

Research Article

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MICE – “Future for Business Tourism”

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Abstract

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MICE industry is one of the fastest growing segments within the tourism industry generating millions in revenues for cities and countries across the globe. Since tourism ranks amongst the biggest economic sectors worldwide, enterprises in the travel industry carry an important place for business related travel. The prospects for the MICE industry are looking very bright as the changing trends are clearly indicating that this sector is making a steady comeback as the world economy has started picking up. With the economy improving, there is once again a renewed demand for exhibitions, meetings and events to showcase latest products or for brainstorming sessions or simply for attracting clients. Countries are promoting themselves as MICE venues to attract event organizers. The aim of the paper is highlight the importance of MICE and to look at the future prospects of this industry in India.

Introduction

Meetings incentives are the integral parts of the hospitality industry because meetings represent a very big business when that is done apart from usual working environment. They require sleeping rooms for those who travel long distances and food and beverage services for those attending them. In addition, the significant time and expenses incurred by attendees require that the meeting be professionally planned and managed to maximize their effectiveness. Business travel is bifurcated into two broad categories, one being the individual business travel and the other business tourism.

Out of 80 respondents 25% believe that India has attracted them because of destinations offering various sites for conducting meetings and conferences. The new era of tourist believes in work with pleasure, so if the tourist has come to attend a meeting in a destination then surely after completing his task he would try and explore the other attractions that are available in that destination.

History

Meetings in ancient times were discussions of communal interests. Cities acted as focal points. Rome, for example, had

its Roman Forum and In Latin, conferentia means “to bring together” while auditorius means “a place to listen.”

In 1902, the first formal incentive travel programme was set up by the National Cash Register (NCR), a U.S. company. By the 1960s, long-distance incentive trips overseas came into view. Nowadays, incentives evolved into events, commonly held overseas, specially designed to attract people to achieve a specific goal. Sometimes, training activities would also be included. Because of the expense involved, incentive activity is tied to economic cycles.

Companies who generate a lot of revenue during good times can organize longer trips at more expensive resort hotels with higher-priced meals.

Countries and cities emphasize heavy investment in infrastructure development to support industry development. National and local convention bureaus were set up to actively promote their countries and cities as travel destinations. There are also improved industry representation and co-ordination with the set-up of organizations such as the Professional Conference Management Association, Meeting Professionals International and more.

Tourism Industry has emerged as a vital sector in the process of economic development and most importantly after liberalisation that tourism industry has undergone tremendous transformation in all aspects of its growth. There has been a perceptible change of outlook in the concept, scope, nature and dimension of tourism. The concept of MICE (Meetings, Incentives, Conferencing and Exhibitions) tourism is the result of globalisation and economic reforms in our country. People have been gathering in the form of meetings since the beginning of time. Archaeologists have found primitive ruins that were used for specific gathering places by ancient tribes to discuss many topics including: hunting plans, war-time activities, crop harvesting, or the planning of community celebrations

Let us understand these terms as Meeting - general term indicating the coming together of a number of people in one place, to confer or carry out a particular activity. Frequency can be on an ad hoc basis or according to a set pattern, as for instance annual general meetings, committee meetings, etc. Incentive - meeting event as part of a programme which is offered to its participants to reward a previous performance.

Conference - participatory meeting designed for discussion, fact-finding, problem solving and consultation. As compared with a congress, a conference is normally smaller in scale and more select in character - features which tend to facilitate the exchange of information. Though not inherently limited in time, conferences are usually of limited duration with specific objectives.

Exhibition - Events at which products and services are displayed.

Tourism is the world's largest industry, responsible for more than one in ten jobs globally. In many developing and transition economies, tourism has emerged as the dominant tool for economic growth. There will be ten billion international travellers by 2020, according to the World Tourism Organisation. Business travel accounts for approximately 14% of all international travel. Some countries rely heavily on the MICE segment - 40% of Singapore's tourism revenue is from MICE. Malaysia is specifically targeting the MICE market, running schemes such as the 'Meet and Experience campaign'.

Mice planning and management industry has an extremely positive future. In addition to the usual corporate meetings, trade show, conferences, the event planning has also gotten involved in the advertising and branding efforts of their clientele. There is a desire to move away from the conventional, so as to bring a new definition to business with pleasure which brings in lot of opportunities as well as demand for the tourism industry.

India's prospect for mice tourism

There the numerous ways that India can capture world attention as a tourist paradise, there also exists a dynamic business opportunity as a splendid venue for MICE tourism of no less than global standards. According to Ministry of

Tourism, MICE have been identified as a major area of promotion under the "Incredible India!" campaign. According to it, India's MICE tourism attracts 3% of the total international MICE market. Enchanting India's image as a conference destination is also projected through the chains of hotels: providing international standards in facilities and services, exclusive business hotels and exotic resorts with meeting rooms of distinction, spacious convention facilities India is in a continual process of upgrading its MICE facilities. There are multiple plans on the anvil for more world class convention centres, airports that contest with the best in the world and efforts to team the famous Indian hospitality with customization as per a visitor's requirement. India is globally connected to a network of over 50 international airlines and several domestic airlines which provide convenient connectivity within India. It offers an educated manpower base where fluency in English and other official International languages can be expected. With the expansion in the network of airlines operations, better surface transport system including the Indian Railways, new centres of information technology, many new convention centres, hotels and meeting facilities; India is now an important MICE destination.

Planning for mice tourism in India

Planning for MICE requires a lot of coordination, perhaps more than the tourism industry generally. Although, planning for tourism also entails a lot of complications but planning for MICE is more complicated. Some of the areas that require a special set of planning as far as MICE tourism is concerned are:

The need of the hour is that state authorities take a realistic stock of possibilities and needs of specific cities and then plan a time bound strategy to fill the gaps and develop complete MICE infrastructure. Different regions have different requirements, so will need to draw up individual action plans and a comprehensive strategy, in close cooperation with the stakeholders in this sector.

The MICE market in India is still at a nascent stage. We are yet to get into the scale that will allow a location to be described as an 'established' MICE market.

One of the most important aspects is the venue of the meetings, conventions and exhibitions. A large number of destinations do not get much of business that they want because they do not have that kind of venues that are needed for MICE business. For holding international level of meetings, conferences and exhibitions one has to seriously work on the type of venues that are available in the destination. For planning MICE, the industry should first consider determining the number and capacity of existing venues for meetings, conferences and exhibitions, determining the degree of use of these venues, establishing expected future demand for these venues, determining the adequacy of existing venues to meet this expected demand and outlining any serious design faults with existing venues. If, for example, Chennai is presented as the upcoming destination for MICE, there should be an inventory made of the existing venues that

can hold meetings, conferences and exhibitions. It should also be tabulated as to what are the capacities of these venues and what is amiss. But most importantly one should determine as to what are the international standards existing in the venue complexes worldwide. One should also determine the expectations of the clients in this regard along with the existing and emerging trends in this sector.

Another important concern is regarding transportation of the client. This involves not only ground transport but also air transport. The main problem is related to insufficient and inconvenient airline timetables. Due to the inconvenient airline timetables, India lags behind in getting a good account of MICE tourists. Moreover, the surface transport should also be according to the international standards. This scenario is slightly problematic for the development of this tourism sector.

Since, MICE are not a seasonal business it has to be planned the entire year round. With this regard, accommodation becomes a very important criterion. MICE tourists usually prefer accommodation setups near their meeting/conference/exhibition centres. Further these accommodation units have to be equipped to handle their business requirements in the sense that they have to be able to meet the needs of the guests. Things like Fax machines, laptop provisions, internet connections, telex, etc, need to be there for this kind of a guest. Further, the staffs have to understand the requirements of these travellers. Resorts and convention centres specializing in to providing special training to their staff for handling these business travellers and their equipment like beamers, projectors both movie and overhead, etc. Any Mega event requires years of planning and construction activity.

Some of the other support services too that are catering, shopping, entertainment which are also a constraint for the industry to develop and need to be planned to get the optimum benefit from emerging MICE scenario. Again many developing countries are not totally equipped to give the best of facilities to the business travellers. Simple aspects like parking facilities, hoarding boards, mike and sound systems all make for a successful meeting, convention and exhibitions/trade shows. The industry has to learn and understand fast so as to develop a MICE destination. International MICE tourists can also be facilitated by giving them handy information about the climate, dress codes, language, tipping, behaviours, etc.

As for general tourism industry, planning for MICE also should be done in a sustainable manner. A great sustainable approach should be applied in general and particularly in the below mentioned areas. Planning for MICE should be resident friendly taking due concern for the issues like, carrying capacity of the destination, the adequacy of the parking space, security of the residents, etc. Inappropriate designs and location should be avoided as that could lead to environmental hazards, like, erosion, flooding, deforestation, etc. Similar care has to be taken of waste disposal problems, ecological disruptions and overuse of fragile environments. Guest

Materials like, the papers used, the colours of laundry, paper napkins should be so crafted that they are either recyclable or biodegradable. Due concern is also needed for the pollution which can occur from MICE tourism, like; air pollution resulting from the vehicles of guests, attendees, delegates and also by the use of generators, noise pollution resulting by concentration of attendees, visitors to exhibitions, cars, and sometimes even outdoor sessions and pollution done by the exhaust systems of the MICE centres as well as the air conditioning system of these places and the dust generated from these areas.

India can market itself as cost effective, yet exotic locales, where corporate objectives can be met in a rejuvenating setting. Tourism Packages for Conventions International trade shows and conferences attract hundreds to thousands of delegates, often from many countries. Tourism and convention planners often include tourism add-ons for delegates. These events may include city tours, golf and sightseeing as a regular part of their programmes. Local suppliers should explore partnerships with local trade and convention planners to develop packages for incoming delegates. Families on Business Trips A growing number of business travellers bring families on business trips. This creates an opportunity to work with hotels and convention centres to develop new offerings for children and spouses during business meetings. A world famous hotel in Scotland, for example, has introduced a programme for children with diversions including a playroom, country club and participation in sporting activities. India can also ensure that its hotels can offer a safe and child-friendly "package" for business executives travelling with children. Adventure Travel Executives are increasingly attracted to the adventure venue business trip, which combines team building and strategic planning needs with adventure travel. One company, for example, designs adventure vacations for organisations designed to boost morale and develop leadership in corporate employees, while providing a "perk" in the way of a rafting trip or other exciting recreational venues. India which is already positioned in leisure & adventure tourism can also extend such products to the business traveller. Corporate Travel Departments Travel expenses have become the second or third largest controllable expense for most corporations engaged in MICE travel. As a result, heads of firms are becoming directly involved in mandating and monitoring travel policy. Unlike travel agents, travel management companies see themselves as consultants with a focus on service and quality.

Major challenges

The global slowdown in countries such as UK, Germany, France, Belgium, and USA etc is affecting incoming business to India as they are major source markets for international conferences with large numbers of international associations based in these respective countries. It is leading to a decrease in the number of international delegates participating in conferences organised in India. Also, the increasing airfares by major airlines, increasing airport fees, and imposition of high taxes by the government are adversely affecting

outbound travel. Moreover, the depreciating value of the rupee is also a concern.

For inbound MICE, the trends are bright as one can see more requests coming in, many with shorter lead times. People are showing increasing interest in new destinations, like Kerala. The Golden Triangle will always remain a staple. The weak rupee ironically helps inbound a lot more than it does outbound. Indians are most certainly becoming more adventurous as travellers. Indian clients are still fairly conservative on the general. Also, the weakened rupee has put a dampener on international travel plans and that is affecting spends greatly. In India, the mainstream Goa, Kerala and a few others will always remain hot with groups who have a lower budget.

There is a need to develop strategic relationships and build credibility with corporate travel management companies in order to successfully penetrate the MICE tourism markets. Promotion through Internet As in other areas of business, the Internet is becoming more important in promoting MICE tourism options and supporting travel arrangements. We have to ensure that our Internet offerings are compatible with international programming standards and to provide MICE specific tourism information on our national and regional tourism web sites. Providing Security Increased concerns over security, particularly for women travellers, provide niche opportunities. Training for hotel staff on security measures, plus security services such as escorting business travellers to their rooms, may increase market share. There may also be opportunities to provide "safe" evening and weekend events such as theatre outings or tours for women business travellers.

The incentives market is slightly more diverse with firms liable to send employees to more exotic long haul destinations. An increasing recognition that motivational programmes are important for staff retention means that the incentives market will increase in the coming years. Whilst the MICE market is expected to continue to exhibit moderate growth, it is dependent upon the prevailing economic circumstances. A confident market will lead to more meetings and incentives whilst a nervous market is liable to have the opposite effect.

Conclusion

India's contribution to the MICE market has been growing considerably in the past few years. However, old bottlenecks, in the form of inadequate infrastructure, support facilities and massive promotions continue to impede the growth in this sunshine sector. There is a need to add a incredible factor to the services which the hotel industry can provide. Companies don't mind spending money for an exceptional experience, as it must act as a motivator for their employees to perform better. But at the same time most MICE groups have clearly defined budgets that have to be kept in mind. In the long run, the Indian market is very dynamic and will remain so, thus contradicting past trends and generating business from unexpected market segments.

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