

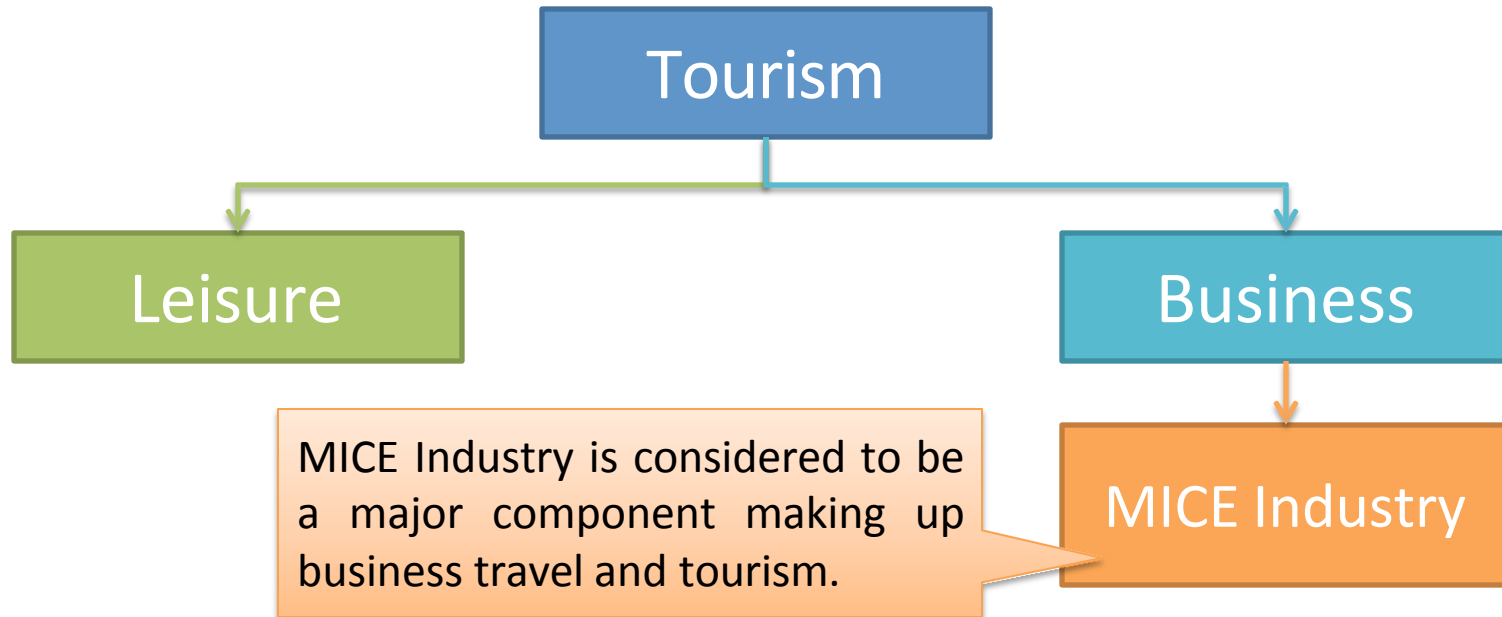
Chapter 1

Introduction to MICE Industry

Business Travel and Tourism

Tourism is

“the activities of persons traveling to and staying in places outside their usual environment for not more than one consecutive for leisure, business and other purposes” (International Tourism: a Global Perspective).

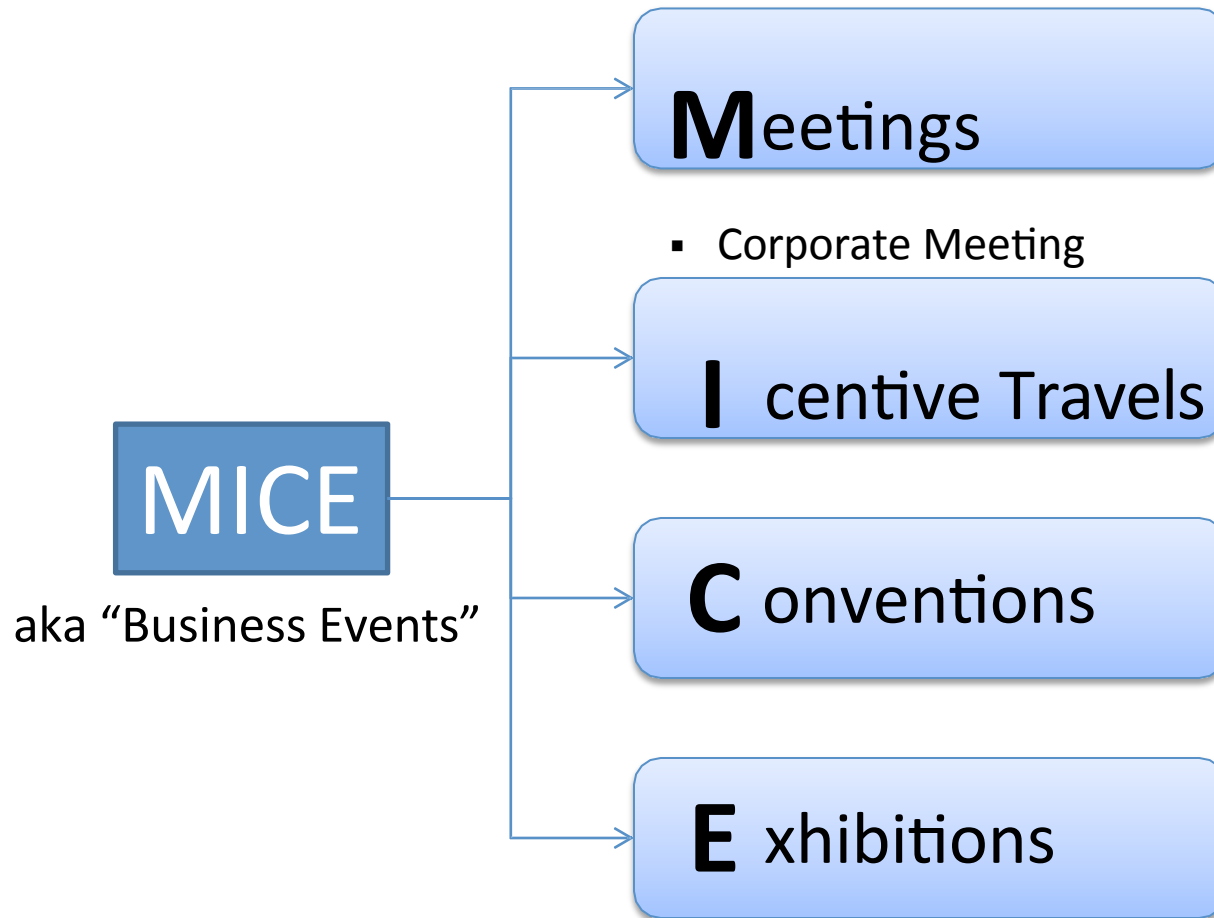


Business Travel ↔ Business Tourism

Broad term of *Business Travel* and *Business Tourism*

- Daily commute to work
- Individual business trips
- Government employee travel
- Delivering goods for customers
- Moving goods to market
- Short-term employment migration
- Off-site training courses
- Incentive travel
- International congresses and conferences
- Local, regional and national meetings
- Exhibition and trade fairs

Meetings, Incentive Travels, Conventions and Exhibitions (MICE) (1/2)



Meetings, Incentive Travels, Conventions and Exhibitions (MICE) (2/2)

Meetings

- ❑ A meeting is the coming together of a group of people to discuss or exchange information. In some regions, meetings may be seen as a small-scale conference by others

Incentive Travels

- ❑ Incentive travels include leisure trips emphasizing pleasure and excitement and which may appear to have little or no connection to business

Conventions

- ❑ *An event where the primary activity of the attendees is to attend educational sessions, participate in meetings/discussions, socialize, or attend other organized events*

Exhibitions

- ❑ Exhibitions can generally be portrayed as *'presentations of products and services to an invited audience with the object of inducing a sale or informing the visitors'*

Business Events (1/2)

□ Business event is another definition for MICE and has been used primarily in Australia to cover a wide array of meanings for this industry

- *Any public or private activity consisting of a minimum of 15 persons with a common interest or vocation held in a specific venue or venues and hosted by an organization (or organizations).*
- *This may include (but not limited to): conferences, conventions, symposia, congresses, incentive group events, marketing events, special celebrations, seminar, courses, public or trade shows, product launches, exhibitions, company general meetings, corporate retreats, study tours or training programs.*

Business Events (2/2)

Meeting

- ❑ 'Meetings' in this context represent a collective meaning for the MICE industry corresponding to a widely held view among professionals that all MICE activities share a common trait, that is, they describe an opportunity to meet
- ❑ According to the World Travel Organization (UNWTO), the International Congress and Conferences Association (ICCA), and Meeting Professional International (MPI), meetings are defined as:

Activities based on the organization, promotion, sales and delivery of meetings and events; products and services that include corporate, association and government meetings, corporate incentives, seminars, congresses, conferences, conventions events, exhibitions and fairs.

MICE Industry Impact on Economy and Society (1/5)

Positive Impact

Direct Contribution

Direct Revenue

Seasonality control and employment

Indirect Contribution

Foreign Direct Investment (FDI)

Spurring of technology and innovation

New idea, knowledge and insight

Local business climate

Negative Impact

Environmental impact

Pollution and greenhouse gases emission

Waste from events

Biodiversity

MICE Industry Impact on Economy and Society (2/5)

Positive Impact (1/3)

Direct Contribution

Direct Revenue

- ❑ The MICE industry, business tourism, is known to generate higher spending per head compared to leisure tourism
- ❑ According to *The Economic Significance of Meetings to the US Economy*, only 43% of this direct spending went to travel and tourism commodities such as food & beverage and air transportation. The remainder, 57%, went to meeting commodities such as venue rental, meeting planning and production

Seasonality control and employment

- ❑ The MICE industry generally reduces seasonality within the overall travel and tourism industry, as most MICE volume occurs during the off-peak seasons

MICE Industry Impact on Economy and Society (3/5)

Positive Impact (2/3)

Indirect Contribution

Foreign Direct Investment (FDI)

- ❑ Hosting an exhibition is one medium that can channel products and services to potential buyers on a regional and global scale
- ❑ Attending conventions can also expand the partnership pool for delegates who usually come from the same industry

Spurring of technology and innovation

- ❑ Countries attempting to promote the MICE industry must strive to develop or at least encourage necessary development to keep national technological offerings on par with global standards

New idea, knowledge and insight

Local business climate

MICE Industry Impact on Economy and Society (4/5)

Positive Impact (3/3)

Indirect Contribution

Foreign Direct Investment (FDI)

Spurring of technology and innovation

New idea, knowledge and insight

- ❑ MICE events have proven to be very useful in terms of bringing new ideas, knowledge and insights to a country, service providers and attendees
- ❑ The MICE industry has become one channel for information or knowledge to spread wider and faster especially in this era of globalization

Local business climate

- ❑ The MICE industry can influence the business climate of local business, which in turn, can directly influence the strategic direction of certain industries
- ❑ Moreover, growth in the industry can also help to improve local business in their procurement and manufacturing standards

MICE Industry Impact on Economy and Society (5/5)

Negative Impact

Environmental impact

Pollution and greenhouse gases emission

- ❑ Pollution and greenhouse gases emission trail after every delegate and with the shipping of products to meeting venues or exhibition halls

Waste from events

- ❑ Hotels and meeting facilities are often forced to leave behind gigantic piles of waste consisting of plastics, paper, food, drink related waste, toiletries, along with unwanted or unused promotional giveaways

Biodiversity

- ❑ Biodiversity harm is also caused through any new investment or expansion of new facilities to meet with growing industry demands

Current MICE Industry

Exhibition

- ❑ The growth in global exhibition space has been quite significant
- ❑ Europe held the largest share of exhibition space available
- ❑ Net exhibition space in Asia experienced a compound annual growth rate of 20%

Convention

- ❑ international association meetings industry has enjoyed an upward trend even though it faced a severe drop in 2009 due to the economic downturn in the US
- ❑ Majority of major association meetings are held in Europe



Meeting

- ❑ After 2009, the industry began to enjoy a recovery from the economic downturn as corporate meetings and incentive travel numbers is usually related to economic conditions

Incentive Travels

- ❑ *Driving our Future: the top 11 incentive trends for 2011* published by IRF mentioned that confidence in incentive travel remains intact; yet fragile since it can crumble as soon as the market is hit by any negative news

Factors Influencing Future MICE Industry (1/2)

Economic Downturn

- ❑ During the past few years, both the US and EU economies have been experiencing a persistent global economic slowdown
- ❑ Decisions to hold meetings outside the country of residence of the organizations are no longer an option for many companies in their efforts to combat the economic downturn by pursuing cost-cutting strategies

Technology

- ❑ As budgets become tighter, incorporating technologies that allow for video conferencing and virtual meetings are increasingly seen by many organizers as a cost effective option when holding MICE events, but will not fully replace face-to-face meetings for the current time
- ❑ Virtual events mainly serve as a good substitute for recession-prone exhibitors and attendees
- ❑ Use of social media has become so commonly used in marketing for almost every type of products and services in the MICE industry and is one of many underlying factors that have shifted behavior and challenged traditional marketing campaigns

Factors Influencing Future MICE Industry (2/2)

Sustainability and Green Meetings

- ❑ Persistent global warming concerns and potential environmental impact caused by hosting MICE events has intensified during the past decade, raising an awareness of the need to promote sustainability among those involved in the MICE industry
- ❑ A primary factor influencing the decision of whether or not to hold a meeting or exhibition and as such, most corporate and associations are turning to green meetings attempting to save costs

Introductory to Key Stakeholders in MICE Industry (1/6)



Key Stakeholders in MICE Industry

Convention and Visitors Bureaus (CVB)

Incentive Houses

Associations

Destination Management Companies (DMC)

Corporate

Professional Exhibition Organizers (PEO)

Professional Conference Organizers (PCO)

Venues

Other Supporting Organizations

Introductory to Key Stakeholders in MICE Industry (2/6)

Convention and Visitors Bureaus (CVB)

- ❑ CVB acts as a center body to facilitate growth whether it is government or privately owned to solicit visitors and MICE events into the country
- ❑ CVB play as an intermediary between MICE visitors or organizers and qualified local providers
- ❑ A CVB's role is to represent the country by investing in marketing efforts to support the MICE industry of the country it represents
- ❑ In Thailand, the Thailand Conventions and Exhibitions Bureau (TCEB) is the only CVB

Associations

- ❑ Associations are usually not-for-profit organizations and can be formed at a national, regional, or even international level
- ❑ Once these associations set their schedule to hold conferences, all of the related work is delegated to specialized service providers called Professional Conference Organizer (PCO)

Introductory to Key Stakeholders in MICE Industry (3/6)

Corporations

- ❑ Corporations are organizations established to generate profit and provide financial return to their owners
- ❑ The main purpose is to communicate with their employees or clients
- ❑ Lead-time to organize meetings is also much shorter than association meetings
- ❑ Normally, companies do not invest in an event or conference management division and rather solicit this expertise from external service providers

Professional Conference Organizers (PCO)

- ❑ A Professional Conference organizer (PCO) specializes in planning and managing congresses and conferences for associations that would like to hold a scheduled conference but do not wish to undertake the bulk of the work

Introductory to Key Stakeholders in MICE Industry (4/6)

Incentive Houses

- ❑ Incentive houses usually coordinate with corporations in shaping incentive programs that can help a company reach its goals
- ❑ Incentive travel programs are very specific both in terms of size and program details that must be specifically catered to an individual company

Destination Management Companies (DMC)

- ❑ A DMC is a local service organization that provide consulting services, creative events and exemplary management of logistics based on an in-depth knowledge of the destination and the needs of the incentive and motivation markets

Professional Exhibition Organizers (PEO)

- ❑ A Professional Exhibition Organizer (PEO) usually handles every aspect of hosting an exhibition from start to finish
- ❑ Another major role is to plan coordinate and manage the exhibition, which may also include selecting proper subcontractors and other service providers to delegate the tasks needed in organizing exhibitions

Introductory to Key Stakeholders in MICE Industry (5/6)

Venues

- ❑ Venues are now one of the most important factors influencing the decision to host a MICE event
- ❑ Venues suitable to host MICE events are hotels, conference hotels, conference centers and exhibition halls

Introductory to Key Stakeholders in MICE Industry (6/6)

Other Supporting Organizations

- ❑ Supporting organizations refer to both national and international organizations whose roles directly or indirectly support the MICE industry
- ❑ Locally many private associations directly support Thailand's MICE industry,



- ❑ There are other international organizations or associations are formed to support and assist stakeholders within the worldwide MICE industry,



- ❑ Their roles range from lobbying and representation, establishing codes of practice within the industry and setting compatible standards for service providers to follow