

## Embargoed to 00:05 am Monday 21st December 2009

### Christmas party spend down 30% on 2008 but party goers have as good a time



making business sense

We've just released our 6 monthly Business Services Prospects Report which shows the volume of business spending on business services down by 6% this year.

It seemed a seasonally appropriate thing to try to use the B2B spending methodology combined with our normal sources of anecdotal evidence to try to work out how much of the business to business spend this year is going on Christmas Parties.

Our best estimate is that this year employers will spend about £600 million on Christmas parties for their staffs, down from close to £1 billion in 2007.

But despite the drop in spending, most of the pain is being felt by the party organisers who have had to drop their unit prices by nearly the full amount of the fall in spend. In addition some notable companies including Goldman Sachs, Morgan Stanley and the BBC have allegedly cut out their parties altogether while the 2 per cent drop in employment has reduced the number of people who are available to go to the parties.

The effect of all this is that for those people who have a party, lower costs and lower numbers have accounted for the entire drop in spending. In other words, for those having a party the volume of spend per head is unaffected. So the revellers should expect to have had just as good a time as they had last year or the year before.

So don't be surprised to see nearly as many people looking lively this year, despite the recession. Next year may be less good as we think that the economy could well get tougher in the new year, with higher VAT and very little uplift in salaries putting the squeeze on disposable income.

As for cebr, well we have a tradition of celebrating Christmas in January. It is easier to book a good restaurant, prices are more competitive and we all feel a little less partied out in January. Who knows, we may be starting a trend.....

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