

Scope of MICE Tourism as an Emerging Hospitality Industry

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Abstract

In tourism, travelling for business is given an acronym as MICE tourism which stands for Meetings, Incentives, Conference/ Conventions and Exhibitions/ Events. This niche tourism segment- MICE in India especially in Bangalore is booming. MICE tourism helps to motivate the staff to improve the productivity of the company and is gaining popularity in the corporate world. The purpose of undertaking the study on MICE tourism in Bangalore was to understand the present scenario of MICE tourism and to bring out its scope in Bangalore. With the help of the study, it is found that the growth of MICE tourism in Bangalore is 21-40% overall. It is also noted that there are number of companies which are the MICE market segment like IT companies, Banking, Retail, Pharmaceuticals, Hospitality, Food production companies, etc. It has been found that cosmopolitan cities of India like New Delhi, Mumbai, Chennai, Bangalore, Hyderabad, Cochin and Kolkata are the progressive business centres in the country. Convention tours are been taken up in these cities and other cities like Jaipur, Agra, Kovalam, and Goa offers exciting MICE business.

Keywords: MICE, Conference Destination, Professional Conference Organizers, Foreign Exchange Earnings

1. INTRODUCTION

MICE tourism is a niche segment in tourism market, which has abundant potential and is gaining significance worldwide due to the growth of business tourism. It has target market of business clients traveling for various types of meetings. It acquired the acronym MICE which stands for:

M- Meetings (all types of professional meetings arrangements)

I- Incentives (organizing of Incentive tour/ travel for corporates)

C- Conference /Convention (organizing of wide level type of meetings as conferences and all arrangements)

E- Exhibitions/events (organizing of national, global level of exhibitions on various exhibitions grounds)

MICE is also referred to as 'Meetings or Events Industry'. This segment is accumulation of meetings, conferences, exhibitions, business activity, hotels, airlines, cruise lines, various transportation, travel associations, professional conference organizers, entertainment industries, tourism boards and professionals. The travel sellers specializing in MICE are usually affiliated with large corporate agencies because it requires advance planning and organization. There are Conventions and Visitor Bureau (CVB), India Convention promotion Bureau (ICPB), Destination Marketing Organization (DMO), Network of Indian MICE Agents (NIMA), MICE India and Luxury Travel Congress (MILT), etc. which are working for the promotion of MICE in India [1].

1.1 Need of the Study

The study was undertaken to understand the scope of MICE tourism as an emerging Hospitality Industry in Bangalore. The study was conducted to analyze the potential market for MICE tourism in Bangalore. As the city is an IT hub, it

created the image of a popular destination for business tourism where the term MICE are used very often.

1.2 Objectives

- To study the present scenario of MICE industry in India
- To analyze the potentiality of MICE Tourism in Bangalore
- To know about the working pattern of various MICE companies in Bangalore

2. LITERATURE REVIEW

The MICE segment is a very profitable industry, statistics point to the fact that the average MICE tourist spends double the amount of the other tourist expenditures. People have gathered to attend meetings, conventions and expositions (exhibition) since the ancient times, mainly for social, sporting, political or religious purposes. As cities became regional centers, the size and frequency of such activities increased and various groups and associations set up regular expositions [2].

The incentive meeting of MICE continues to experience rapid growth as meeting planners and travel agents organize corporate incentive travel programs to reward employees for reaching specific targets. Incentive, trips generally vary from three to six days in length and can range from moderate trip to an extremely lavish vacation for the employee and his/her partner. The most popular destination for incentive trips is Europe, followed closely by the Caribbean, Hawaii, Florida and California [3] and now many other destinations are booming as well. Goa, Kerala, Agra, Rajasthan, Andaman and Nicobar Islands, etc. are the popular incentive tourism destinations in India.

2.1 MICE Tourism in India

MICE tourism in India is continuously growing and increasing its meetings, incentive, conference & exhibition facilities. There has been 15 to 20% of annual growth in the inbound MICE segment with an estimate of Rs. 8500 crores annually. The ranking of India is 31st in global meeting market as published by ICCA (International Congress and Convention Association).

The Union Government has set an ambitious target for MICE INDIA to achieve 2% of the global MICE market share by 2025, from an insignificant current share of 0.5%. Delhi, Chennai, Bangalore and Hyderabad are also among the major cities that had hosted major events. According to panelists, a conference traveler, on an average, spends \$ 1511 a day during four-day stay compared to \$600 spent by an inbound leisure traveler staying for the same duration. As per industry estimates the global MICE market supports 4, 00,000 conferences and exhibitions worldwide, making it an annual US \$280 – 300 billion market [4].

India has a good combination of the infrastructure like accommodation, business-conference facilities and destination attractions. Some cities have a good support facility to hold successful conferences and exhibitions like Bombay Exhibition Centre, New Delhi-Vigyan Bhawan, and Bangalore International Exhibition Centre, Kochi International Exhibition Centre and many business hotels and resorts with all the required business facilities. The Indian railways and airlines are providing a good platform to visit the rich destinations of India for incentive travel. The diverse culture and geography of India is adding to the incentive travel business in India making it one of the emerging incentive destinations [1].

India is also been targeted by other countries for its contribution in their country's market share. As stated by Indiainfoline, India is estimated to generate 6.5 Million outbound luxury and MICE tourists annually by 2020, reinforcing the country's influence as a key source market for MICE and luxury travel, according to figures published ahead of the 5th Annual MICE India and Luxury Travel (MILT) Congress [5].

2.2 MICE Tourism in Bangalore

Bangalore is the globally known much sorted city for business travel in India. Being an IT hub and bestowed with the pleasant weather it has a vast potential of MICE business. Some of the PCO's (Professional Conference Organizers) in Bangalore are Mantra 360, Incarnations, MLR convention, Total Experiencz, Kapricorn promos and events, Event house, Prime Events and Conferences, Mera Events, CIM Global, Dream Craft Eventsetc.

Some of the business hotels in Bangalore are Kandi tree, The Capitol, Gateway hotel, Luciya International, Hotel Mayflower, etc.

Some of the five star deluxe hotels in Bangalore which organize MICE events or activities are The Oberoi, Taj West

End and Residency, Windsor- Sheraton, Ista, The Park, Le Meridian.

Some of the Exhibition and Convention Centres are BIEC- Bangalore International Exhibition Centre. MLR Convention Centre, KTPO trade center, etc.

3. RESEARCH METHODOLOGY

The research methodology for the study is indicated below:

Table 1. Research Methodology

Research design	Descriptive
Area of work	Bangalore city
Sampling units	Event Organizers ,Travel Agencies, Hotels
Sample size	52
Sample procedure	Stratified Sampling
Data Collection Method	Surveys and Interviews
Data Sources	Primary and Secondary
Research Instrument	Structured Questionnaire

4. ANALYSIS AND INTERPRETATION

The statistical data became organized, condensed and intelligible through classification and tabulation. For close ended questions simple tabulation and calculation was done and descriptive questions were directly analyzed in the findings in the study.

Table 2. Growth of MICE tourism in Bangalore

Variables	No. of respondents	Percentage %
1-20%	04	08
21-40%	18	34
41-60%	14	27
Above 60%	16	31
Total	52	100

From Table 1 and Figure 1 it is found that majority of the respondents around 34% said that the overall growth of MICE tourism in Bangalore is 21-40%. Whereas 31% of them responded that the MICE tourism growth is above 60% in Bangalore. Around 27% of the responded said the growth is 41-60% whereas 8% of them said it is 1-20% only.

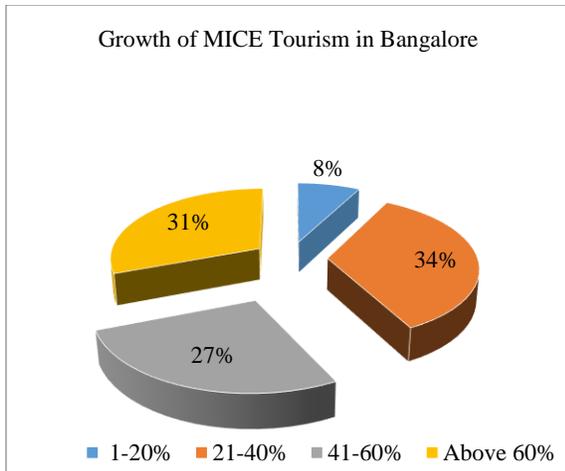


Fig. 1 Growth of MICE tourism in Bangalore

Table 3. Market segment in MICE business

Particulars	No. of respondents	Percentage
Food production	03	06
Medical/pharmacy	05	10
IT companies	15	29
Hospitality/service	08	15
Banking	05	09
Marketing firm	04	08
Educational institution	07	13
Retail industry	05	10
Total	52	100

From Table 2, it is found that 29% of respondents have said that IT companies provides more business in MICE. Hence there are targeted more, 15% responded for hospitality industry, 13% have said for Educational institutions, 10% have said for Medical / pharm, 10% banking, 10% retail industry, 8% marketing firm and 5% for Food production industry.

Table 4. Purpose for travel in MICE

Particulars	No. of Respondents	Percentage
Meetings	03	06
Incentives	10	19
Conferences	19	37
Exhibitions	Nil	00
All of the above	20	38
Total	52	100

Table 3 shows that 38% of the respondents agreed to 'all the components of MICE' are the purpose of travel of tourists whereas 37% of them opted for conference as the purpose. 19% selected incentive and 6% said that Meetings are the purpose of travel in MICE tourism.

5. FINDINGS

The outcome of analysis and interpretation of the study are that majority of the respondents said that the overall growth of MICE tourism in Bangalore is 21-40%. Majority of the respondents think that the present MICE market in Bangalore is highly potential and they promote their MICE business through advertisement in media. IT companies are the market segment of MICE business in Bangalore. It has been observed that majority of the respondents have less than 8 employees in their companies as most of them, were travel agencies.

Companies face difficulties like the communication gap between the organizers and the host while organizing an event. Around 30-40% of foreign tourists are coming for MICE purpose annually in Bangalore. The sources of booking for MICE tourism are through travel agency, tour operator and corporate companies. MICE tourism companies in India focus on both India and International tourists. It has been found that for organizing events, MICE companies collaborate with other organizations like KSTDC (Karnataka State Tourism development Corporation), hotels, event management companies and tour operators

6. SUGGESTIONS AND RECOMMENDATIONS

Based on the observation and findings the following are some suggestions and recommendations for enhancing MICE tourism development in Bangalore and India.

- India should open MICE research institute like Japan to promote MICE tourism in India
- Bangalore government authorities need to motivate local entrepreneurs to develop regions in different forms through exhibitions, fairs and festivals, competitions etc.
- Department of Tourism should give extensive promotion to Bangalore as it will increase the tourist inflows which will contribute to maximum FEE- foreign exchange earnings to economy
- More awareness should be created by the MICE companies for MICE tourism by means of printed publicity, advertisement in media, presentation and seminars
- Modernization of facilities and equipment should be used to cope with the changing trends
- Promotional plans should be created by KSTDC (Karnataka State Tourism development Corporation) for MICE tourism

7. CONCLUSION

MICE tourism is the foremost important aspects of business tourism and has been gaining importance from past few years. Bangalore being the city for all seasons in south India has great potential of MICE tourism as it is also an IT hub. Corporate travelers opt for MICE tours to promote their business which are mostly combinations of business activity and sight-seeing for relaxation. This type of tours helps in expanding of business and networking.

To conclude it can be said that MICE tourism is largely associated with business travel and is rapidly expanding. New Delhi, Kolkata, Mumbai, Chennai, Hyderabad and Bangalore are the major business activity hub in the country. Mostly foreign tourists are coming for MICE purpose yearly which contributes to maximum FEE- Foreign Exchange Earnings to economy. Hence a lot of promotional and developmental activities to be concentrated for MICE tourism in Bangalore by concerned authorities. MICE travelers expect a high level of comfort, hassle free movements and value for money experience. MICE planners do not go by brochures but their own experience and feedback from other people in the industry. Bangalore being an IT hub can prosper in the field of MICE by giving attention to the areas like accommodation, transportation, events, business facilities etc.

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