

## UNIT - III

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### Introductions to MICE

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#### Learning Objectives

*After Reading this lesson, you should be able to understand:*

- About Meetings, Incentives, Conventions and Exhibitions (MICE)
- The importance of planning for MICE,
- Infrastructure requirement for MICE
- Components of conference market
- Characteristics of Conference and Convention
- Global Trends in MICE Industry Development
- The nature and demand of conference market
- Trends that will affect the meetings industry
- Climate Awareness in the MICE business
- Economic Impact of Convention and Conference Centers
- Unlike the contractual rooms and functions areas previously negotiated, the level of service provided during the event is intangible and subjective.

#### Introductions to MICE

**M** = Meetings

**I** = Incentive

**C** = Conferences

**E** = Exhibitions

MICE is the new buzzword in the international travel market and relates to varied GIT's and FIT's. MICE tourism is the innovative style of business venture which is one of the quickest growing section of the International business tourism market. It caters to varied needs of business in the form of conferences, International conferences and conventions,

meetings and exhibitions and is slowly however steadily capturing each large hotelier's attention. The importance of the MICE trade lies within the proven fact that it converts the annual business conferences and conventions into a glamorous and rewarding event for the delegates and attendants. Be it a gathering to bring all delegates within ones company or from a broader spectrum or a world conference of one thousand delegates or product launch party or exhibition, MICE business tourism finds itself being inevitable for most the occasions.

Using off-site workdays to encourage employees to improve their productivity measurably and gaining quality within the corporate world. Corporate companies are also realizing the business advantages when their regional dealer conferences, incentive journeys and focused business conferences are organized in exotic locations that gifts them leisure, recreation and shopping opportunities.

### **Meetings, Incentives, Conventions and Exhibitions (MICE)**

This Segment of tourism caters to such corporate companies programs which is customized to suit the client's requirements in any a part of the globe. The magnitude of the convention, facilities needed, competitive tariffs, natural attractions, safety and opportunities to shop are few of the factors to be thought-about before choosing a MICE destination.

The acronym MICE (for Meetings, Incentives, Conferences, and Exhibitions or Events) is also still in widespread use around the world, despite its somewhat unfortunate connotations. At the micro level, words such as 'conference', 'convention' and 'meeting' even, are often used synonymously or indiscriminately. Other words are also used with similar but more specialized connotations, such as 'Symposium', 'Colloquium', 'Assembly', 'Conclave' And 'Summit', although it is probably only the last of these for which it might be easy to reach a consensus on its precise meaning. The term 'business tourism' is an accurate or appropriate one to describe the sector encompassing conferences, exhibitions and incentive travel. The link with 'tourism' is thought to be confusing and overlaid with a number of negative perceptions. Business tourism is the phrase now widely in use in Europe as the accepted generic term.

Conferences, Exhibitions and Trade fairs, Incentive travel and corporate events are the four business tourism sectors that are the prime focus of marketing activities by venues and destinations because decisions about where the events take place are open to influence. The organizers of the event may have great flexibility in deciding where it is to be held, and are able to use their own judgment or discretion. For this reason, these four business tourism sectors are sometimes described as 'discretionary'.

## **Definition**

MICE are an acronym for the Meetings, Incentives, Conventions and Exhibitions of tourism segment. This is therefore a business-oriented segment, involving obligatory (or non-discretionary) travel. The Incentives part of MICE is the odd one out – though it is related to business, as it is usually provided to employees or dealers/distributors as a reward, it tends to be leisure based.

## **Planning MICE**

### **General Considerations**

However, planning for MICE is something that is quite different in its essence because it requires an understanding of the climate that it evolves and operates in. It is also slightly difficult to optimally plan for MICE, a point that we will take up in detail in the discussion are the functions of the various planners involved in the planning process of MICE. The Unit also discusses the sustainability factor while planning for MICE.

Both domestic and international meeting, conference and convention tourism including small meetings, training courses, seminars and workshops as well as large conferences and conventions is a very special type of tourism throughout the world. We have already discussed as to how it is also steadily increasing and making its presence felt in almost all the countries. Many countries, regions, cities, resorts and individual hotels have developed conference, convention, meetings or exhibition facilities that are uniquely devoted to this form of tourism. Some international examples of this are the Trade and Convention Center in Vancouver, Canada and the conference center in Manila, Philippines.

These centers are major investment projects and are internationally recognized for the kind of facilities that they offer. Back home in our country, New Delhi has a major exhibition center at the Pragati Maidan, a hosting ground for one of our largest domestic fair- the India International Trade Fair. The SITA Resort at Manesar is one of our best conference centers located near Delhi. Our country can also lure MICE tourists by having tie ups with airlines and convention centers that can offer special rates for business travelers. Day trips and sightseeing can also be offered as incentives to MICE tourists as additional benefits so that they may also come back as repeat visitors. A lot of countries have in fact developed MICE as their primary activity of tourism interest. Countries like Singapore, Thailand, South Korea, South Africa, Malaysia, New Zealand, Australia, Spain and even Nepal etc. are all trying to promote themselves as MICE destinations. Similarly, places like Dubai are projecting themselves as major exhibition and event centers.

## **Infrastructure for MICE**

In view of the recorded and anticipated growth of the meetings, incentives, conventions and Exhibitions [MICE] there is some concern within the industry about the adequacy of MICE Infrastructure, both now and in future. However there is a major hindrance to understand about the Infrastructure requirement because there is a lack of both record keeping and standardized definitions within the industry. There are for example, no consistent definitions for occupancy rates of meeting rooms and exhibition halls. This in fact prevents a proper assessment of venue use and adequacy to meet current and future demand. Further, few organizations and businesses are able to provide summary statistics supporting their claimed level of business. It is therefore difficult to support or refute industry claims and opinions on the levels of MICE activity and the adequacy of the current resources to cater to them. Not only that, many organizations and businesses are unable to separately identify MICE business from other businesses and almost no organization is able to supply detailed data on the number of MICE events held, the number of attendees, or the origins of the attendees [that is local, intrastate, interstate or overseas].

This is a significant obstacle to reliable forecasts and hence future course of action. What is needed is a detailed report determining the adequacy of the existing infrastructure and support services to cater to the present and future needs of the MICE industry. Hence, there is need for:

- Determining the sufficiency of support services
- Identifying any barriers to the growth of MICE.
- Determining the level of usage of these venues;
- Forecasting expected future demand for these venues;
- Determining the adequacy of existing venues to fulfill this expected demand;
- Outlining any serious flaws with existing venues;

One must remember here that major capital investments are needed for developing MICE Infrastructure. Hence, it should also generate economic gains for the host society or else investments from the public sector would be difficult. This brings us to the issue of planning.

## **Planning for MICE**

Planning for MICE requires a lot of coordination, perhaps more than the tourism industry generally. Although, planning for tourism also entails a lot of heads yet planning

for MICE is more complicated. Let us see what are the areas that would require a special set of planning as far as MICE is concerned.

1. Venue
2. Transports
3. Accommodations
4. Other Support Services

### ***1. Venue***

One of the most important aspects is the venue of the meetings, conventions and exhibitions. A large numbers 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 the following:

- Taking stock of existing capacity of the venues for meetings, conferences and exhibitions.
- Forecasting the extent of use of these venues.
- Calculating future demand for these venues
- Determining the adequacy and inadequacy of existing venues to meet their expected demand

For example, if we would like to present New Delhi as an 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. 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.

Venues should also be properly designed so as to facilitate the guests and let them conduct their business with total concentration. For example, two conventions going on simultaneously should be well planned in a number of ways. There should be proper spacing between the two conventions going on so as not to disturb the either. Due to lack of convention centers sometimes hotels and centers resort to thin partitions between two meetings, in the process disturbing both and maybe losing both the clients for good.

## ***2. Transports***

One of the main concerns identified by the industry is regarding transport. And this involves not only ground transport but also air transport. The main problem is related to insufficient and inconvenient airline timetables. For example, in India most of international airlines arrive at either midnight or after midnight which means that a business traveler has to either arrive a day before or at midnight to attend a meeting, exhibition or a conference. This is slightly inconvenient for this category of travelers because they are hard pressed for time and also want to arrive fresh for their work.

Since this is not possible, India lags behind in getting a good amount of MICE tourists. However, these problems are unlikely to be resolved because MICE market accounts for a very small share of the total airline business. Furthermore the surface transport should also be according to the international standards. This scenario is slightly problematic for the development of MICE.

Other aspects that need attention at the planning stage in this regard include selection of the type of coaches for road transport, trained drivers and escorts, etc. Generally, these services are contracted out to tourism transporters.

## ***3. Accommodation***

Since, MICE isn't a seasonal business it's to be planned throughout the year. In this perspective, Accommodation becomes a very essential criterion. MICE tourists usually prefer accommodation setups near their meeting/conference/exhibition venues. Further these accommodation units have to be equipped to handle their business requirements. In the sense they have to be able to meet the needs of the guest. Things like Fax machines, laptop provisions, internet connections, telex etc. need to be there for this kind of a guest.

Further, the staff has to understand the requirements of these travelers. Resorts and convention centers specializing in MICE provide special training to their staff for handling these business travelers and their equipment like beamers, projectors both movies overhead, etc. Any Mega event requires years of planning and construction activity.

## ***4. Other Support Services***

There are a variety of (catering, shopping, entertainment and others) that is also a constraint for 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 travelers. Simple aspects like parking facilities, hoarding boards, mike and sound system 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 information about the climate, dress codes, language, tipping, behavior etc.

## **Components of Conference Market**

### **Main Source Markets**

The main source markets are the main industrial countries in Europe and North America. However, there is significant growth from emerging markets such as Brazil, Russia, India and China, United States, Germany, United Kingdom, France, Italy, Spain, Scandinavia Emerging Markets are

- Brazil
- Russia
- India
- China

### **Main Competing Destinations**

Destinations for MICE tourists' are influenced by destinations safety and security. However, there is a keen aspiration to search out new destinations, although they have to be declared politically safe to travel.

Some of the preferred MICE destinations are

- Vienna, Austria
- Paris, France
- Singapore
- Barcelona, Spain
- Berlin, Germany
- New York, USA

For the incentives sector, however, up market resort locations in destinations in Asia are popular.

## **Characteristics of Conference and Convention**

### **Small Conferences**

Majority of the professional MICE planners want to be responsible for large conferences—the larger the conference the more rewarding and the better the resulting professional status. Traditional MICE planners have a different interest, they are interested in creating the biggest conference possible, their motivation is not essentially associated with the interests of Participants.

If, we could concentrate on participants interest the issue which arises is: how huge the conference should be? We've noticed that large number of participants can drive away participant interactions. As the number of participants increases, possible group knowledge and views increase, but interactivity between participants drops. If we are considering for the maximum extent of useful interaction, then, preferably, we'll want to have just enough participants to provide a beneficial amount of group expertise and experience.

In a feedback survey conducted, many people when questioned about their conference experiences opined that they preferred smaller conferences, and when asked them what they meant by small, they unvaryingly gave the figure of under a hundred attendees. It has been amazed and pleased by how well the peer conference arrangement amends to the people present, whether there are 20 or 80. And so have the attendees.

It is just not possible to organise a Conferences for just hundred people? No. Larger events, by making multiple "mini-Conferences That Work" within larger events. The crucial purpose to know, however, is that smart method for creating meaningful connections with others doesn't scale. You can't expect to make constant level of intimacy over some of days with, say, a thousand people as you can with fifty.

### **Attendee-Driven Conferences**

Unfortunately, a conference agenda generally eliminates, or at the best reduces, the probability of surprising, impromptu sessions of "messiness." Most people don't possess the necessary talent of on-the-spot boldness and personality to successfully modify a conference program that has been carefully prepared and scheduled. Unless a conference reserves specific time blocks for attendee-nominated sessions and provides a viable mechanism for attendees to propose and select topics, the event is extremely unlikely to set off considerably from its pre-planned course.

An ideal conference gives participants the authority and responsibility to drive what happens within an actually supportive, safe, and reliable procedure. This creates an environment so different from a pre-planned event that it has to be experienced to be fully understood and appreciated. Treating conference participants with dignity, able to ask for what they need and to offer their own wisdom and curiosity, frees people to be creative. In the process, the event expands to encompass the full range of possibilities asked for and offered by participants.

### **Inclusive Conferences**

Well before a conventional conference starts, the publication of the conference proceedings confirms the presence of the keynote speakers, session chairman, presenters, and panelists. By the time the conference starts, attendees would be well aware of the list of speakers and the audiences. Throughout the conference, different groups are initiated and exchange of thoughts and discussion are encouraged in the conference's public arena, and those who raise queries at sessions, or who socialize with presenters outside the conference sessions.

Scheduled conference agendas are sent to attendees about their status in the conference community.

Once conference roles have been familiarised, they tend to be self-reinforcing. Presenters may spend time in discussions with each other, enhancing each other's status via their mutual association, while attendees assemble with their fellow attendees, deliberating sessions from the perspective of a learner rather than a peer. The resulting barrier between the two groups, built by these predetermined roles, is triumphed only by attendees who are confident and demonstrative enough to approach a presenter, or by those presenters fascinated in engaging with attendees outside of their conferences.

In contradiction, a peer conference offers an organised procedure for defining conference sessions, while reducing differences between presenters and audience. First, a forum exposes individual attendee's desires and proficiency, providing detailed information on the concern, energy, and resources associated with attendees' desired subjects.

Then, registration procedure provides clear proposals of the sessions that people may want to be present, resources for facilitation and proficiency, and the information needed to optimally schedule conferences. These processes allow peer conferences to match participants' needs flawlessly to available expertise session by session, avoiding predefined roles for attendees.

## **Structured Conferences**

Traditional conferences with a pre-determined program and clear divisions between presenters and attendees are certainly highly organised. But are they structured in a way that's convenient to attendees?

Typically, a conventional conference starts with ceremonial welcome and logistical announcements. Except when they are trainings or workshops, traditional conference sessions tend to roll from one topic to another. The conference is then usually concluded by some kind of finishing session. In the event there is an absence of a logical progression from start to finish; its structure is determined by logistical concerns rather than the needs of the participants.

In contrast, it's believed that it's possible to provide a conference structure that inspires and supports participation, and to offer an atmosphere where active participation is the norm, rather than something for attendees to attempt independently outside conference sessions. Therefore, a peer conference has a logical structure with an inauguration, central, and an ending that are designed to facilitate meaningful and useful.

### **Beginning**

The beginning of every conference consists of two key sessions, the discussion and peer session sign-up. The first peer conference session, the discussion, serves three broad purposes. First, it defines and models an active, interactive, and safe conference location. Second, it offers an organised forum for attendees to meet and learn about each other's associations, interests, experience, ability capability expertise and proficiency.

And third, the discussion reveals the subjects that people want to deliberate and share, as well as indicating the level of interest in each topic. The discussion provides a planned, nonthreatening method for attendees to understand about each other early in the conference. During the session, people ascertain topics that interest others. They get a sense of the gravity of interest in these topics, and they find out who has experiences that they want to associate with and explore further.

Peer session sign-up, held after the discussion, turns participants' ideas, interests, experience, ability capability expertise and proficiency into a conference program that precisely reveals these factors. Peer session sign-up is a short three-part process (1) topic proposal, (2) peer session sign-up, and (3) peer session determination and planning. The topic proposal phase allows every participant to recommend conference session topics, and

the sign-up phase provides an elective mechanism for attendees to pick the session they'd like to see. Finally, the info supplied is used to decide and schedule the most prevalent feasible peer conference sessions.

Typically, the discussion and registration procedures are in the afternoon and evening of the first day of Conferences. In half a day, attendees learn about each other and develop a conference program that accurately reflects their true needs. The next morning, everyone is ready to explore into a conference that accurately reflects what the participants need.

Most of the time the attendees are together and in the Middle of a peer conference: the sessions that attendees have selected. The most popular session formats are deliberations, demonstrations, and panels, workshops, tours, and models proposed.

Unlike traditional conference sessions, peer conference sessions are casual. Because session topics are determined at the conference, succeeding presentations or panels are nearly always impromptu events. But informal doesn't mean disorganized. To support good process at peer conference sessions, all attendees receive a concise hand out that explains how sessions work, and every session is assigned a facilitator, chair and co-chair.

### **Closing/ End**

At a traditional conference, where the stress is on conveying information through fixed presentations, it's hard to provide a meaningful closing event when there's nothing to close. From this viewpoint, providing lavish feasts, award ceremonies, or celebrity speakers for a closing session are artificial efforts by traditional conference organizers to sustain attendance until the conference is formally over.

At a peer conference we have an easier task. By the end of the concluding sessions, attendees would have had significant opportunities to build individual and group associations, leading to the formation of a conference community, a group of people who are roped together by their recent experiences together.

A peer conference finishes with two sessions, a personal introspective and a group introspective. These sessions encourage attendees to take stock, reflect on where they started, the path travelled, and the journey yet to come. The personal introspective enables attendees to make this evaluation personally, while the group introspective, the last session of a peer conference, provides a time and place to make this evaluation jointly.

## **Safe and Supportive Conferences**

Traditional conferences have no overt ground rules. Attendees don't get together at the start and agree on guidelines. This is an unfortunate oversight, but luckily, one that is easily remedied.

Crucially, a conventional conference offers no expectation of or agreement to privacy for anything that is said. As a result, only the most confident or highest status attendee is likely to be comfortable revealing a lack of knowledge in some area, sharing a problem that he has, or asking a "stupid" question. Without a public group commitment to confidentiality, participants fear that what they say at the conference may make its way to their superiors or colleagues in their organization. This leads people to censor themselves on many topics.

Giving people permission, encouragement, and a safe environment in which to express themselves and take risks makes a huge difference. It becomes easy and natural to ask important questions, reveal one, and be vulnerable, exploring beyond one's habitual boundaries. Many participants find that taking risks can be rewarding, less scary than they'd imagined, and even fun.

A peer conference starts by supplying a short set of ground rules that define a supportive and safe environment. After these rules are explained, attendees commit to them, establishing a secure and comfortable environment for what is to come.

## **Interactive Conferences**

The answer is simple: rather than consign networking to an afterthought, something that happens outside the formal conference sessions, we need to move it to center stage—not as a replacement for sharing of content but as an essential, supportive tool for effective learning. And this needs to happen formally at the start of the conference, as an integral part of the format, so that the knowledge and relationships gained can be built on fruitfully throughout the event. What this means in practice is the addition, right after the opening welcome and housekeeping, of a new kind of session. This kick-off session first sets up a conference environment where sharing is acceptable and safe, and then provides time for participants to introduce themselves while simultaneously exposing topics and themes that people want to explore and expertise that others can draw upon. Such a session, the roundtable, is held at every peer conference, where it sets the stage for everything that follows. Here's what happens interpersonally officially at a peer conference: Participants discover and share the interests, needs, and knowledge of each attendee; the conference supplies tools for people to determine via a shared public space what will happen during

the conference; attendees generate, staff, and participate in the resulting sessions; and finally, the conference provides group sessions for private and public individual and group reflection and future initiatives.

### **Community-Building Conferences**

Humans share a universal longing for intimacy, closeness, community, and excitement. We are accustomed to suppressing this longing during our day-to-day work activities. A traditional conference offers an opportunity to meet new people, but in a format that de-emphasizes human connection, with attendees sitting facing the same direction listening to others speak. But when conference process is built around attendee interaction, when the very shape and content of a conference is created by the attendees themselves via their active involvement, the whole feeling of the conference changes, becoming energetic, even electric. Friendships develop, community grows, ideas germinate and some flourish.

When such a conference acknowledges, allows, and supports the deep desire for human connection, amazing things happen. Though peer conferences are not specifically designed to foster community building, they provide bountiful opportunities for people to meet, and to discover and build community in a meaningful way that works for each individual. The resulting community is organic, reflecting the true will and needs of the participants, rather than anyone's preconceived agenda.

### **MICE as a Supplement to Tourism**

It is said that the expenditure incurred by a MICE traveler is at least twice that of a leisure traveler. Meetings and conventions offer high value in terms of delegate expenditure and also serve the dual purpose of promoting international relations. That is reason enough for players to delve deep into the lucrative business of MICE. It also impacts employment and hence creates a ripple effect for the tourism business and leads to socio-economic improvements in the community. According to a senior executive from a reputed travel agency, the MICE business in India is incidental. It happens primarily because of the huge discounts thrown on offers in India when compared to the oft-chosen venues in the Americas, Europe or the Oceania. "The mere thrill to discover a developing country makes India a safe bet. And it is better than Pakistan, Afghanistan, and Nepal. China is a competitor here," he says. MICE tourism, which accounts for five - 10 per cent of the total revenue of tour operators, has taken the maximum hit during this recession. Companies in the fast moving consumer goods, insurance and entertainment sectors offer the highest number of MICE trips to employees and sales dealers.

Companies had stopped MICE trips for their employees and for the sales dealers; they had postponed the trips for two to three months. A few companies, including insurance firms, which offered this facility, had entirely stopped the incentive for their external sales associates, according to travel companies. However, 2010 is being viewed optimistically, and the industry is hoping this lucrative sector will bounce back.

The Government of India has recognised the emerging importance of MICE, and has announced several schemes to increase the capacity of existing infrastructure, in addition to setting up four new world class mega convention centers in New Delhi, Mumbai, Jaipur and Goa. However, when and how and to what effectiveness these projects would be executed remains to be seen. Recently, Sujit Banerjee, secretary, Ministry of Tourism (MoT), endorsed the suggestion of an international convention center to be set up at the Film City in Mumbai. He also expressed the MoT's desire and willingness to fund projects of this nature. That apart, the MoT, in order to boost MICE tourism further, has extended its benefits under the Market Development Assistance (MDA) scheme to the active members of ICPB, towards the bidding process for international conferences /conventions. The scheme would bring in more MICE business to the country. Under this scheme, associations would be given financial support on winning the bid or for obtaining second and third positions in the bidding process.

Just like tourism in general, the Meetings, Incentives, Conventions and Exhibitions (MICE) industry, though considered lucrative, is rather vulnerable to various circumstances like economic, political and social climates, security and terrorism affairs as well as health issues. In relation to tourism, large-scale events or exhibitions have multiplier effects. An exhibition is a tool for promotion and there are buyers and sellers, both locally and internationally. When coming to Indonesia, international buyers and sellers often travel with their spouses or other family members who visit tourist attractions and spend money on food, souvenirs and so on. When deals are inked during an exhibition, the domestic sellers, for example furniture or handicraft home industries, will get orders and make more products, which means employment. So the multiplier effect is very strong. The MICE industry has begun to pick up again as a promising business. The sector has high potential to grow given the increasing demand for meetings, seminars and exhibitions from local private firms, governmental offices as well as international parties. The players and all relevant parties need to be aware to always improve services.

### **Global Trends in MICE Industry Development**

The meeting, incentive, convention, and exhibition (MICE) industry a service industry combining trade, transportation, finance and travel has been active in Europe

and America for over a century. The MICE industry is characterized by the “Three Highs growth potential, high added-values, and highly beneficial innovations”; the “Three Larges output, large opportunities for employment, and large industry associations”; and the “Three Advantages over other industries in human resources, technological know-how, and the efficient utilization of assets.”

Today, countries all over the world are putting their best foot forward to develop the MICE industry as a means to enliven national economic development.

### **The Nature and Demand of Conference Market**

The conference industry is now a truly global industry, with almost 200 countries vying for a share of the lucrative international conferences and meetings market. A greater market share is now being won by countries in Eastern Europe and in the Asia/Pacific region in particular.

### **Estimate of Global Market Size**

Various sources report that the MICE market is worth around \$30 billion a year worldwide. Some countries rely heavily on the MICE segment – 30% of Singapore’s tourism revenue is from MICE, and Malaysia is specifically targeting the MICE market, running schemes such as the Meet and Experience campaign worldwide, at least 50 million trips are taken each year for MICE purposes.

### **Potential for Growth**

The MICE segment is exhibiting encouraging growth potential, with Russia, India and China likely to drive the market. In 2006, Brazil made the International Congress and Conference Association top ten for meetings organized in that country, and was the first from the so called BRIC (Brazil, Russia, India, China countries with rapidly growing economies) countries to do so. Companies tend to choose meeting locations based upon their core business values and relative expensiveness. They do not stray too far from their headquarters. The incentives market is slightly more diverse with firms liable to send employees to more exotic long haul destinations. An increasing recognition that motivational programs 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.

## **Brief Profile of Consumers**

Varies considerably – although is slightly skewed towards the 30-45 age group, and around 65% male.

## **Main Source Markets**

The main source markets are the main industrial countries in Europe and North America. However, there is significant growth from emerging markets such as Brazil, Russia, India and China, United States, Germany, United Kingdom, France, Italy, Spain, Scandinavia.

### Emerging Markets

- Brazil
- Russia
- India
- China

### Main Competing Destinations

Destinations for MICE tourists are influenced by safety and security. However, there is also a desire to find new destinations, although they need to be deemed politically safe to travel to.

Some of the most popular MICE destinations include:

- Vienna, Austria
- Paris, France
- Singapore
- Barcelona, Spain
- Berlin, Germany
- New York, United States

For the incentives segment, however, up market resort locations in areas such as Asia and the Indian Ocean are popular.

## **MICE Tourism in India**

India, a Hot MICE Destination for the new form of business tourism is the fastest growing section of the International tourism market. It caters to various forms of business meetings, International conferences and conventions, events and exhibitions and is slowly but steadily capturing every big hotelier's attention. Being a hot favorite tourist destination, India is also very much into the business. After the hot-spots like Hong Kong, Malaysia and Dubai, India is fast gaining its pace in the competition to become an ideal MICE destination. With the advanced technology and facilities, warm hospitality, personalized services coupled with immense natural beauty and rich cultural heritage, the goal seems to be not very far. MICE tourism is the new buzzword in the international tourist market and relates to various businesses.

The importance of the MICE industry lies in the fact that it converts the annual business meetings and conferences into a glamorous and enjoyable event for the delegates and attendants. Be it a meeting to bring people together either from within one company or from a broader spectrum or an international conference of 100 delegates or product launch party or exhibition, MICE tourism finds itself being inevitable in all the occasions. To grow the business tourism in India, the country boasts of some world-class convention centers. The Ashok, New Delhi; Hyderabad International Convention Center, Hyderabad; Le Meridien, Cochin are forerunner in the Indian MICE tourism facilitating both domestic and International level of business meetings and conferences.

MICE industry is one of the fastest growing segments within the tourism industry generating millions in revenues for cities and countries. Europe and United States still remain the major markets worldwide in respect of the number of meetings, conferences and exhibitions.

According to the International Congress and Convention Association (ICCA) 5,283 registered events took place in 2005, a rise of 479 over 2004.

As we can see on ICCA's global ranking, USA and Europe dominate in the MICE business, with Vienna ranking first in the meeting industry followed by Singapore and Barcelona in the second and third place respectively. There were no changes in the first three places in the countries' table compared to 2004 as USA, Germany and Spain maintained their position. United Kingdom has managed to surpass France climbing to the fourth place. It is worth mentioning that Australia remained 8th and Switzerland is a newcomer in the global ranking taking 10th place.

## **Emerging Markets in Meetings & Incentive Travel**

### **Europe**

The emerging markets in Europe are predominately Eastern European countries such as Russia, Bulgaria, Croatia, Latvia, Romania and Poland which are all showing increasing demand for meetings and incentive travel, according to Mr. Ray Bloom, IMEX's chairman. As far as Russia is concerned the market is growing fast with a prosperous future but it is fact that approximately 73% of all Russian corporate meetings are still held outside Russia as there are limited facilities available within the country.

### **Asia**

Figures released by the Vietnam's General Statistics Office (GSO) showed that among 1.85 million foreign tourists traveling to Vietnam in the first six months of 2006, as many as 278,000 visitors travelled in combination with attending seminars or conferences. That is an increase of 26,3 percent over the same period last year.

As MICE tourism booms, the Vietnam Meeting and Incentive Club (VMAIC), established in 2002 and includes airlines, travel agents and hotels throughout the country, is striving to create favorable conditions in a bid to attract more MICE tourists.

As for the nation's potential in the MICE industry, experts from the World Tourism Organization said, during their recent visit to Vietnam, that its MICE tourism may become a fierce competitor against Singapore, which is regarded as the biggest MICE market in southeast Asia. The International Congress and Convention Association (ICCA) stated that, Vietnam is emerging as a safe destination in the world and an attractive place for foreign investors.

China is also making its presence in the global industry with the recent example of Amway China who will bring 10,000 people to Melbourne for its incentive and training conference. This is the largest incentive group ever to visit Melbourne.

### **Middle East**

In Middle East the emerging market is the United Arab Emirates zone with Dubai taking the lead in the MICE business with numerous events to be in the pipeline. On the other hand, Abu Dhabi is hosting the Gulf Incentive, Business Travel & Meetings Exhibition (GIBTM ), part of Reed Travel Exhibitions for the first time as an effort to boost MICE business in this region.

**Abu Dhabi National Exhibitions Company (ADNEC)** launched the sale of plots on 147,582 square meters of prime land at Capital Center, the new name and brand for the 8 billion (US\$ 2.17 billion) business and residential micro-city being built around the iconic Abu Dhabi National Exhibition Center in the UAE capital. From 2007 Abu Dhabi will begin to see this unique project takeshape.

H.H. Sheikh Sultan Bin Tahnoon Al Nahyan, Member of the Abu Dhabi Executive Council and Chairman, Abu Dhabi National Exhibitions Company said: "Capital Center is one of the cornerstones of our strategy to strengthen Abu Dhabi's profile as a major destination in the Middle East for the MICE industry. It will serve as a foundation on which new investments, industrial growth and business tourism will be built."

A survey will be carried out during autumn 2006 with the results published during the GIBTM event giving useful data for the MICE Industry in Middle East.

As Paul Kennedy MBE, Group Exhibitions Director RTE comments, "There is a distinct lack of data for a region that clearly is demonstrating rapid growth in capital infrastructure and levels of meeting business. Our research will provide all parties with increased clarity about the important business sector. The research is expected to give definition to Abu Dhabi, the Gulf and wider Middle East region as an important market within the global meetings industry."

## **South Africa**

South Africa is also a promising market with Cape Town to be the key of the South Africa's MICE future. While, Cape Town in the international ranking list of Congress destinations presently holds the 36th position, the city now holds an 8th position on the ranking list for future scheduled international congresses for the next 10 years.

CTICC Managing Director Dirk Elzinga, indicated that the CTICC is one of the best performing convention centers in the Southern hemisphere. "More than half of all international meetings taking place in South Africa last year chose Cape Town as their meeting destination, and one out of every four international meetings on the African continent took place in the Mother City," said Elzinga.

"2006 is the first year that the CTICC for periods of several weeks in a row operates at full capacity. International congresses are taking place at a rate of almost one per week, and average attendance figures increased from an initial 400 in 2004 to close to 600 last year."

## **Trends that will affect the Meetings Industry**

According to Meetings Professional International (MPI), the total number of meetings planned, proposal activity, the number of attendees per meeting/event and expenditures per meeting/event are all likely to increase in 2006. Additionally, client-side planners expect to receive a larger share of their organizations' budgets in 2006 than in 2005. Yet, respondents remain cautious due to concerns about the general economy and the rising costs of oil and travel.

- Meetings are becoming a valued tool for furthering organizational objectives and success, with a majority of client-side meeting planners indicating that meetings are considered important within their organizations. The growth in international meetings travel predicted for 2005 is not expected to continue into 2006. Across the board, and across the world, workload topped the list of internal factors impacting the meetings function in 2006. External factors such as rising oil costs also weigh on the meetings function.

## **Virtual Meetings and Technology in MICE Industry**

In a world that terrorist alerts and economic trends are a common sense many corporations are adopting the E-conferences as a solution to save money and time. Small and medium sized enterprises (SMEs) in US and Europe are using more often the Tele-seminars and virtual meetings in order to eliminate travel expenses.

Virtual meetings are becoming more popular as business executives are hungry to learn and stay on top of the latest trends. On the other hand, as virtual meetings are still on a new trend there are no significant statistical data. On the other hand, technology plays a vital role in the MICE business not as a replacement of the face to face experience of meetings but as a mean of facilitating the meetings and event's organizers, exhibitors and planners. New technology tools are being launched in MICE exhibitions around the world to help buyers or meeting planners to do their job in more effective way. In Australia the Melbourne's Meetings and Convention Bureau says that technology ensures that 'Wow' factor in entertainment and spectacular functions for incentive groups.

## **Climate Awareness in the MICE Business**

Climate changes and carbon emissions in particular are high in the MICE agenda. Many associations in US, especially the Association of Corporate Travel Executives (ACTE) are trying to steer the industry to adopt a 'greener' policy.

The industry is definitely now turning towards a greener approach as associations are cooperating and promoting conferences centers, hotels and airlines which adopt environmental friendly practices. Surveys indicate that companies who adopt a 'green' policy can actually save money using methods which can really reduce costs and drive to a lowering of carbon emissions.

### **Economic Impact of Convention and Conference Centers**

The role of conventions in stabilized institutional socio-economic interaction has thus far received scant attention. The dynamics of convention presupposes adequate individual rationality in the midst of limited options and unforeseen consequences.

The evolutionary mechanism of convention formation encompasses the accumulation and gradual accretion of precedent. Convention or equilibrium in expected social and economic behavior acquires significance due to its inherent stability over an extended time frame and its power to govern all social and economic activities.

The primary mission for members of the National Council for Urban Economic Development (CUED) is economic development for their communities. In many communities throughout North America today, development or expansion of a meeting facility is being considered as a means of creating positive economic impacts to achieve the economic development goal.

As communities consider the role of convention or conference centers in their economic development plans, five basic points should be kept in mind:

1. Public investing for economic impacts is like any other leveraged investment. There is the possibility of negative leverage as well. Economic impacts can be less than zero.
2. It takes more than a meeting facility to get conventions and conferences to come to your city.
3. Contrary to a popular misconception, convention and conference centers are designed to lose money.
4. How you operate a facility on a daily basis has a great deal to do with how much economic impact you can achieve.
5. Some communities should stop feeling guilty about their secret agendas. It is okay to want a civic facility.

What if you build it, and they do not come? For one thing, the community is stuck with debt service that continues for 15 to 25 years. You may very well achieve negative economic impacts.

Starting with an assumption that a conference or convention center would be good for their community, many communities have made the mistake of hiring an architect before they know what type of facility they really need. Market research needs to be done before you start designing. You must know what your future facility users will want, and design to meet customer needs.

## **1. New Facilities**

The second class facilities are those which are being developed from the ground up, where no meeting venue existed in the past. New facilities today tend to be smaller and typically are more properly thought of as conference centers (Again, the locations for convention centers already tend to have such a facility). New development is harder, because the community has to guess whether they even have the potential for a destination draw.

To investigate the potential attraction power of your community, you need to understand the motivation of potential users for coming to your location:

- Is it a retreat, to get away from where they normally are?
- Is it to get together in a convenient place, centrally located?
- Is there any unique draw to your community?
- What are their alternatives (i.e., who are your competitors)?
- Why would they come to you instead of them (the competition)?

Another question which must be answered concretely before you start counting on economic impact of your new meeting facility is: how long are the delegates going to stay? In virtually every community, there is a demand for people to get together for seminars, product demonstrations, sales pitches, training sessions, parties and weddings. These users will pay to rent meeting facilities for a few hours, but they do not contribute much to overnight visitation. It is the overnight visitor that creates most of the economic impact from convention and conference centers.

It is the money which is imported from outside the immediate region which has the power to stimulate true expansion of your local economy. One-day meetings tend not to draw people from great distances, and even when they do, those people have little opportunity to spend significant amounts of money in your community.

## 2. The Best Facility Isn't Enough

Even the very best meeting facility isn't enough to make meeting groups come to you. A number of other elements must be present in your community as well. Of great importance are hotels:

- They must be of sufficient quality, not merely motels.
- There must be a sufficient quantity, not only the number of rooms in total, but a sufficient number which can be blocked months and years in advance for use by a single group (traditionally at a discounted rate).
- They must be in close proximity to the meeting facilities and to transportation and airport access.

Overnight hotel business is predominantly driven by air travelers in most locations. The day-use market for short meetings, on the other hand, is often composed of drive-in traffic. A major meeting location requires convenient air access, with greater lift available for larger facilities. Other attractions besides the meeting facilities are also necessary to create interest in your community as a destination.

For more sophisticated meeting groups, the city itself is generally the attraction. Cities such as San Francisco and New Orleans have become known as great places for consenting adults, with urbane cultures. Other groups may be attracted by commercial attractions. Disney theme parks have been great for the convention draw in Anaheim and Orlando. As meeting groups get more resort-oriented, attractions such as golf and other recreational facilities become more important.

Cost is obviously a major issue for every meeting planner, but it is not so simple that the lowest-cost destination becomes the most attractive. Each association analyzes the trade-off between cost and revenue potential. As stated before, associations have discovered they have the greatest revenue potential for themselves from the trade show component to their major meetings. The demand to rent space in the exhibit hall is in turn driven by the expected attendance of delegates (customers) at the meeting.

Those cities known to be attractive as fun destinations to individual delegates will in turn create more revenue for the association in spite of somewhat higher costs. For example, San Francisco is a very high-cost destination in North America, but many groups get their biggest draw ever each time they meet in that city. Exhibitors in the respective industries know that as well, and are willing to spend big to be present in these transitory marketplaces.

A more dramatic illustration of why the meeting facility itself is not sufficient to draw the business is provided by the results of Metro poll. Metro poll is a syndicated survey of several thousand meeting planners in North America that ERA has been conducting since the start of the 1980s. In the figure below, meeting executives have been asked to rate the importance of different criteria when selecting the site for their next convention.

For each meeting planner, there will be an initial screening of a potential destination to see if the bare minimum convention facilities are available in the right proportions to house their event. Once that basic threshold is established, the evaluation hinges on factors in the order of importance as presented.

Costs of food and lodging are first, with 78% of meeting planners rating this as a very important consideration in site selection. Travel connections and costs are close behind in importance. The inventory of hotel rooms is also very important, and is based on the number of rooms that can be blocked for convention business, not just on the gross number of hotel rooms in the area.

Meeting planners are also looking for a large block in as few individual hotel properties as possible, with at least one hotel being sufficiently large to serve as the headquarters for their event. With around 50% of respondents reporting this factor as very important, attributes of the city are then considered. ERA has observed a trend of increasing concern over security and crime rates in site selection, but general friendliness and attractiveness of the destination is also important. Way down at 32% is the first time that the attractiveness of the convention center itself is considered.

The conclusion is clear that the facility alone will not create sufficient attraction for your community. You must have the whole package of tourism infrastructure to pursue this economic development strategy.

### **3. Meeting Facilities Lose Money**

It is hard to be absolute, because there are real-world exceptions to virtually every rule; however, even in the rare cases where revenues cover operating costs in meeting facilities, they never cover debt service. For example, in San Francisco the Moscone Center brings in about \$10 million per year in revenue. Operating expenses, on the other hand, are currently running at about \$13 million per year. Thus, there is a "planned deficit" of about \$3 million annually. On top of that, this year's debt service will be about \$20 million, creating a structured deal that is designed to lose \$23 million per year for the City of San Francisco.

The profits from a convention or conference complex come from renting hotel sleeping rooms. What may not be observable in an integrated private conference center is that there is an internal subsidy occurring between the meeting facilities and the overnight accommodations. In a large-scale public convention center in a community of hotels and other tourism-supported businesses, a more complicated means of subsidization must be created. This is typically accomplished by a tax on the hotel sleeping rooms, variously referred to as the "bed tax", the "transient occupancy tax (or TOT)" or simply the "hotel tax".

On the other hand, no matter how good the intentions, the local government must remain whole in order to survive over the long run. Some other forms of public revenues must be used to make up the loss from the convention facility. It is important to note that an enlightened hotel community is willing to go along with this tax increase because they receive much of the incremental business in the economic impact column on the right of the figure. Furthermore, this incremental hotel business tends to be the additional money flowing in after fixed costs have been covered, and is what contributes disproportionately to the bottom-line profits for hotel properties.

#### **4. Operating Policies Affect Impact**

Community economic impact is maximized when delegates and exhibitors are attracted from out of town, bringing their money with them to spend as they stay for several days in your city. This new money flowing in then creates multiplier effects as the initial spending is circulated through businesses which serve as suppliers to the directly-affected hotels and convention service companies, and from there as it filters from the hands of employees into the grocery stores, service stations and other businesses that support the general population in your community.

Most major cities have realized this trade-off today, but the industry has been evolving over the last couple of decades. One other point on operations is that each location has its own unique seasonality in hotel occupancy. The point of attracting meeting groups is to fill hotel rooms in the slower periods, but not to displace the higher-paying, free and independent tourists and commercial travelers. Booking priorities, pricing and marketing should reflect these seasonal imperatives.

#### **5. Civic Centers**

As a counterpoint to the bulk of this presentation, it should be noted that economic impact is not the only reason communities build public assembly facilities. In spite of the

goals of CUED, economic development is not the only goal communities have. Legitimate public purposes can be served by having civic auditoriums and community meeting halls, and because there is that demand for day-use meetings in every community, even heavily-subsidized civic facilities have the potential to make some revenue by renting space for meetings.

### **Expanding Existing Facilities**

It is useful to break the decision-making down into two types of facilities. The first type is existing facilities requiring expansion. In North America, these are primarily convention centers because everyone who has a reasonable convention destination already has at least some kind of facility in place. Construction of these large centers boomed in the 1970s, but in the 1980s convention and trade show groups kept growing as well.

The associations sponsoring large meeting-intensive events discovered that a trade show component could be a money-maker for the association, and could underwrite the meeting functions of their events. Therefore, needs for expanded exhibit space have grown even faster than the number of meeting groups? At the same time, trade show/exhibit groups began to find that educational purposes also needed to be served for their industries, and what had been pure exhibit events added meeting components to their events.

With expansions, it is necessary to be clear on what your community is trying to accomplish.

- Trying to keep your existing customers from outgrowing you?
- Trying to open up new markets?

Either way, it is necessary to talk to actual users, and plan the facility expansions for their needs. To keep existing customers as they grow, you must know if their trade show/exhibit function is what is outgrowing your existing facilities, or if they have other needs. Such other needs could be for a larger number of additional break-out rooms, or for larger break-out rooms to hold larger meeting groups. Flexible ballrooms have also become much demanded by groups, and a few are looking for specialized facilities such as fixed-seat theaters of specific sizes.

A key concept for expansion facilities is flexibility. For one thing, flexibility means that individual spaces should have the capability of being reconfigured to make smaller spaces and even to serve as swing space which can be an exhibit hall for one group, and meeting room space for the next.

Another aspect of flexibility is to create facilities which can accommodate multiple user groups simultaneously. For example, you need more than one "front door" to the facility. Every group wants to be made to feel that they are the only meeting in town. Simultaneous use of the facility can also create greater economic impact. With a single large convention/trade show event, a boom of four or five days of activity is followed by four or five days of move in/move out, during which there are no guests in hotels, a lack of patrons in restaurants, underutilized transportation facilities, etc.

In a facility that can accommodate more than one group at a time, schedules tend to naturally become interleaved so that one group is in the middle of their meeting while another is moving in or out. This more even flow of delegates through your community creates a more sustained and even economic impact, which is more conducive to the establishment of visitor-serving businesses in the vicinity of the meeting facilities.

## **Process of Convention Management**

### **Site Selection**

Site selection is a very important process in conducting a convention. A poorly selected site would mean that the entire efforts of the people involved would go waste. We would be using the term host property to refer to any facility used to house a meeting, convention, or exposition.

The site selection process is an extremely important part of the sponsoring organization's activities. Regardless of the type of meeting, convention, or exposition, the site is a critical factoring the success of or failure of the event. Convenience and cost are the two most important factors in the site selection process.

To begin the site selection process, the planner must first consider the goals and objectives that have been established for the meeting, convention, or exposition. Based on these goals and objectives, they develop a meeting plan or format.

The next step is to develop a group prospectus that will enable the meeting planner or exposition manager to determine the physical requirements for the meeting, convention, or exposition. We will be discussing the importance of prospectus in the next unit. The purpose of the prospectus is to provide a clear and concise document that outlines in detail the history of the sponsoring group and attendees as well as a proposal of the specific requirements for the meeting or convention.

## **Role of Host Property**

The role of the host property is to provide the facilities and services needed to assist in the execution of meetings, conventions, and expositions. In the past, when people thought about the role of the host facility, they thought of only rooms and food. Today the host property is much more intricately involved with the overall planning and execution of the meeting. This involvement may include helping to design and market the program, assisting in the planning of hospitality programs, theme parties, and sporting events, and training new meeting planners. We would be talking about the planning part of the conventions in the next unit. Many of the major convention hotels actually go so far as to provide training seminars for the meeting planner.

## **Convention Centers**

Convention centers have their own importance when compared to any other location for holding a convention. Most of the prestigious companies like to hold their conventions at sites that are equivalent to their status. Furthermore, convention centers are also more useful than ordinary halls. At any one-time convention centers can usually house a larger number of people than can the largest meeting room in most hotels.

A convention center meeting's seating capacity can be in the thousands. Because of the high costs involved in convention center construction, generally must be financed by public funds with the justification that this expenditure of public fund allows more conventioners to be accommodated, thus extending the need for more local employment.

However, the need for full-time employees at a center is somewhat limited,

Some permanent management and maintenance personnel are needed, but most of the employees are hired for a convention only on a part-time basis, nevertheless, in a country like ours even part time employment may also contribute to the overall development of that place.

## **Convention Center Location**

Convention management and holding starts with the location of the convention center. It is the first thing that a potential client is going to see. The convention center's location is probably the most important factor in the success of a center, particularly if it is built for the international business.

It should be located with ready access to international airlines connecting potential delegate generating areas throughout the world. After an international flight, particularly one of several hours' duration, arriving delegates are unwilling to have to wait at an airport for a domestic's flight to continue the journey to the convention location.

Five site considerations when locating a convention center:

1. Site size is critical since space varying from half-to a full city block is needed to house the main building plus possible support buildings along with delivery and service areas, parking, and entrance (which is why airport locations are often favored because the land is available at a reasonable price).
2. The site should be central and accessible to quality accommodation and major inter-city transportation terminals for domestic delegates.
3. The site should be close to major shopping and entertainment districts (which is why downtown convention centers are not uncommon) or regional shopping centers.
4. Plenty of parking is necessary within the center, or close by, again because many domestic delegates will drive there, and international delegates, as well as domestic air arrivals, will often rent cars at the airport.
5. Proximity to recreation facilities and attractive surroundings is important.

### **Types of Center**

A number of different types of convention centers have emerged. One of these is the Executive Center designed to handle the specialized requirements of top corporate management. Such facilities feature sophisticated audio-visual equipment and similar convention aids run by highly professional convention coordinators.

A third type is the non-profit center, usually part of a university campus where the emphasis is on adult (not necessarily corporate) continuing education. This type of center may offer dormitory accommodations only to attendees. All conference and convention center's of the universities fall under this category.

The final category is the resort conference center at which there is more emphasis on recreation than is typical of the other three types. Resort centers, during the off peak time for conventions, will often try to draw transient guests. These centers would have apart from the requirements of the business traveler some sort of recreational aspects also. Recreational facilities generally would include tennis courts, a swimming pool, and maybe an indoor games room.

## **Center's Environment**

Convention centers need to create the right environment for their market, that is, an environment for learning and seriousness. Apart from any recreational facilities they may have, they will need to avoid any distractions that nightlife and nearby shopping and other attractions might create.

They are thus often located in remote, rustic places far enough away from the corporation's offices that attendees are not readily inclined to go back to the office to catch up on work. Their remote locations thus require good efficient transportation routes and possibly transportation facilities (limousine pickup) to nearby airports.

There are many groups that are considered consumers of meetings and conventions. These groups vary from corporations to associations to religious groups. They sponsor meetings for numerous reasons dealing with the specific purpose of their organization. In this unit we will also look at the groups sponsoring meetings, conventions and expositions, their reasons and purposes in doing so and the specific types of meetings, conventions and expositions sponsored.

### ***Convention Centers***

Historically, these facilities were designed for convention meeting groups of up to several thousand people, with a trade show area for 200 to 300 exhibits. Convention center function space can be quite versatile with air walls that can create more meeting rooms for smaller groups, known as break-out rooms. The centers also double as entertainment locations for concerts. For many cities this center may also be the only facility that can accommodate banquets for 1000 people or more. As a meeting venue convention centers are unique in the following ways:

- They don't have guest rooms, but are connected to (or within walking distance of) a large hotel.
- They are usually feasible for only large conventions.
- Convention space is booked through the convention center sales department or local convention bureau sales staff.
- Convention center space can be booked up to 10 years (or more) in advance for very large conventions; guest room blocks will be reserved at numerous nearby hotels (known as a citywide convention).

Campuses are a newer, affordable alternative, especially for groups who meet during the summer, although meeting space have become more limited as colleges increase their marketing efforts. This has forced repeat customers to secure space further in advance.

As a meeting venue campuses offer the following unique features:

- They have large amounts of meeting space (classrooms), rooms (student housing), and function space (student dining space) available during the summer
- They can offer lower group rates than hotels during a high-demand, (summer) period

Each of these meeting facilities venues will be discussed in greater detail along with site selection criteria and industry procedures.

## **Types of Meeting Planners**

Today, meeting planners in general have received much more professional training than in the past. As mentioned previously, there are now numerous associations for all types of meeting planners to join. These groups offer training sessions (known as continuing education) to their members, which often are held during the convention.

### **Association Planners**

The vast majority of associations meeting planners are full-time, planning three to five meetings annually. Their job title is Planner, with the association's annual convention as their primary responsibility.

This convention is the main source of income for that association, and attendance at these three to four day events is usually over 400 people. Types of associations include trade, professional or scientific, educational, veterans/military, and technical.

Smaller associations in any of these categories may not have a full-time planner. Similar to corporations, the association would also outsource this function. Organizations known as association management companies often are hired to manage the meeting and convention requirements of multiple associations.

Planning needs may also include association board meetings, usually held quarterly. In general, the association meeting segment combined represents the largest group business revenue source for hotels and convention centers.

## Corporate Planners

A large percentage of corporate meeting planners perform those duties only once or twice a year, so their full-time position could be in marketing, sales, management, training, or operations. When corporations cut back on the number and types of meetings held, some eliminate this position altogether and instead hire planners only when needed. Unfortunately, this often happens during a slow economy.

Consequently, the task of planning one corporate meeting could be contracted to any of the following types of organizations:

- Event planning company
- Travel and meeting management
- Destination management
- Independent meeting planner
- Site selection
- Incentive meeting management

Also, it is interesting to note that many planning professionals who start a firm with one of the preceding titles have background in hotel group sales and services departments. Planners who have worked on the supplier or seller side can be effective negotiators for their clients (group holding the meeting.)

However, there are many companies that have enough meetings to warrant having a meeting planning department. This department may also handle all travel arrangements for individual business travelers for that company as well. In this case, travel agents who rely on the hotel group sales departments to coordinate the meeting logistics may actually be the only planners for that corporation.

The largest segment of full-time corporation meeting planners is found in the insurance industry. All types of insurance companies hold a variety of meetings that their agents are required to attend. Additionally, this segment plans incentive travel programs that are rewarded to the insurance agents for their sales volume.

Only the most luxurious full-service resorts and destinations are used for these programs. Planners in this segment can work either directly for an insurance company or for an incentive travel company. Remember, though, that unlike associations, corporations do not promote meetings outside their own employees or stockholders.

## **Nonprofit Organizations**

There are many types of groups that are known collectively by the acronym SMERF, which stands for social, military, educational, religious, and fraternal. Meeting planners under this umbrella often hold the job title executive director. The issue common to all SMERF groups is cost. Like associations, many meeting attendees are paying on their own. Many of their annual meetings or conventions can have over 500 to 800 attendees.

### **Government and Union Planners**

The final types of planners we will look at are government agencies and labor unions; these are similar to SMERFs in regards to meeting cost issues and the planner's job title. What often separate them are the following key concerns: most government employees are reimbursed only for meeting-related travel and meals expenses within the per diem. This is a fixed allowed that is set for each city by the federal government.

In general, hotels or other meeting venues must be able to meet these requirements to be successful with securing the business. However, that is just the start. Later in the book we'll learn more about the proper servicing to ensure that the group is satisfied and will hopefully return again and again.

A trade show or exhibition (1) provides a major source of revenue from exhibitors and (2) showcases services of interest to members while attending a convention. Creating and maintaining a successful and profitable trade show is a major undertaking for any association executive.

Planning overview that is applicable to associations and other types of planners. In reference to lead time, it is important that groups are monitored closely by the facility to ensure they don't exceed the space on hold. Association often eager to increase exhibitors (and revenue), must communicate closely with the convention services manager.

## **Convention and Visitors Bureaus**

Convention and visitors bureaus (CVBs) can be beneficial to association planners and groups. The impact of attrition on the meeting industry. With this issue foremost on the minds of most association planners, CVBs have recently begun to provide much-needed assistance. Author Ruth Hill, in the article, "Association Meetings—CVBs Add Value for Attendance Building" *Meetings West*, August 2004), had the following to say about how CVBs increased services to convention groups, from marketing to convention services.

## **Site Selection**

Just like associations, corporate planners are also routinely surveyed and asked to rank those critical factors that impact site selection decisions. The type of site selected varies greatly, depending on the main purpose of the meeting.

As just mentioned, resort-level amenities are required usually for top management and board-level events. Conversely, an airport hotel location can provide a very cost-effective, distraction-free environment for training meetings.

Equally important is the size of the hotel: corporate groups of 100 rooms (or fewer) try to avoid large convention hotels because they don't like that "little fish in a big pond" feeling. Meeting planners are routinely surveyed by trade publications.

## **Lead Times**

In general, when compared to associations, all corporate meetings have a much shorter lead time. Sales meetings usually have the longest lead time 8 to 12 months.

Remember that corporate meetings follow no cycle, but are held only when there is a need. During economic recession or a limited growth period, most companies will cut back or even cancel meetings. Conversely, the beginning of an economic recovery may "green light" a meeting that was previously canceled, resulting in a very short lead time. Even in times of limited growth, certain types of meetings, such as sales meetings, are still held, but again, with a very short lead time.

Under these circumstances, the corporate planner must be more budget conscious, even with the short lead time. The facility often must rethink its yield management strategy in what is often called a "buyer's economy." Only when it becomes a "seller's economy" can the principle of lead time be effectively applied.

## **Attendance and Payment**

Corporations require their employees attend. Hence, consequently, all sleeping, Meeting room, and group meal functions are paid for by the corporation. Individual charges such as room service, health club, or gift shop—known as incidentals—often are paid for by the employee. These charges will go on a separate incidental hotel bill.

## Summary

Measurements of the size of the conference industry are possible, even though these are based on partial rather than fully comprehensive surveys. They point to an industry that is active and growing in both developed and developing countries around the world. The buying side of the conference industry includes corporate organizations, associations and government/public sector agencies, and conference entrepreneurs.

Corporate organizations plan a wide variety of conferences, meetings and other events. Staffs involved in the organization of these activities have many different job titles, but relatively few are employed as full-time event organizers.

Venues must continuously invest in their physical product to maintain a competitive edge. They must also adopt a customer focus in their sales and marketing strategies and in their service delivery, while aiming to maximize return on investment through their approach to, inter alia, yield management and client negotiations.

## CASE STUDY

Profiles Vienna Convention Bureau, one of the best resourced and most successful bureaus in the world. Convention and visitor bureau provide a range of services, many free of charge, to conference organizers and meeting planners.

They aim to offer a 'one-stop' enquiry point for their destination, with impartial advice and assistance (although there is increasing debate over whether their role should now be focused on steering customers towards the suppliers best, able to meet their needs, rather than seeking to represent all of their suppliers in a comprehensive, unbiased way). Such CVB services are likely to include some or all of the following.

### 1. Pre-Booking the Event

- Literature and website information
- Venue location and selection advice
- Availability checks
- Rate negotiation
- Provisional booking service
- Familiarization/inspection visits

- Preparation of bid documents
- Assistance with bid presentations to a selection committee/board
- Assistance with civic hospitality requests.

## **2. Preparing for the Event**

- Block accommodation booking service for delegates
- Coordination of the full range of support services including transportation, registration, translation, office support; in some cases, these will be provided in conjunction with a professional conference organizer (PCO) or destination management company (DMC)
- Provision of 'welcome desks' for delegates at major points of entry
- Promotional and PR support to maximize delegate numbers and increase awareness of the event in the host destination
- Supply of delegate information
- Planning partner programs, social programs, and pre and post-conference tours
- Arranging contact with local conference service companies and event organizers.

## **3. During the Event**

- Civic welcome and recognition
- PR support
- Provision of tourist information.

## **4. After the Event**

- Post-event evaluation and follow-up research
- Consultancy support to the destination that will next host the conference.

## **Questions**

1. Briefly explain the Infrastructure required for MICE
2. What are the components of conference market
3. Explain the characteristics of conference and convention
4. Explain about MICE as a Supplement to Tourism

5. Discuss the global trends in MICE industry
6. Write about the nature and demand of conference market
7. MICE Tourism in India
8. Elucidate the trends that will affect the meetings industry
9. Discuss about climate awareness in the MICE business
10. Explain about Economic Impact of Convention and Conference Centers.

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