

MICE Segment: Poised for Growth in India

Dr. Aarti Mahendru
Associate Professor
CBSA, Mohali

Abstract

India has always been an enchanting destination for tourists from all around the world. With its rich heritage, vibrant culture and its natural beauty it already attracts leisure tourists. It's an attractive MICE destination. But with world class hotels and the development of infrastructure, India is now one of the top MICE destination (domestic inbound) and (outbound) destination in Asia. The MICE segment has come of age. It has firmly placed itself at the centre of tourism as one of the key drivers of the sector's development and an important generator of income, employment and investment. In addition to important business opportunities, MICE Industry provides immense benefits to the broader economy as it generates on average a higher spending level, reduces seasonality, contributes to the regeneration of destinations, spreads knowledge and enhances innovation and creativity. But India attracts only one percentage of the total international market in MICE. The paper explores the need for MICE segment. It also aims to understand the global scenario of Indian outbound MICE (Meeting, Incentives, Conferencing, and Exhibitions) tourism and the paper discusses the strengths of India as an emerging MICE destination. The paper also throws light on planning of MICE.

Keywords : *Meetings, Incentives, Conferencing, Exhibitions, MICE, Tourism.*

Introduction

India is the cradle of the human race, the birthplace of human speech, the mother of history, the grandmother of legend and the great grandmother of tradition. Our most valuable and most instructive materials in the history of man are treasured up in India.

For travelers, India offers a rich cornucopia of choice – snowy mountain peaks, sunny beaches, rainforests, tiger and lion sanctuaries, deserts dotted with exotic palaces, historical destinations, pilgrim destinations...from bustling cosmopolitan cities to tiny hamlets that seem frozen in time, India offers a heady blend of culture, history, tradition, hospitality, beauty coupled with modern amenities like deluxe and super deluxe hotels and resorts that would appeal to the business traveler.

The Incredible India website says, “What makes India different from any other destination is the myriad of experiences that it offers. This is one land where the ancient and the modern co-exist. India has everything that a visitor wants to experience and offers people a complete holiday both physical and mental. This is perhaps the reason why we have so many repeat visitors”. It adds, “Amidst the countless ways that India can capture world attention as a tourist paradise, there also exists a dynamic business opportunity as a splendid venue for international conferences and conventions of no less than global standards. Sites, the exotic and mystical, excellent facilities of

beach and adventure holidays which can be combined as pre and post conference tours. 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, modern business centres and a wide range of conference facilities.”

Travelling to attend meetings is the primary reason for business travel. About twenty percent of all business trips are for the purpose of attending corporate meetings or conventions. The incentive travel market is one that can have a profound economic impact. The convention industry tends to attract high-spending visitors and those who make repeat visits to a destination. Researchers have suggested that MICE travellers tend to stay longer at a destination and spend more than the average traveller (Hunt, 1989). A trend that began to develop several years ago is that business travellers are mixing business with pleasure. Spouses and children are accompanying the business traveller domestically and internationally, and with the availability of resort activities this usually means the visitor will stay for one or two days longer, in the hope of developing a “mini-vacation.”

Need for MICE Tourism

The business tourism, which has become a part of the International tourism market, is usually planned in advance and they are brought together under a particular theme such as educational topic or a blend of leisure and business. The **MICE Industry** is required to bring new ideas and clients to our country which can increase sale and revenues. The specialized industry meets unique need of companies and the service industry is essential to bring trade, transportation, travel and finance together. The significance of the MICE industry is that it adds an exciting layer to annual business meetings and conferences transforming them from boring, dull all-work-no-play get-together to something pleasurable. On marketing front, an awareness has to be created through social media to promote MICE business and to improve customer service. With a view to attract MICE travellers, India's tourism industry is in a constant process of upgrading its MICE (Meetings, Incentives, Conferences & Exhibitions) facilities.

Review Of Literature

The importance of MICE is well reflected from researches taking place throughout the world. Due to its multiplier effect it has great significance in economic development of any nation.

Pandey (2015) has concluded the importance of tourism, including MICE, and therefore has introduced various initiatives and schemes to augment tourist inflow and development of infrastructure. She pointed out that a sound MICE policy, newer MICE venues, and an aggressive publicity campaign could ultimately take India to the top, echo industry stakeholders.

M&IT (2015) highlighted in its report that most of the key market segments in the corporate meetings sector – information and communications technology, automotive, pharmaceuticals and construction – have experienced growth in 2014, boosting the demand for corporate conferences, product launches, and training events. Risks factors at the international scale are also revealed in this report. Author opines that Innovation, resilience and dynamism will be the meetings and events industry's best response to meeting these challenges head-on and to making the most of the opportunities that lie ahead in 2015 and onwards.

Pandey (2015) has concluded the importance of tourism, including MICE, and therefore has introduced various initiatives and schemes to augment tourist inflow and development of infrastructure. She pointed out that a sound MICE policy, newer MICE venues, and an aggressive publicity campaign could ultimately take India to the top, echo industry stakeholders. **Dev (2015)** writes that *the inbound MICE sector in India is a long way from achieving its full potential. Despite the many sporadic developments happening around the country, lack of a MICE Policy and coordinated strategic vision is preventing India from becoming a leading global conferencing destination.*

Objectives of The Study

This segment is one the key drivers of tourism destination and India till date is not able to tap its potential. Researcher conducted the study with an objective to:

1. Explore the India's contribution to the world Tourism in the form of MICE.
2. To find out India's strengths to accommodate inbound MICE traveller.
3. Aims to propose a planning model for MICE.

Research Methodology

This study is exploratory and descriptive in nature based on primarily based on secondary sources. Few questions were asked from four hotel managers through a brief interview schedule to understand the problems being faced by the visitors categorized under this segment to gain more insight on the subject. This understanding helped the researcher in achieving third objective.

Global Scenario of Indian (Oubound) Mice Segment

The United Nations World Travel Organisation (UNWTO) has forecast the growth of the Indian market to reach 50 million outbound tourists by 2020 over the current 1.8 million. In 2010, many of the foreign national tourism boards had recorded a double digit growth in Indian national tourist arrivals under this segment with Hong Kong, Malaysia, Thailand, Czech Republic, witnessing 12, 15, 30, and 40 per cent growth, respectively. The outbound MICE market, estimated to be around US\$600 million at present, is expected to increase by 12-13% within the next few years. Thailand has emerged as the No 1 destination for Indian travellers. This is also reflected in the MICE movements to the country. In 2012, MICE movement from India to Malaysia made up 19-22% of the overall 693,056 tourists, with an expected 20% growth in the footfalls. Singapore, which has been recognized as the top International Meeting City for the sixth consecutive year in 2012 (Union of International Associations Global Rankings of 2012), has established itself as a top-of-mind destination for meetings and incentive travel among the Indian corporate sector.

To promote Dubai as a leading international MICE destination in India, Dubai's Department of Tourism has undertaken several initiatives to tap the burgeoning MICE market in India, including a corporate familiarization trips in cooperation with Indigo Airlines, Starwood Group of Hotels, and Discovery Travels.

India has always been an important source market for Mauritius as a tourist destination. The

island is fast emerging as the new wedding and MICE destination for the Indian travellers. Mauritius has all the key ingredients that are required for successful meetings, incentives, conferences and events, which support a perfect set up to host large groups, provide high-end luxury and accommodation, meetings and conference arrangements and host team building activities.” In 2012 Mauritius received 55,197 arrivals. Despite India's economic slowdown, it registered an increase of 15.6% in the India tourist arrivals till April 2013.

India's phenomenal growth in this sector has compelled many foreign tourism boards to have a focused strategy for the Indian outbound MICE segment. In a bid to woo the Indian business traveller, foreign tourism boards have launched numerous marketing programmes and schemes to aid easy travel and hassle-free organization of events.

As far as India is concerned, the outbound MICE market is growing fast and has a prosperous future. Approximately 50% of all Indian corporate meetings are still held outside India as there are limited facilities available within the country.

India as an Emerging Mice (Inbound) Destination

With NTOs worldwide trying to get the maximum share of the Indian MICE market, Indian players are not far behind to tap the potential within the country, which is developing as an upcoming MICE destination with lots to offer to every traveller. India offers a unique amalgamation of culture, history, tradition, beauty, luxury, and modern facilities like world-class hotels that would appeal to the business and MICE traveller. One of the requisites for this form of tourism is world-class convention centres. The Ashok, New Delhi; Hyderabad International Convention Centre, Hyderabad; and Le Meridian, Cochin are forerunners in the Indian MICE tourism industry, facilitating domestic and International business meetings and conferences. The gradually increasing inbound traffic has encouraged the Ministry of Tourism to plan and invest in convention centres in the country. The government has introduced a policy of sanctioning Rs5 crore to every state government for opening one convention centre. Public Private Partnership (PPP) models have been adopted for the construction of venues, and to strategically brand India as a MICE destination. Andhra Pradesh Tourism is one such state which has used this model to build new tourist spots with an investment worth Rs1,000 crore, and states like Rajasthan, Madhya Pradesh, Odisha, and West Bengal are not far behind.

The Union Tourism Ministry, with the help of Ministry of Finance has set up six MICE centres in the country. The facilities at Pragati Maidan are being overhauled and updated to transform it into a modern state-of-the-art exhibition centre-cum-convention complex due to open in 2016.

Apart from convention/exhibition centres, most organizers prefer to host meetings at hotels which contribute to more than 20% of the hotel's business. With India slowly developing amenities to facilitate business travellers, hotels are offering a variety of MICE facilities while ensuring brand quality and service. Although hotel properties are expanding their reach to the international market, the domestic business travellers remain the largest contributors in this segment. Most prominent convention destinations have succeeded because of a conscious effort to develop infrastructure for convention business. And in India, the government is not the only entity ensuring infrastructure developments, hotels and other private sector are also investing in

this industry to increase their annual outlay and profits.

“India is working towards positioning itself well to convert business opportunities. The MICE infrastructure in the country has been developing rapidly and convention hotels and conference venues of international standards are being setup in cities across the country. There has been regular infrastructure development to support the MICE industry, like new centres of information technology, several new convention hotels, and meeting facilities. So both as a market and as a destination, The Indian MICE sector is poised for steady growth.

Planning Planning for Mice Tourism

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. Some of the areas that require a special set of planning as far as MICE tourism is concerned are:

Venues : One of the most important aspect 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:

1. Determining the number and capacity of existing venues for meetings, conferences and exhibitions;
2. Determining the degree of use of these venues;
3. Establishing expected future demand for these venues;
4. Determining the adequacy of existing venues to meet this expected demand; &
5. Outlining any serious design faults with existing venues.

Transport : One of the concerns identified by the industry is regarding transport. 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. 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.

Accommodation: Since, MICE is not a seasonal business it has to be planned the entire year round. In 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. Further, the staff has to understand the

requirements of these travellers. Resorts and convention centres specializing the MICE, infact provide special training to their staff for handling these business travellers and their equipment like beamers, projectors both movie and overhead, etc.

Other Support Services: There are a variety of services (catering, shopping, entertainment and others) that 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.

Overcoming Challenges For Mice In India

Underlining some of the challenges that operators face for conducting MICE within India, is its large geographical spread which is a hindrance in terms of reach. Add to that, the lack of connectivity of flights and bad roads—basically lack of seamless travel is a problem. “Inadequate sources of English-speaking manpower, limited inventory of rooms in non metros, fewer licensed guides, and lack of honesty towards domestic and international tourists—all these pose a huge problem when it comes to inbound MICE. A strong understanding between the various parties and working hand-in-hand is a pre-requisite for inbound and domestic MICE. Singh adds, “The tourism boards, airlines, hotels, transporters and tourist organizations—all need to work together to reach out to the MICE client rather than working against each other. Lack of infrastructure has been the greatest challenge for the growth of MICE Tourism in India. The country is in need of an additional convention facilities for both large as well as small meeting spaces. Additionally, in order to seize the current opportunities, newer all-inclusive destinations and MICE hubs must be planned and structured in a futuristic manner. MoT, together with the Centre, needs to rehash and promote India's image as a premier MICE destination overseas through prominent media and publicity campaigns. At the same time, the government should also roll out strict measures in place for the safety and security of the tourists and its people alike. The increasing number of criminal offences in India has created a negative impact on the image of the nation. It will be difficult to attract MICE business from abroad with a tanned image. Hence, it is critical to formulate a sound MICE policy and its enforcement.

Conclusion

The MICE tourism has given a new boost to the tourism industry of India and nearly 25 per cent of inbound tourism is more or less related to MICE or business tourism. During recent times the falling rupee has added to the advantages of the MICE segment in India as the cost of holding a business event in India has become a much affordable destination than other Asian countries like Singapore or Malaysia.

India is poised positively on the MICE path! With the expansion in the network of airlines operating on the domestic routes, enhanced tourist surface transport systems including the Indian Railways, new centres of information technology, numerous new convention centres, hotels and resorts that adds that extra touch which goes a long way in winning the hearts of travelers, India is now a preferred MICE destination.

In nutshell, India is flexing its muscles in the MICE sector both as a market (domestic and outbound) and as a destination (inbound). The Indian MICE market is growing rapidly with a strong domestic sector, and a booming outbound traffic. At the same time, with the country's efforts to increase its inbound corporate travel, hotels and convention centres are witnessing massive expansion programmes to make India into a leading corporate meetings destination and hub. While foreign NTOs are making an aggressive bid for the Indian MICE traffic, Indian state tourism boards, venues, hotel chains and MICE operators are also not far behind in growth plans to capture the maximum share.

References

1. M&IT (2015). MICE trends report predicts modest growth for 2015. *Meeting and Incentive Travel Portal, (A Report)*
2. UNWTO (2014). *Global Report on the Meetings Industry*. Vol. 7. (Author)
3. Pandey, A. (2015). MICE tourism: Game Changer for Indian Tourism. <http://www.travelbizmonitor.com>, August 3.
4. Dev, S. (2015, April 15) . Meet in India. *Express Travel World*. (Available from <http://www.financialexpress.com/travel/>)
5. India aggressively tapping MICE tourism market. (2008, Aug 6). *The Economic Times*.
6. In credible India: A credible destination for MICE. Available from <http://www.worldluxurytourism.com/mice/incredible-india-credible-destination-mice.html>
7. <http://www.thehindubusinessline.com/todays-paper/tp-others/tp-editorial-feature/india-an-attractive-mice-destination/article2474162.ece>
8. <http://www.worldluxurytourism.com/mice/incredible-india-credible-destination-mice.html>