Cyprus for MICE events
from the point of view of decision makers

§ Travel difficulties	
-	Infrequent flights from many European capitals
-	Provincial areas not served
-	Monopoly by Cyprus Airways
§ Promotions of the Cyprus product	
-	No specific promotion of Cyprus as a MICE destination
-	Use not made of relevant publications in source countries
-	Literature available emphasises tourism rather than facilities
§ General promotions of Cyprus	
-	In many European countries Cyprus is little known
-	Advertising and promotion is generally sparse
-	Awareness of Cyprus as a holiday destination comes from travel company brochures
-	Holiday destination image suggests lack of professionalism and technical expertise

Conferences
&
Incentives



*P*art 8

TARGET MARKETS



A number of countries have been identified as presenting the greatest promise for the Cyprus Conference and Incentive market. The United Kingdom, Greece, Russia, and The Netherlands have been identified as such mostly on the basis of their demonstrated substantial levels of awareness, incidence of past usage and potential future usage of Cyprus as a Conference and Incentive travel destination. Germany and France are considered worthwhile target markets mainly because they hold the top positions in the European league of countries with MICE outbound trips. Belgium is included in this list on the basis of its considerably large outbound MICE market but also its geographical, cultural and linguistic proximity to both France and The Netherlands. Any promotions targeted for France can be comfortably duplicated in Belgium, thus taking advantage of economies that can be the result of this duplication.

On the most part, the target countries identified in this study coincide with the countries

named as those of the highest priority for the Cyprus tourism in the CTO 10-year Strategic Plan.

The Netherlands and Belgium are classified as 'Medium Priority' markets by the CTO. However, the opportunities presented by their CIT market sector indicate that their importance for the Cyprus CIT market should not be underestimated.

Countries with a promising potential for using Cyprus for their MICE travel

Target countries	10-year plan countries with the highest priority
UK	UK
Greece	Greece
Russia	Russia
Germany	Germany
France	France
Netherlands	
Belgium	

In the following pages, the key features of the outbound MICE

tourism of each of these countries vis a vis Cyprus are set out, in order to provide a clear indication of the standing of Cyprus among them

Target Markets

	Awareness of Cyprus		Ever used	Possibility for future use		Used for last event	
	%		%	%		%	
	Conf.	Incent.		Conf.	Incent.	Conf.	Incent.
UK	54	55	30	5	4	1	10
Greece	77	77	34	6	9	*	6
Russia	50	28	35	13	2	14	*
Germany	24	29	10	-	-	-	-
France	45	58	15	12	12	-	-
Netherlands	31	43	26	2	2	*	4
Belgium	14	37	19	1	1	4	-

(Source: Primary quantitative research)

United Kingdom

Size of UK MICE market

According to data published by the European Travel Monitor, the number of MICE trips from the UK in the year 2000 was in the region of 600,000, amounting to approximately 3%-4% of the whole European MICE market. These trips took mainly the form of conferences.

Conferences	Incentive Travel
0.4 million trips	Fewer than 0.1 million trips
4% of European Conferences market	Under 3% of European Incentives Market

Cyprus: Share of UK MICE Market

Awareness and Usage

Over half of British firms are aware that Cyprus offers Conference and Incentive travel facilities. Their experience of Cyprus for MICE travel is substantial, with 22% and 16% reporting to have ever organised a Conference or an Incentive trip here.

Use of Cyprus for their last conference was rather low, with 1% of British companies reporting that their last conference was in Cyprus.

The strong proportion of 10% of companies reporting that their last incentive trip was in Cyprus is encouraging and indicates that Cyprus is firmly on the British corporate map of choices of countries for incentive trips.



Awareness and Usage of Cyprus as a MICE destination from the UK

	Conferences	Incentives
Awareness of Cyprus as a destination for conference / incentive travel	54%	55%
Ever organised event in Cyprus	22%	16%
Used Cyprus for last conference/incentive	1%	10%
Cyprus is one of the three most likely countries for next conference / incentive travel	5%	4%

(Source: primary quantitative research)



*Other British destinations:
Competition to Cyprus*

In Britain, competition to the Cyprus Conference product comes mainly from other Mediterranean countries of Europe, such as France, Spain and Italy. The USA is also relatively strong in this regard.

Concerning Incentive travel, Cyprus holds the second strongest position among British firms, its main competitor in Britain being Spain.

Cyprus, (along with Turkey and Dubai) are each considered as potential future destinations for Conference travel by 5% and as potential future destination for Incentive travel by 4% of British firms which organize events abroad.

Again, it is obvious that the main competitors to Cyprus in Britain are Mediterranean European countries

Important future UK MICE Market destinations (with over 8% claiming that they are likely to use for future event)

Conferences		Incentive Travel	
Spain	46%	Spain	16%
France	31%	France	11%
Italy	25%	Italy	8%
Germany	20%	S. Africa	8%
USA	13%		
Netherlands	11%		
Cyprus	5%	Cyprus	4%

(Source: primary quantitative research)

Recent important UK MICE market destinations

(with over 5% share)

Conferences		Incentive Travel	
France	13%	Spain	12%
Spain	13%	Cyprus	10%
Italy	11%	Portugal	10%
USA	7%	Italy	7%
Belgium	5%	France	7%
Netherlands	5%	Belgium	5%
Switzerland	5%	Singapore	5%
Hungary	5%	Iceland	5%

Opinions of the British market on Cyprus

The majority of British companies consider Cyprus favourably as a destination for Conferences and Incentive travel.

On average, the opinion in Britain is that Cyprus is rather more appropriate for Incentive travel than it is for Conferences.

The small minority who consider Cyprus inappropriate for conferences and incentives do so largely for a variety of reasons which are specific to their company circumstances.

Degree to which Cyprus is considered an appropriate a destination for conferences/ incentives by UK market

	Conf	Incens
	%	%
Very appropriate	29	30
Quite appropriate	33	32
Neither app. nor inapp.	18	16
Quite inappropriate	13	3
Very inappropriate	5	3
DK/no answer	3	16
Mean score (out of 5.0)	3.7	4.0

(Source: primary quantitative research)

Companies in the UK have very positive attitudes towards the Cyprus weather, its people, its accommodation facilities, the overall costs here, the professionalism of the local tourist industry and the suitability of its venues for their events.

“Travel details” to Cyprus is rated slightly lower than the other features of the Cyprus product. Even though there are currently daily flights available from London, and also twice weekly flights from Manchester and weekly flights from Birmingham, considerable proportions of the air capacity is allocated to tour operators. This limits the availability of seats for direct booking, which is reflected in the somewhat critical rating of this aspect of the Cyprus product.

The originality of events and the technical equipment are also at a slight disadvantage compared to other aspects of the Cyprus product, an indication of an area where improvements would be appreciated.

An overall observation is that ratings for all aspects are higher by those British companies who

had organised an event in Cyprus than by those who have not. This suggests that an awareness campaign, reinforcing the perceptions which are relatively weaker by those with no experience of Cyprus as a MICE destination would have a credible and sustainable result.

Rating of Cyprus on specific attributes

	Organised event in Cyprus	Not organised event in Cyprus
	Average rating out of 10	Average rating out of 10
Weather	8.2	8.6
People	8.2	8.1
Accommodation	8.5	7.6
Overall costs	8.2	7.8
Professionalism of local tourist industry	8.2	7.5
Suitability of venues	8	7.3
Cleanliness	7.9	7.2
Handling agent's performance	7.9	7.9
Facilities available	7.8	7.3
Food	7.7	7.7
Transportation	7.5	7.6
Activities and entertainment	7.4	7.4
Originality of events	7.1	7
Technical equipment	7	7
Travel details	6.9	7

The most significant aspects which UK companies take into account when organising a corporate event are travel costs, overall costs and travel details. Cyprus is regarded positively in terms of travel costs and overall costs, but it is let down by opinions on travel details.

Aspects which played a role in UK market's decision when choosing destination for last corporate event

	% played a role
Travel costs	87
Overall costs	84
Travel details	80
Management decision	82
Past favourable experiences with organising similar events	69
Decision of prospective participants in the event	57
Climate of host country	44
Heard good comments from other companies who organised events there	37
Read articles praising suitability of country and facilities available	37
Invitation from local company	37
The culture of the host country	38
Policy to use different location each time	38
Current trends	25
Was approached by national representative	18
Saw advertising showing suitability of country	17
Policy to return to same location	15
Country had interesting display in travel exhibition	12

(Source: primary quantitative research)

Greece

Size of the Greek MICE market

According to data published by the European Travel Monitor, the number of MICE trips from Greece in the year 2000 was in the region of half a million, amounting to approximately 2% of the whole European MICE market.

Cyprus: Share of the Greek MICE Market

Awareness and Usage

Greek firms are very well aware that Cyprus offers both Conference and Incentive travel facilities, and their experience of Cyprus for MICE travel is substantial, with 30% and 26% reporting to have ever organised a conference/incentive trip respectively here.

Recent use of Cyprus by Greek companies for a conference was very poor, but a 6% had organised their last incentive trip in Cyprus.

Expected use of Cyprus is relatively strong among companies in Greece, with 6%

anticipating that Cyprus might be a country for their next conference and 9% considering Cyprus for their next incentive trip.

Awareness and Usage of Cyprus as a MICE destination from Greece

	Conferences	Incentives
Awareness of Cyprus as a destination for conference / incentive travel	77%	77%
Ever organised event in Cyprus	30%	26%
Used Cyprus for last conference/incentive	-%	6%
Cyprus is one of the three most likely countries for next conference / incentive travel	6%	9%

(Source: primary quantitative research)

*Other Greek destinations:
Competition to Cyprus*

In Greece, competition to the Cyprus conference product comes mainly from Western European countries, such as Germany

Concerning Incentive travel, Cyprus holds a relatively weak position among Greek companies, with the stronger contenders in this respect being Italy and the UK.

The main future competition faced by Cyprus in Greece originates in Italy and the UK as far as Conferences are concerned.

In addition to Western European countries, Tunisia is another important future competitor for Incentive travel in Greece.

Important future Greek MICE destinations (with over 10%)

Recent important Greek MICE market destinations (with over 5% share)

Conferences	
Germany	14%
Spain	7%
Italy	7%
Austria	7%
Switzerland	7%
Denmark	7%
Ireland	7%
Japan	7%
Cyprus	-

Incentive Travel	
Italy	18%
UK	12%
France	9%
Tunisia	9%
Czech Rep.	9%
Austria	6%
Germany	6%
Cyprus	6%

(Source: primary quantitative research)

Conferences	
Italy	13%
UK	11%
Cyprus	6%

Incentive Travel	
Italy	32%
Spain	26%
Tunisia	13%
Czech rep.	13%
Cyprus	9%

(Source: primary quantitative research)



Opinions of the Greek market on Cyprus

The suitability of Cyprus as a location for Conference and Incentive travel is not in doubt in Greece: the majority of Greek companies consider Cyprus very favourably in this respect. Comparing between the two types of travel, the opinion seems that Cyprus is considered rather more appropriate for incentive travel than it is for conferences.

Degree to which Cyprus is considered an appropriate destination for conferences /incentives by the Greek market

	Conf.	Inc.
	%	%
Very appropriate	28	28
Quite appropriate	55	60
Neither appropriate nor inappropriate	13	9
DK/no answer	4	4
Mean score (out of 5.0)	4.2	4.2

(Source: primary quantitative research)

Companies in Greece have very high opinion of most aspects of the Cyprus Conferences and Incentives product.

It is interesting to note that “Travel details” which tends to be expressed as a problem from other European countries, in Greece this aspect is rated very satisfactorily. This is proof of the positive impact on this sector of the tourist market by the presence of the numerous daily flights.

The “originality of events” receives a relatively low rating by Greek companies, which had some experience of Cyprus as a venue for a corporate event.

As is the pattern established among all the countries included in the primary research of this study, ratings for most aspects of the Cyprus product tend to be higher by those who had organised an event in Cyprus than by those who have not. Nevertheless, the aspects of Accommodation, Facilities available and Originality of events were rated slightly higher by those who had not organised an event here than by those with experience.

Rating of Cyprus on specific attributes by Greek companies

	Organised event in Cyprus	Not organised event in Cyprus
	Average rating out of 10	Average rating out of 10
Handling agent's performance	10	8.7
Transportation	9.7	8.6
Weather	9.3	8.8
Suitability of venues	9.2	8.9
Food	9.2	9.0
Travel details	9.2	8.7
People	9.1	8.5
Professionalism of local tourist industry	9.0	8.8
Cleanliness	9.0	8.7
Technical equipment	9.0	8.9
Accommodation	8.8	9.1
Facilities available	8.5	8.7
Activities and entertainment	8.4	8.3
Overall costs	8.3	8.0
Originality of events	7.7	8.2

(Source: primary quantitative research)

Aspects which played a role in Greek market's decision when choosing destination for last corporate event

In Greece, management decision appears to be of the utmost importance when deciding on a destination for a corporate event. Furthermore, the most significant aspects which Greek companies take into account when organising a corporate event are travel costs, variety of locations used, overall costs travel details, the culture and the climate of the host country.

According to these criteria, Cyprus stands a good chance of being selected by a Greek company for one of their corporate events abroad.

	% played a role
Management decision	83
Travel costs	68
Policy to use different location each time	62
Overall costs	60
Travel details	60
The culture of the host country	49
Climate of host country	45
Past favourable experiences with organising similar events	40
Saw advertising showing suitability of country	26
Decision of prospective participants in the event	26
Heard good comments from other companies who organised events there	26
Invitation from local company	23
Read articles praising suitability of country and facilities available	17
Current trends	13
Was approached by national representative	11
Country had interesting display in travel exhibition	11
Policy to return to same location	9

(Source: primary quantitative research)



Russia

Size of the Russian MICE market

According to data published by the European Travel Monitor, the number of MICE trips from Russia in the year 2000 was 800,000, amounting to approximately 4% of the whole European MICE market. These trips were predominantly conferences.

Cyprus: Share of the Russian MICE Market

Awareness and Usage

Russian firms are not very well aware that Cyprus offers Conference and Incentive travel facilities. The much lower level of awareness of Incentive travel facilities could be attributed to the fact that not much interest in this kind of corporate travel is present in Russia.

Experience of Cyprus for MICE travel from Russia is substantial, with 30% and 26% reporting to have ever

organised a conference/incentive trip here.

Recent use of Cyprus by Russian companies for a Conference was substantial, with 14% reporting that they had organised their last Conference in Cyprus.

Expected use of Cyprus for Conferences is relatively strong among companies in Russia, with 13% anticipating that Cyprus might be the country of their next conference. A small proportion of 2% considers Cyprus as a possibility for their next Incentive trip.

Awareness and Usage of Cyprus as a MICE destination from Russia

	Conferences	Incentives
Awareness of Cyprus as a destination for conference / incentive travel	50%	28%
Ever organised event in Cyprus	28%	12%
Used Cyprus for last conference/incentive	14%	*%
Cyprus is one of the three most likely countries for next conference / incentive travel	13%	2%

(Source: primary quantitative research)

**Other Russian destinations:
Competition to Cyprus**

In Russia, competition to the Cyprus conference product comes mainly from Turkey and, to a lesser extent from Western European countries.

(Not enough Russian companies reported having organised Incentive travel in the recent past.)

Recent important Russian MICE market destinations

Conferences	
Cyprus	14%
Turkey	13%
France	9%
UK	8%
Germany	6%
Italy	5%
Malta	5%

(Source: primary quantitative research)

Regarding future conferences originating in Russia, the main competition faced by Cyprus comes from Western European countries such as France, Germany the UK and Italy, but also from Turkey and Egypt.

Should they consider Incentive travel, Russian companies would be likely to select between Turkey, Spain, Egypt, Greece, Tunisia, Dubai and Cyprus.

Important future Russian MICE Market destinations (with over 10% claiming that they are likely to use for future even)

Conferences		Incentive Travel	
France	27%	Turkey	32%
Germany	21%	Spain	32%
UK	18%	Egypt	30%
Italy	17%	Greece	30%
Turkey	17%	Tunisia	28%
Egypt	15%	Dubai	27%
Spain	13%		
Cyprus	13%	Cyprus	28%

(Source: primary quantitative research)



Opinions of the Russian market on Cyprus

Russian companies are somewhat uncertain of the suitability of Cyprus as a Conference or Incentives destination.

Degree to which Cyprus is considered an appropriate destination for conferences/incentives by the Russian market

	Conf.	Inc.
	%	%
Very appropriate	20	22
Quite appropriate	24	11
Neither app. nor inapp.	15	11
Quite inappropriate	12	4
Very inappropriate	-	9
Don't know/no answer	24	44
Mean score (out of 5.0)	3.7	3.6

(Source: primary quantitative research)

Companies from Russia have very positive attitudes towards most of the aspects of the Cyprus product. With regards to most aspects, rating by those who had a chance to experience an event in Cyprus is considerably higher than that of those with no such experience.

The lowest rating by those who had organised an event in Cyprus was given to the weather. This attribute is given an extremely high rating by those who had not organised an event here, suggesting that expectations in this respect are not always met.

Another aspect, which appears to be a source of disappointment to Russian companies using Cyprus for a corporate event, is "people". This aspect receives a higher rating by those who have no experience with organising an event here.

It is also interesting that those with no experience of Cyprus for a corporate event tend to give especially low ratings to the professionalism of the local tourist industry and to the

activities and entertainment attributes, indicating their low expectations in these respects.

Rating of Cyprus on specific attributes by Russian companies

	Organised event in Cyprus	Not organised event in Cyprus
	Average rating out of 10	Average rating out of 10
Cleanliness	9.6	9.3
Handling agent's performance	9.6	9.0
Transportation	9.6	9.0
Technical equipment	9.5	9.0
Activities and entertainment	8.9	5.5
People	8.9	9.4
Accommodation	8.9	7.0
Originality of events	8.8	6.3
Facilities available	8.8	7.3
Professionalism of local tourist industry	8.7	4.4
Food	8.7	6.7
Overall costs	8.6	5.3
Suitability of venues	8.6	7.9
Travel details	8.6	7.3
Weather	8.4	9.8

(Source: primary quantitative research)



Travel costs are the most important consideration for Russian companies when organising a corporate event abroad. The decision of the management is the next most important factor in the decision making process.

Other important considerations for Russian companies are the overall costs, current trends, the culture of the host country, its climate and travel details

The prospective participants to an event also have a considerable influence on the decision regarding its location.

With these being the most important considerations of Russian companies when deciding on destination for a future event, Cyprus stands a good chance of being selected by them.

Aspects which played a role in the Russian market's decision when choosing destination for last corporate event

	% played a role
Travel costs	100
Management decision	95
Overall costs	82
Current trends	80
The culture of the host country	78
Climate of host country	77
Travel details	73
Decision of prospective participants in the event	73
Invitation from local company	49
Past favourable experiences with organising similar events	48
Read articles praising suitability of country and facilities available	38
Was approached by national representative	38
Heard good comments from other companies who organised events there	35
Country had interesting display in travel exhibition	26
Saw advertising showing suitability of country	22
Policy to return to same location	22
Policy to use different location each time	18

(Source: primary quantitative research)

Germany

Size of the German MICE market

According to data published by the European Travel Monitor, the number of MICE trips from Germany in the year 2000 was 2.4 million, amounting to the significant portion of 12% of the whole European MICE market.

Conferences	Incentive Travel
1.7 million trips	0.4 million trips
17% of European Conferences market	22% of European Incentives Market

Cyprus: Share of the German MICE Market

Awareness and Usage

German companies do not recognize Cyprus as a Conferences and Incentives destination to any significant extent.

Experience of either conferences or incentives organised here is very small, and none of the organisations taking part in our primary research had organised their last trip here.

As far as German companies are concerned, Cyprus is not one of the countries that they would consider for their next corporate event abroad.

Awareness and Usage of Cyprus as a MICE destination from the Germany

	Conferences	Incentives
Awareness of Cyprus as a destination for conference / incentive travel	24%	29%
Ever organised event in Cyprus	4%	10%
Used Cyprus for last conference/incentive	-	-
Cyprus is one of the three most likely countries for next conference / incentive travel	-	-

(Source: primary quantitative research)

*Other German destinations:
Competition to Cyprus*

In Germany, competition to the Cyprus Conference product comes mainly from Spain and from the USA and, to a lesser extent, from Portugal, Hungary and Poland.

Concerning Incentive travel, the main contenders are Spain, Italy, Austria and the USA.

Recent important German MICE market destinations (with over 5% share)

Conferences		Incentives	
Spain	20%	Spain	18%
USA	17%	Italy	14%
Portugal	7%	Austria	12%
Hungary	7%	USA	10%
Poland	7%		

(Source: primary quantitative research)

Future destinations from Germany include Spain, for conferences and Italy, Spain, France, Austria and the USA for incentive travel.

Important future German MICE Market destinations (with over 10% claiming that they are likely to use for future event)

Conferences		Incentive Travel	
Spain	15%	Italy	22%
		Spain	13%
		France	13%
		Austria	10%
		USA	10%
Cyprus	-	Cyprus	-

(Source: primary quantitative research)



Opinions of the German market on Cyprus

German companies tend not to consider Cyprus as an appropriate destination for Conferences and Incentive travel. something which is largely the result of the low awareness of Cyprus in this context.

Degree to which Cyprus is considered an appropriate destination for conferences/incentives by the German market

	Conf.	Inc.
	%	%
Very appropriate	3	8
Quite appropriate	19	20
Neither app. nor inapp.	32	35
Quite inappropriate	20	11
Very inappropriate	5	-
DK/no answer	22	25
Mean score (out of 5.0)	2.9	3.3

(Source: primary quantitative research)

German companies which had some experience with organising an event here were likely to rate highly most aspects of our Conferences and Incentives product. Lowest rating in this respect is given to “travel details”

Those who had not organised an event here were likely to consider less favourably most aspects of the Cyprus product, and especially so the “travel details” aspect.

Rating of Cyprus on specific attributes by German companies

	Organised event in Cyprus	Not organised event in Cyprus
	Average rating out of 10	Average rating out of 10
Weather	9.4	8.2
Accommodation	9.2	6.9
Food	9.0	7.2
People	8.8	7.3
Handling agent’s performance	8.8	6.9
Suitability of venues	8.6	6.4
Facilities available	8.6	6.4
Overall costs	8.3	6.4
Technical equipment	8.2	7.6
Professionalism of local tourist industry	8.2	6.3
Cleanliness	8.2	7.4
Originality of events	8.0	6.8
Transportation	7.8	6.8
Activities and entertainment	7.6	6.6
Travel details	7.4	5.6

(Source: primary quantitative research)

“Travel details” is reported to be one of the three most important factors taken into account when deciding on a location for a corporate event away from Germany. Since Cyprus tends to be considered negatively on this aspect by the German market, we can assume that travel details constitute one of the obstacles for using Cyprus.

Germany is currently experiencing some problems with its economy, which undoubtedly will have an impact on the behaviour of German companies organizing MICE events, possibly limiting their activities in this context.

Aspects which played a role in the German market's decision when choosing destination for last corporate event

	% played a role
Management decision	96
Overall costs	76
Travel details	63
Past favourable experiences with organising similar events	58
Climate of host country	52
Policy to use different location each time	46
Read articles praising suitability of country and facilities available	38
The culture of the host country	32
Heard good comments from other companies who organised events there	32
Invitation from local company	28
Current trends	24
Decision of prospective participants in the event	14
Country had interesting display in travel exhibition	14
Was approached by national representative	8
Saw advertising showing suitability of country	6
Travel costs	5
Policy to return to same location	4

(Source: primary quantitative research)



The Netherlands

Size of the Dutch MICE market

According to data published by the European Travel Monitor, the number of MICE trips from The Netherlands in the year 2000 was 600,000, amounting to approximately 3% of the whole European MICE market.

Cyprus: Share of the Dutch MICE Market

Awareness and Usage

Dutch firms are not well aware that Cyprus offers Conference facilities, but their awareness of Cyprus as offering Incentive travel facilities is considerably higher (it is at the level of 43% compared to the level of 31% for Conference facilities).

Experience of Cyprus for MICE travel is evident in The Netherlands mainly in terms of Incentive travel, with 22% of Dutch companies reporting that they had ever organised an incentive trip here. A proportion of 4% also reported that their last incentive trip was in Cyprus.

Proportions expected to use Cyprus for a future corporate event from The Netherlands are quite low.

Awareness and Usage of Cyprus as a MICE destination from The Netherlands

	Conferences	Incentives
Awareness of Cyprus as a destination for conference / incentive travel	31%	43%
Ever organised event in Cyprus	7%	22%
Used Cyprus for last conference/incentive	*	4%
Cyprus is one of the three most likely countries for next conference / incentive travel	2%	2%

(Source: primary quantitative research)

*Other Dutch destinations:
Competition to Cyprus*

In The Netherlands, competition to the Cyprus Conference product comes mainly from Austria and Portugal. Turkey is another strong contender in The Netherlands.

Concerning Incentive travel, Western European countries such as Spain, Italy and Germany are the main contenders.

Recent important Dutch MICE market destinations (with over 5% share)

Conferences		Incentives	
Austria	23%	Spain	16%
Portugal	15%	Italy	11%
Spain	8%	Germany	11%
Italy	8%	France	9%
Germany	8%	Austria	7%
USA	8%		
Turkey	8%		
Dubai	8%		
Sweden	8%		

(Source: primary quantitative research)

Dutch companies anticipate that their future corporate Conference events may take place mainly in Spain or in France. Countries expected to host their Incentive travel events are mainly Western European countries such as Spain, Italy, Germany and France, but they also include Turkey and Dubai.

Important future Dutch MICE Market destinations (With over 10% claiming that they are likely to use for future event)

Conferences		Incentive Travel	
Spain	24%	Spain	38%
France	12%	Italy	29%
		Germany	26%
		France	24%
		Dubai	12%
		Turkey	12%
		Austria	10%
Cyprus	2%	Cyprus	2%

(Source: primary quantitative research)



Opinions of the Dutch market on Cyprus

Following on from the awareness levels demonstrated for the Cyprus MICE facilities in The Netherlands, it appears that Cyprus is considered mainly as an Incentive destination by Dutch companies.

Degree to which Cyprus is considered an appropriate destination for conferences/ incentives by the Dutch market

	Conf.	Inc
	%	%
Very appropriate	17	19
Quite appropriate	21	24
Neither app. nor inapp.	33	38
Quite inappropriate	5	10
Very inappropriate	-	-
Don't know/no answer	24	9
Mean score (out of 5.0)	2.9	3.6

(Source: primary quantitative research)

Companies in The Netherlands with some experience of organising an event in Cyprus rate most aspects of the Cyprus product satisfactorily, with the least well rated aspect being “overall costs”.

Those who have no experience with organising a corporate event here are likely to believe that the weather and the people deserve high praise. However, they seem to have relatively low expectations with respect to the suitability of venues, the facilities available and the travel details – despite the fact that regarding the latter, there are daily flights connecting Cyprus with The Netherlands.

Rating of Cyprus on specific attributes by Dutch companies

	Organised event in Cyprus	Not organised event in Cyprus
	Average rating out of 10	Average rating out of 10
Weather	8.7	8.8
Handling agent's performance	8.3	7.2
Facilities available	8.1	6.7
Professionalism of local tourist industry	8.0	7.0
Accommodation	8.0	7.3
People	7.9	8.3
Suitability of venues	7.9	6.7
Food	7.9	7.8
Technical equipment	7.9	8.2
Transportation	7.7	7.3
Activities and entertainment	7.6	7.2
Cleanliness	7.4	7.9
Originality of events	7.4	7.2
Travel details	7.2	6.4
Overall costs	6.7	7.1

(Source: primary quantitative research)

The second most important factor which influences the selection of destination for a corporate event in The Netherlands is travel details, something which Dutch companies do not rate highly for Cyprus and could be one of the reasons that prevents more MICE tourism to Cyprus from this country. Since daily flights between Cyprus and The Netherlands do exist, increasing awareness of this fact could have a significant impact.

The overall costs for a trip in the host country also play an important role in the decision on where to organise an event and Cyprus receives a relatively low score from Dutch companies in this respect.

Other important factors that influence the decision of where to organise an event include the climate of the host country – which is rated satisfactorily for Cyprus.

Aspects which played a role in the Dutch market's decision when choosing destination for last corporate event

	% played a role
Management decision	95
Travel details	91
Overall costs	84
Climate of host country	71
Policy to use different location each time	66
Past favourable experiences with organising similar events	59
The culture of the host country	50
Read articles praising suitability of country and facilities available	41
Invitation from local company	40
Heard good comments from other companies who organised events there	34
Current trends	33
Was approached by national representative	26
Decision of prospective participants in the event	22
Saw advertising showing suitability of country	12
Country had interesting display in travel exhibition	24
Policy to return to same location	7
Travel costs	-

(Source: primary quantitative research)

Belgium

Size of the Belgian MICE market

According to data published by the European Travel Monitor, the number of MICE trips from France in the year 2000 was 0.7 million, amounting to approximately 4% of the whole European MICE market.

Cyprus: Share of the Belgian MICE Market

Awareness and Usage

Firms in Belgium are not well aware that Cyprus offers Conference facilities (14%) but they show higher levels of awareness of the availability of Incentive travel facilities here (37%),

The experience of Cyprus for MICE travel is mainly evident in the Incentive travel segment, (13%) while a considerable minority of Belgian companies have ever organised a Conference here (7%).

Recent use of Cyprus by Belgian companies for a Conference was substantial but was not evident for Incentive trips during the time that our primary research took place.

Propensity to use Cyprus for a future event was very weak among Belgian companies.

Awareness and Usage of Cyprus as a MICE destination from Belgium

	Conferences	Incentives
Awareness of Cyprus as a destination for conference / incentive travel	14%	37%
Ever organised event in Cyprus	7%	13%
Used Cyprus for last conference/incentive	4%	-
Cyprus is one of the three most likely countries for next conference / incentive travel	1%	1%

(Source: primary quantitative research)

*Other Belgian destinations:
Competition to Cyprus*

In Belgium, competition to the Cyprus Conference product comes mainly from Western European countries which are geographically very close to Belgium.

Concerning Incentive travel, the main countries used by are Italy and Malta. France, Spain and Mauritius are also important Incentive travel destinations.

Recent important Belgian MICE market destinations (with over 5% share)

Conferences	
France	21%
Italy	11%
Netherlands	9%
Luxemburg	6%
Germany	6%
Austria	6%

Incentives	
Italy	30%
Malta	13%
France	9%
Spain	9%
Mauritius	9%

The main competition faced by Cyprus in Belgium concerning future conferences is France and it is followed by Spain. Other potential future conference destinations from Belgium are also located in Western Europe.

Spain and France are the main locations considered for an Incentive event, from Belgium.

The position of Cyprus as a potential destination for Conference or for Incentive travel in Belgium is at the moment very weak, standing at 1%.

**Important future Belgian MICE Market destinations
(with over 10% claiming that they are likely to use for future event)**

Conferences	
France	43%
Spain	39%
UK	20%
Italy	16%
Germany	16%
Luxemburg	10%
Cyprus	1%

Incentive Travel	
Spain	16%
France	10%
Italy	9%
Morocco	9%
Portugal	7%
Cyprus	1%



Opinions of the Belgian market on Cyprus

On the whole, Belgian companies are more likely to consider Cyprus as a location appropriate for Incentive travel than for Conferences.

Degree to which Cyprus is considered an appropriate destination for conferences/incentives by the Belgian market

	Conf.	Inc.
	%	%
Very appropriate	19	27
Quite appropriate	51	47
Neither app. nor inapp.	17	3
Quite inappropriate	10	1
Very inappropriate	-	-
Don't know/no answer	18	21
Mean score (out of 5.0)	3.4	4.3

(Source: primary quantitative research)

Companies in Belgium with experience of organising an event in Cyprus have a high regard of most of the aspects of its product.

Both those who have experience of organising an event here and those who have not give quite a low rating to the aspect of "travel details".

Rating of Cyprus on specific attributes by Belgian companies

	Organised event in Cyprus	Not organised event in Cyprus
	Average rating out of 10	Average rating out of 10
Accommodation	9.8	9.1
Weather	9.8	9.9
People	9.3	9.0
Facilities available	9.1	8.3
Transportation	9.1	8.6
Handling agent's performance	9.0	8.9
Food	9.0	8.9
Technical equipment	8.8	8.4
Suitability of venues	8.6	8.4
Cleanliness	8.5	8.3
Activities and entertainment	7.9	7.9
Professionalism of local tourist industry	7.8	8.2
Originality of events	7.6	7.3
Overall costs	6.6	6.5
Travel details	6.2	5.4

(Source: primary quantitative research)

Belgian companies follow current trends when deciding on the destination of a corporate event by continually updating their information on destinations and conforming to their sense of which destinations are the most popular at the time. They also take into account their past favourable experiences with a country. Travel details is one of the most important factors that influence the final decision on destination.

Aspects which played a role in the Belgian market's decision when choosing destination for last corporate event

	% played a role
Current trends	96
Past favourable experiences with organising similar events	96
Overall costs	94
Travel details	93
Travel costs	91
Policy to use different location each time	91
Management decision	77
Read articles praising suitability of country and facilities available	66
Climate of host country	60
The culture of the host country	64
Invitation from local company	57
Decision of prospective participants in the event	39
Heard good comments from other companies who organised events there	37
Country had interesting display in travel exhibition	30
Was approached by national representative	29
Saw advertising showing suitability of country	13
Policy to return to same location	9

(Source: primary quantitative research)

France

Size of the French MICE market

According to data published by the European Travel Monitor, the number of MICE trips from France in the year 2000 was 1.8 million, amounting to approximately 9% of the whole European MICE market and making France second only to Germany in terms of the numbers of trips that originate there.

Cyprus: Share of the French MICE Market

Awareness and Usage

French firms are quite well aware that Cyprus offers Conference facilities (45%) but they show higher levels of awareness of the availability of Incentive travel facilities here (58%),

The experience of Cyprus for MICE travel is mainly evident in the Incentive travel segment, and a small minority of French companies have

ever organised a Conference here.

Recent use of Cyprus by French companies for a Conference or for an Incentive trip was not evident during the time that our primary research took place, but propensity to use Cyprus for a future event was evident among some companies.

Awareness and Usage of Cyprus as a MICE destination from France

	Conferences	Incentives
Awareness of Cyprus as a destination for conference / incentive travel	45%	58%
Ever organised event in Cyprus	3%	12%
Used Cyprus for last conference/incentive	-	-
Cyprus is one of the three most likely countries for next conference / incentive travel	12%	12%



*Other French destinations:
Competition to Cyprus*

In France, competition to the Cyprus Conference product comes mainly from Germany, Spain and the USA. Away from Europe the main competition comes from Tunisia and Morocco.

Concerning Incentive travel, the main countries used by French companies are Morocco and Malta.

Recent important French MICE market destinations (with over 5% share)

Conferences	
Germany	25%
Spain	13%
USA	13%
Portugal	6%
Morocco	6%
Tunisia	6%
Belgium	6%
Malta	6%
Croatia	6%

Incentives	
Morocco	12%
Malta	12%
Italy	6%
USA	6%
Egypt	6%
Portugal	6%
S. Africa	6%
Brazil	6%
Thailand	6%
Finland	6%
Cuba	6%
Croatia	6%
Kenya	6%
S. America	6%

The main competition faced by Cyprus in France concerning future conferences organised by French companies originates in Spain, Italy and Malta. Spain is named as frequently as Tunisia as a possible future venue for a conference.

Morocco and Spain are the main locations considered for an Incentive event, from France, but Cyprus appears to hold a relatively important position in this respect.

Important future French MICE Market destinations (with over 10% claiming that they are likely to use for future event)

Conferences	
Spain	33%
Italy	21%
Morocco	21%
Malta	15%
Tunisia	12%
Cyprus	12%

Incentive Travel	
Morocco	24%
Spain	21%
Italy	12%
Cyprus	12%

Opinions of the French market on Cyprus

On the whole, French companies are more likely to consider Cyprus as a location appropriate for Incentive travel than for Conferences.

Companies in France with experience of organising an event in Cyprus have a high regard of most of the aspects of its product. However, least satisfaction is expressed with the facilities available, the originality of events, the professionalism of the local tourist industry, the activities and entertainment and the travel details.

Those who have no experience of organising an event here seem to think lowly of most aspects of the Cyprus product – including its people, possibly because of the fact that they do not expect French to be widely spoken.

Degree to which Cyprus is considered an appropriate destination for conferences/incentives by the French market

	Conf.	Inc.
	%	%
Very appropriate	3	12
Quite appropriate	21	42
Neither app. nor inapp.	45	24
Quite inappropriate	15	9
Very inappropriate	3	3
DKno answer	12	9
Mean score (out of 5.0)	3.1	3.6

Rating of Cyprus on specific attributes by French companies

	Organised event in Cyprus	Not organised event in Cyprus
	Average rating out of 10	Average rating out of 10
People	8.6	5.8
Weather	7.8	6.7
Handling agent's performance	7.7	6.8
Food	7.6	6.1
Accommodation	7.4	7.5
Suitability of venues	7.3	5.1
Overall costs	7.0	7.2
Cleanliness	7.0	6.8
Transportation	7.0	7.3
Technical equipment	7.0	7.3
Travel details	6.6	6.2
Activities and entertainment	6.4	6.4
Originality of events	6.0	6.2
Professionalism of local tourist industry	5.8	6.9
Facilities available	5.8	6.1

The most important aspects which French companies take into account when organising a corporate event are travel details and overall costs. Management decision, the climate of the host country and a policy to ensure variety of destination are the next most important factors in France.

Aspects which played a role in the French market's decision when choosing destination for last corporate event

	% played a role
Travel details	82
Overall costs	79
Management decision	73
Climate of host country	70
Policy to use different location each time	70
Heard good comments from other companies who organised events there	67
Travel costs	60
The culture of the host country	58
Past favourable experiences with organising similar events	45
Read articles praising suitability of country and facilities available	30
Decision of prospective participants in the event	15
Invitation from local company	24
Current trends	21
Country had interesting display in travel exhibition	12
Was approached by national representative	9
Saw advertising showing suitability of country	6
Policy to return to same location	9

Conferences
Incentives

Appendix A

**Conference and Incentive
Infrastructure of Selected
European Cities**



The capacity for hosting Conferences and Incentives throughout Europe is vast. As indicated in the section referring to the competition (pages 40-42) most of the main European cities promote themselves as providers of Conference and Incentive facilities.

The array of venues offered by each city is varied both in terms of size and capacity and in terms of style. Many cities, among which are Glasgow and Biarritz, have purpose-built modern Conference or Congress Centres, capable of hosting events which comprise up to 10,000 delegates – in the case of Glasgow – and in the region of up to 1,500 delegates in the case of Biarritz – in addition to the conference venues provided by their local hotels. Nuremberg advertises its imminent opening of a purpose built Congress Centre, anticipated to be able to host events up to 3,000 delegates.

Other cities, such as Nice and Marseille, being

traditionally famous holiday destinations, offer a substantial number of hotels with conference facilities which can host relatively modest numbers of delegates.

Italian destinations, such as the traditional spa town of Montecatini (located near Pisa and Florence) additionally promote venues such as historical theatres as conference settings for hosting delegates in the region of up to 2,000.

In Spain, Gran Canaria promotes itself as a conference destination with three Conference Centres and a huge number of hotels, some of which can host conferences of up to 500 delegates each.

An example of a country with an apparently lesser capacity for hosting large conferences is Croatia, which nevertheless promotes itself as a destination with a wide choice of hotels with

conference facilities, which can host events for as few as 30 and as many as 600 delegates.

At the Northernmost part of Europe, Oslo is a relatively strong host of MIT events, owning, in addition to its various hotels, a purpose-built Congress Centre with experience of hosting conferences of 4,500 delegates.

In addition to their large scale conference rooms, virtually all destinations offer additional rooms for smaller, break-up meetings.

In the following pages, examples of the conference and incentive promotional websites of the aforementioned selected cities can be seen, with an indication of their capacity and the specific features each one boasts



1. Glasgow

Glasgow is an established European Conference destination. It is included in this report as an illustration of a European city with a capacity to host huge events, comprising up to ten thousand delegates.

<http://www.seeglasgow.com/ConventionBureau/VenuesHotelslist.asp?lang=1&Type=103>

Glasgow possesses both purpose-built conference venues – in the form of a Conference Centre and a Concert Hall – and hotels with conference capabilities.



2. Biarritz

The Bay of Biscay town of Biarritz, in France, offers a range of venues, from purpose-built Congress Centres to a multitude of hotel venues.

Its capability in terms of numbers of delegates that it can host is in the range of a maximum of 1,400.

It is included in the present report as an example of a destination with an average capacity for hosting MIT events.

http://www.biarritz.tm.fr/ANGLAIS/cgi-bin/centre_congres.asp



3. Nuremberg

Nuremberg is an example of the attempt of European cities to compete in the Conference market, with the construction of a purpose-built Congress Centre with a capacity of hosting up to 3000 delegates.

<http://www.congressing.de/main/dbksiq1n/dcaivujy/page.html>

4. Dresden

Dresden is an example of a city with a strong capacity for hosting conferences in the heart of Europe.

<http://www.dresden-congress.de/rooteng/dresden/dresden.html>

It is soon to open a Congress Centre, capable of staging events for up to 4,150 people, with numerous additional conference rooms.

Other venues offered for Conferences in the city include the Kulturpalast Civic Centre, which can host nearly 4,500 people and some hotels, with a capacity of a maximum of 500 people each.



5. Nice and Marseille

Nice and Marseille, traditional holiday destinations on the French Riviera, also count themselves as CIT destinations, offering their large number of hotels as conference venues.

http://www.nicetourisme.com/pro/GB/cadres/cadre_affaires.html

<http://www.marseille-congres.com/congres/seminair/anglais/presenta.htm>



6. Montecatini

Montecatini is an example of an Italian destination which appears to be very active in the MIT market.

It offers a Congress Centre, with a capacity to host up to 2,000 delegates, but also suggests the use of other venues, such as historical theatres, for staging relatively large scale events (of up to 1,200 people).

Montecatini also promotes a considerable number of hotels, each with a relatively small capacity (of up to about 200 people) as MIT venues.

http://www.montecatinicongressi.com/E_strutture_palazzocongressi.cfm



7. Gran Canaria

Gran Canaria is an example of a Spanish holiday resort which has as one of its aims the attraction of Conference and Incentive tourism.

http://www.grancanaria.com/patronato_turismo/index.php?id=510

Gran Canaria has three purpose-built Conference Centres, which can host large numbers of delegates and also offers its hotel conference facilities, some of which can host a maximum of 500 people.



8. The Adriatic Region - Croatia

Istria is a region which promotes itself as an MIT destination. Its capacity lies mainly in its hotels and the conference rooms that they offer.

<http://www.istra.com/conventions/index.html>

The maximum number of people they can host is 600.

9. Oslo

Oslo is strong in terms of hosting conferences of large numbers of delegates.

<http://www.visitoslo.com/Congress-centres/>

Its purpose-built Congress Centre has hosted events of 4,500 people whilst other hotels in the city are capable of hosting smaller numbers of delegates.



Conferences &
Incentives

Appendix B

**Conference and Incentive
Infrastructure of Cairo and
Istanbul**

Cairo and Istanbul are both cities in countries which can be considered direct competitors to Cyprus CIT product.

<http://www.cicc.egnet.net>

As advertised in the Internet, both these cities have invested in purpose built Convention Centres, which purport to have the capacity of hosting conferences of 2000 or more delegates.

<http://www.cicc.egnet.net/audi.htm>

<http://www.icec.org/main.htm>