

Growth Prospects and Crisis Management in MICE Industry: Case Study of Thrissur, Kerala

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Abstract

Over the past few decades, MICE industry has been recognized as a segment that contributes to the national economy. It not only help the economy by generating income but it creates a huge employment opportunities. As it is in a developing stage and is bound with crisis, hence understanding crisis management will help in the growth of MICE industry. Thrissur has its potential to come up as a MICE destination. Understanding the opportunities and barriers affecting the growth will help to promote Thrissur as a MICE destination. The aim of this research was to study the growth prospects and crisis management in MICE industry impacting Hospitality and Tourism in Thrissur, Kerala. The research helped in analyzing the growth and future prospects and helped the researcher in understanding the MICE industry. Analytical and descriptive method was used to find the growth opportunities and barriers affecting the growth of MICE industry. An exploratory study was done with the help of questionnaire and interaction with experts to examine crisis management in MICE industry. Interactions with the executives from the MICE industry has helped researcher to understand the system. The analysis shows that Thrissur has a vast potential to come up as a MICE destination. Crisis management is an integral part of MICE industry; hence this research has drawn ideas to manage crisis in MICE industry. The recommended crisis management framework by the researcher will help the organizers to manage crisis effectively.

Keywords: MICE, Crisis Management, International Congress and Convention Association, World Tourism Council

1. INTRODUCTION

Tourism is one of the fastest growing industries in the world and has shown a significant growth in past few decades. According to United Nations world Travel Organization (UNWTO), the worldwide tourist arrival has shown significant growth from 25 million in 1950 to 1332 million in 2017[1] Among the various type of travel like business, leisure, medical, religious, education etc., business trips are emerging as a new trend in tourism. This has happened because people have started traveling worldwide for attending meetings, conferences, seminars, exhibitions. In a short the MICE (Meetings, Incentives, Conferences and Exhibitions) component in tourism is also called as Meetings Industry.

1.1 MICE Industry

Over the past few decades, MICE industry has been recognized as a segment that contributes to the national economy. According to a new report by Allied Market Research, the global MICE industry was valued at \$752 Billion and is said to reach \$1245 billion in 2023. MICE industry was dominated by meeting segment. It was due to the growth of travel and tourism industry, increase in business travel, and rise in government initiatives for the development of MICE industry. Based on region, Asia Pacific region is expected to grow higher at a growth rate of 8.6%. This region is driven by emerging countries like India, China and Singapore. Europe has dominated the market share by 42% in terms of value [2].

1.2 MICE in India

India is one of the world's oldest civilizations and it has world's largest democracy. India has an impressive history, culture and has amazing wealth of sights, tastes that attracts more people. These all makes India the best destination for business meets. According to the Country and City Rankings, a product of ICCA (International Congress and Convention Association), more than 143 meetings were conducted in India and India were ranked 24th in the total no of participants per country with 70231 participants. India is in 31st position in country of city ranking and climbed from 35th the previous year. Among the Asia Pacific and Middle East countries, India stands on 7th position [2].

1.3 Crisis Management in MICE industry

Crisis management can be defined as the application of strategic designed to help an organization to deal with a sudden crisis. A crisis can happen as a result of unpredictable event or some events that had been considered a potential risk. In order to reduce the risk most of the organization creates a crisis management plan. Any business may run into problem that may affect the operations negatively. Crisis such as fire, terrorist attack, and natural disaster can lead into loss of sales, customers and may result in decrease in income. In India almost a month into GST, hoteliers has complained that there was decline in revenue generation in hospitality industry. There was an overall reduction in MICE booking in hotels across India as compared to previous year. MICE tourism is an important and fastest growing sector in hospitality industry and the government has to do something on this aspect to bring back the growth.

1.4 Aim

To study the growth prospects and crisis management in MICE industry impacting Hospitality and Tourism in Thrissur, Kerala

1.5 Objectives

The objectives of the study are:

- To find the growth opportunities of MICE industry
- To study the present and future prospects (trends) of MICE industry
- To identify barriers affecting the growth of MICE industry
- To study crisis management in MICE industry

2. LITERATURE REVIEW

2.1 MICE Industry

Globally, MICE segment has 54% share and has overtaken the traditional business trip segment. According to the World Tourism Council (WTC), 60% of the tourism comprises of business tourism. According to a new report by Allied Market Research, the global MICE industry was valued at \$752 Billion in 2017 and is said to reach \$1245 billion in 2023. More than 11000 large scale meetings have been organized all over the world as per the report of ICCA (International Congress and Convention Association). In recent report it is said that the leading organizers in terms of meetings conducted are United States and Europe. But in recent times Asia Pacific region has emerged as a new location for MICE activities [3]. Indian incentive group is mature and Singapore aims to provide value added experience through their effective INSPIRE incentive programmes. New Zealand currently organizes many incentive programs to Indian incentive group ranging from 50-150 people. Korea is providing many unique experience and services that is unexplored in Indian market. [4]. In Philippines, the number of arrivals of Indians has reached 100000 and they are expecting a growth of 25% in the next year. It is said that India is the 12th largest source market for inbound in Philippines. The Philippines is presently focusing on MICE segment as it is one of the booming segments from India [5].

2.2 MICE Industry in India

According to the Country and City Rankings 2016, a product of ICCA (International Congress and Convention Association), more than 143 meetings were conducted in India and India were ranked 24th in the total number of participants per country with 70231 participants. India has increased their capacity to hold large conventions with major destinations like Mumbai, Bangalore, Chennai, and New Delhi. India is in 31st position in country of city ranking 2016 and climbed from 35th as it was in previous year. Among the Asia Pacific and Middle East countries, India stands on 7th position in 2016 [2]. India targets to achieve 2 per cent of the total MICE market share by 2025 and now India has 0.5-1 per cent market share. MICE in India is helping to improve the tourism and thereby it adds on to foreign exchange earnings [6].

Few barriers pertaining to MICE industry in India are:-

- Prevalence of high tax structure in India
- Convention Visa
- Non availability of trained manpower
- Carrying capacity of a MICE destination
- Compliance to International Standards

2.3 MICE Industry in Kerala

Kerala, also known as “Gods Own Country” is situated on the tropical Malabar Coast of southern India. Kerala has their unique feature to build its brand entity both nationally and internationally. Despite from the demonetization and new liquor policy, Kerala has registered a growth of 5.71% in tourist arrival. The hospitality industry stays unique in Kerala due to its ethical practices and responsible tourism initiatives. Kerala can be the best destination for MICE activities as it has scenic beauty and other facilities like good connectivity and infrastructure. Organizing meetings and conferences is not a big task now a days. Now the trend in MICE industry is an advantage for Kerala.

Certain factors that will help to promote Kerala as a MICE destination are:-

- Kerala has a strong commercial and export hubs along the coastline
- Lots of scenic attractions

MICE industry in Kerala, the barrier for the growth is mainly due to the competency from Srilanka. Srilanka offers many additional services when compared to the services offered by Kerala. In Kerala, the present excise policy has brought a negative impact and most of the MICE and conference has been shifted to other states or neighboring countries. [7]

Thrissur (formerly Trichur) is a one of the largest city in the central part of Kerala in Southern India. It is known as cultural capital of Kerala, with numerous temples, churches, cultural institutions, art centers, museums etc. The city is located in exact geographic center of Kerala. It has many destinations that are capable of hosting MICE activities. Many of the organizations are into MICE activities and they are proficient of organizing events that makes Thrissur an apt destination for MICE activities. The known places to conduct MICE activities in Thrissur are:-

- Lulu International Convention Centre
- Adlux International Convention & Exhibition Centre
- MCP International Convention Centre
- Thekkinkadu Maidan

3. RESEARCH PROBLEM

MICE industry is a booming industry in the world and is an evolving segment in tourism. As it is in a nascent stage and is bound with forced majeure clause, hence understanding the crisis management will help in the growth of MICE industry. A systematic and investigative study is needed to analyze its development and barriers affecting the growth. Thrissur has its potential to come up as a MICE destination. So knowing the opportunities and barriers affecting the growth will help to promote Thrissur as a MICE destination.

3.1 Methodology

Analytical and descriptive method was used to find the growth opportunities and barriers affecting the growth of MICE industry. An exploratory study was done with the help of questionnaire and interaction with experts (Professionals working in MICE industry) has helped to examine crisis management in MICE industry. Anova one way factor analysis was utilized to analyze the hypothesis.

4. ANALYSIS AND KEY FINDINGS

Table 1. Potential of MICE Industry in Thrissur

Sl. No	Particulars	No of respondents	Percentage
1	Too high	33	52.5
2	High	21	35.4
3	Average	8	13.1
4	Low	0	0
5	Not sure	0	0
	Total	62	100

Table 1 reflects the potential of MICE industry in Thrissur. 52.5% of respondents said that the potential of MICE industry in Thrissur is too high, 35.4% of respondents said that the potential of MICE industry in Thrissur is high and 13.1% of respondents said that the potential of MICE industry in Thrissur is average.

Table 2. Opportunities in MICE Industry

Sl. No	Particulars	No of respondents	Percentage
1	Employment generation	6	9.7
2	Destination promotion	6	9.7
3	Foreign exchange earnings	0	0
4	Local tourism	3	3.8
5	All of the above	47	75.8
	Total	62	100

In the table 2 and figure 1, it's been observed that the opportunities generated by employment generation, destination promotion, foreign exchange earnings, and local tourism is contributing 75.8%. 9.7% opportunities are produced by employment generation and destination promotion. 3.8 % opportunities are produced by local tourism.

In table 3 its been observed that 82.25% of the respondents strongly agree that crisis management is an integral for MICE industry and 17.75% disagree that crisis management is an integral for MICE industry.

Table 3. Crisis Management an Integral Part for MICE Industry

Sl. No	Particulars	No of respondents	Percentage
1	Yes	51	82.25
2	No	11	17.75
	Total	62	100

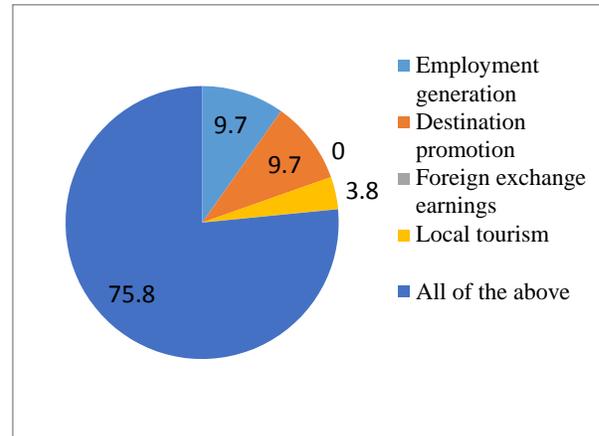


Fig. 1 Opportunities in MICE industry

Hypothesis

Hypothesis was framed to analyze whether crisis-barriers in operation and promotion will affect the development of MICE industry. Anova one way factor analysis was utilized to analyze the hypothesis.

H0: Crisis-barriers in operation and promotion will affect the development of MICE industry

H1: Crisis-barriers in operation and promotion will not affect the development of MICE industry

Table 4. Hypothesis

SUMMARY						
Groups	Count	Sum	Average	Variance		
Crisis	2	62	31	50		
operations	2	62	31	1800		
ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	0	1	0	0	1	18.51282
Within Groups	1850	2	925			
Total	1850	3				

P- Value shows the level of significance of the result. P- Value always lies in between 0 and 1. If p- value is ≤ 0.05 , the null hypothesis will be rejected and if it is > 0.05 , the null hypothesis will be accepted. Here the p-value is 1, which is greater than the significance level of 0.05. So, here in this case the null hypothesis is accepted. i.e. The crisis -barriers

in operation and promotion will affect the development of MICE industry.

5. CONCLUSION

The survey reveals that MICE industry has great scope and opportunity in Thrissur. It was observed that Thrissur has high potential to come up as a MICE destination as 52.5% of the respondent said the potential for MICE industry in Thrissur is very high. Association like ICCA, ICPB, NIMA are important to understand the problems faced by organizers. It was been observed that only few organizations are member of various MICE associations. The barriers affecting the growth of MICE industry in Thrissur are government policies, goods and service tax, liquor policy, lack of support from DTPC (District Tourism Promotion Council) etc. There was no response from the tourism department in Thrissur when the researcher approached them to know more about MICE tourism. Survey was done to analyze whether crisis management is an integral part of MICE industry and 82.75% of the respondents said that crisis management is an integral part of MICE industry. Even though the organizations are aware about importance of crisis management, majority of the managements have no crisis management plan and are not giving any training programs on crisis management to the employees.

6. RECOMMENDATIONS

- Government should work on policies to promote MICE industry
- DTPC (District Tourism Promotion Council), Thrissur should work on strategies to promote MICE tourism in Thrissur
- Thrissur being a tourist spot can be promoted as a popular destination for incentive travel. This will help to promote destinations during off season
- Tourism department in Thrissur should encourage scholars to promote and study in MICE industry
- An association should be formed for meeting industry in Thrissur to promote and develop meeting industry and to support association members for their needs
- A crisis management team can be included in an organisation to study on crisis and to make a crisis management plan in order to control crisis
- Proper training sessions should be conducted for the employees on crisis management
- Table 5 provides a recommended checklist that can be utilized by the organisers to handle crisis effectively

Table 5. Recommended Checklist for Supplies for Production Department

Sl. No	Items/Supplies	Delivered	Not delivered	Person in charge	Signature

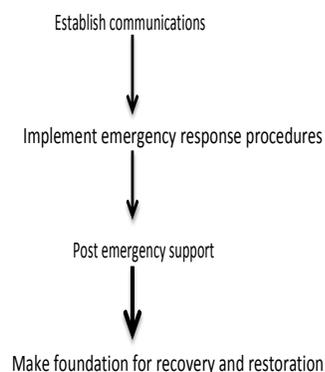


Fig. 2 Recommended Framework during Natural Crisis

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