Attracting Quality Tourist by Understanding Potential Market of Bali as MICE Destination

By Christina Lipuring Tyas Rudatin

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Christina Lipuringtyas Rudatin, Fauzi Mubarak, Annisa Wardhani

Abstract

Bali as a destination that has a target market of leisure traveler and business traveler has become a popular destination that is in great demand both by domestic tourists and foreign tourists for many years. TripAdvisor as one of the travelers' referral information puts Bali as the best destination in 2017. But on the other hand, Bali has never been able to reach the top 30 in the world ranking as a destination for conference activities. The purpose of this study is to analyze which MICE market segments contribute most in bringing quality tourists to Bali. Processed data is secondary data obtained from venue in Bali and PCO and DMC which organize MICE activities in Bali. The results show that the market that holds the most MICE activities in Bali and bring in the most tourists is from the corporate market segment. Thus, Bali can make the corporate market a major target in marketing Bali as a MICE destination.

Keywords: MICE market segment, MICE destination

1. INTRODUCTION

The MICE industry (meetings, incentives, conventions and exhibitions) is one of the main drivers of tourism destination development and also an important revenue generator for local communities, creating jobs and driving investment growth and providing knowledge sharing opportunities, (networking) and capacity building, so the MICE Industry is considered an important driver for intellectual development and enhanced regional cooperation (UNWTO, 2012).

MICE event has the potential to bring business travelers to hold meetings, exhibitions and incentive trips in a destination. Data from the International Congress and Convention Association show they come in large numbers, with spending levels while they are in the host destination of MICE activities is 7 times that of Individual tourist or Leisure Traveler (ICCA, 2012). Table 1.1 shows the types and spending of Indonesian tourists in 2014.

Tabel 1 Type and Total of Tourist Expenditure in Indonesia in 2014

No.	Type of Trip	Expenses per person / per activity (Rp)
1	Meeting/ Trainings	2.637.270
2	Congress	2.304.410
3	Profession/ Business	2.058.270
4	Health	1.992.660
5	Sport/ Art	1.305.430
6	Holiday	636.760
7	Religious	500.380
8	Others	810.070

Source: Pusdatin Kemenpar, 2014

The table above shows that the largest type of expenditure comes from the activities of meetings / training, congresses and professions / business. Meanwhile, according to The Economic Significance of Meetings to the US Economy, 43% of direct business expenditures are for travel and tourism commodities such as food and beverage / F & B, while 57% of other expenditures are used for meeting commodities such as rental venues, meeting planning and production. (Teaching material public paper TCEB).

According to ICCA city ranking statistical report in 2016, Bali is ranked in 40 from 113 countries. Nevertheless, Bali still leads, especially for the holding of meetings, incentives and conferences compared to other cities in Indonesia such as Jakarta and Yogyakarta, it means Bali is still the greatest hope for MICE. Based on ICCA data, the position of Indonesia with Bali as the host destination of MICE event organizers is very potential. However, effective destination marketing strategies are needed so that Bali destinations are able to gain potential market targets to increase the number of MICE activities in Bali as well as increase the number of participants who are quality tourists with greater expenses and longer stay periods than regular tourists. The study was conducted to analyze which MICE market segments contribute most to bring quality tourists to Bali that will be targeted in an effort to win the competition in the marketing of MICE destinations.

2. LITERATURE REVIEW
MICE Delegates as Quality Tourist
Meeting, Incentive, Convention & Exhibition (MICE) industry continues to grow rapidly and has undoubtedly contributed a lot in economics (Bauer, Lambert, Hutchison, 2001). This is possible because delegates or participants of MICE activities are quality tourists who spend much more than ordinary tourists (Dwyer, 2002). International conference delegates are a valuable asset in tourism (Zhang, Leuang, Qu, 2007), they bring tremendous economic benefits to the host destinations through their expenditures on accommodation, transportation, food and beverages and other expenses (Crompton and McKay, 1997; Frechtling, 1999; Oppermann & Chon, 1997). The

economic contribution generated by host destinations becomes even greater as the expenditures of organizers, suppliers and sponsorships can be considered "new money" for destinations (Dwyer, 2002). The economic contribution and image generated by the MICE event has prompted destinations around the world to compete to be selected to host MICE events (DiPietro, Breiter, Godlewska, 2008).

The Characteristic of MICE Market
Conference participants, especially association conferences, generally have membership in some associations and they are unlikely to attend the entire conference opportunity, so they have a wide choice to attend or not attend a conference (Opperman & Chon, 1997; Zhang et al, 2007). Participation in an association conference is voluntary and the participants have their own discretion in deciding to participate in the conference (Mair & Thompson, 2009), unlike the corporate conference participants where attendance is generally based on orders or duties from the leadership (Mair & Thompson, 2009). One of the factors that affect and arise in most of the research results on decision-making to attend a conference is the "Location" factor (Lee & Back, 2007; Mair & Thompson, 2009; Oppermann & Chon; 1997; Var; Chesario & Mauser, 1985; Zhang et.al., 2007).

Destination Attributes
Various studies of the variables that influence the selection of a MICE destination, especially conferences have been conducted (Chacko and Fenich, 2000; Oppermann and Chon, 1997; Var, Cesario and Mauser,

1985), but Crouch and Ritchie (1998) has undertaken research that found the most comprehensive approach to attributes that influence the choice of destinations. According to Crouch and Ritchie (1998) there are 8 attributes that are considered for selection of MICE destinations, namely Accessibility, Local Support, Extra Conference Opportunities, Accommodation Facilities, Meeting Facilities, Information, Site Environment and Others.

3. METHODOLOGY

This research is a qualitative research. Data collection is processed by using the method of documentation is to obtain information derived from important records either from institutions or organizations or individuals. (Hamidi, 2004). For secondary data collection needs, researcher has been collect data from venues, PCO (Professional Congress Organizer), DMC (Destination Management Company) located in Bali and Jakarta. The selection of Bali and Jakarta as data collection is due to the fact that various corporations and associations and PCOs at national and international levels are more domiciled in Jakarta and Bali.

4. ANALYSIS AND DISCUSSION

This study uses secondary data obtained from Bali Nusa Dua Convention Center (BNDCC) as one of the biggest venue for MICE activities in Bali and Pacific World Nusantara (PWN) as incentive travel company in Bali. Analysis conducted in this study includes analysis;

Number of MICE Event
The number of MICE events in Bali in the period 2012 - 2014 has an increasing. In the period of 2012-2013 there is a growth of MICE event about 7.8% (increased by 13 events),

while in the period of 2013-2014 the growth of MICE event is quite significant which is 37% (increased by 66 events)

Figure 1 Number of MICE Events in Bali (Year 2012-2014)
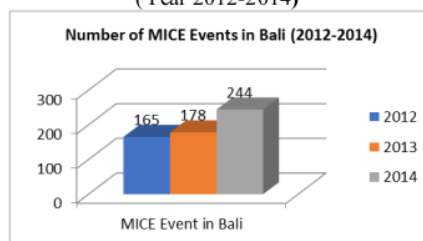
Market Segmentation of MICE Event
Based on Figure 2 it can be seen that the market segmentation of MICE event in Bali comes from association, corporate, government and others. The largest market segment came from corporate (354 events), others (110 events), government (73 events) and association (50 events). Based on these data the corporate and others market segment looks the most dominant.

Figure 2 Number of MICE Events in Bali (Year 2012-2014)
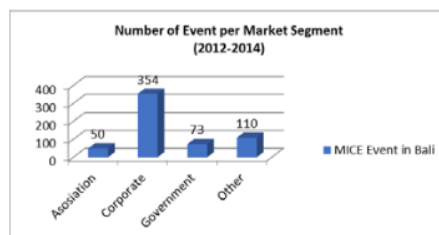
Number of MICE events by market segment
Based on the graph below, corporate events have a tendency to increase the number of events each year, it can be seen that the events in 2012 to 2013 tends to be stable while number of events in 2013 to 2014 is quite significant increases at 27.9%. Then, for market segment of associations,

government and other growth chart of event tend to fluctuation

Figure 3 Number of Events per Market Segment
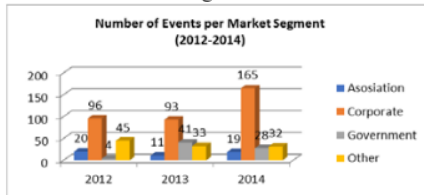
Number of visitors based on MICE market segmentation

Based on the graph below, the corporate market segment contributed to bring in the largest number of participants / delegates. The increase of visitors coming from the corporate segment increased significantly by 22% in 2013 and increased again by 26% in 2014. Meanwhile, the number of visitors from the market segment association, government and others from 2012 to 2014 tend to be fluctuation.

Figure 4 Number of Visitor per Market Segment

Number of visitors by Type of Event

Based on the graph in Figure 5 below, the highest number of visitors comes from the meeting, although the graph of the increase is very fluctuation (increase 252% occurred in 2013, while the decrease of the number of visitors by 58% occurred in 2014). Meanwhile, the growth graph of visitors coming from incentive activities and others is seen to be constant enough to increase every year.

Figure 5 Number of Visitor per Type of Event MICE in Bali
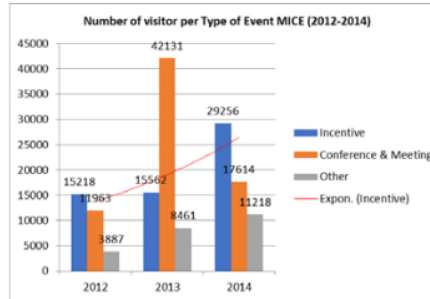
Total Events and Visitors Based on the Origin of Corporate (Corporate MICE Organizer)

Based on Figure 6 it can be seen that companies that often hold MICE activities in Bali are mostly Indonesian companies (190 events in 2 years), followed by Australian companies (39 events), Singapore firms (37 events) and USA companies (33 events). The companies from other countries also contribute to organize MICE activities in Bali though not much.

Figure 6 Number of Event per Country (Corporate Segment) in in Bali
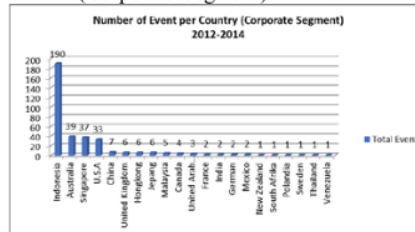
Meanwhile, the largest number of participants / delegates came from Indonesian companies (45204 visitors within 2 years), followed by companies from China, Singapore, USA, Australia, Japan, Hongkong and UK. As for each year consistently sending participants / delegates to attend MICE activities in Bali is Singapore, USA, Australia, Japan, Hong Kong and UK.

Table 2 Number of Visitor Contribution per Country (Corporate Segment) that held MICE Event in Bali from 2012-2014

Country	2012	2013	2014	2012-2014
	Total Visitor	Total Visitor	Total Visitor	Total Visitor
Indonesia	9493	12812	22899	45204
China		2700	4122	6822
Singapore	951	292	2859	4102
U.S.A	1011	200	2285	3496
Australia	894	1054	930	2878
Jepang	160	430	1850	2440
Hongkong	16	51	565	632
United Kingdom	106	105	150	361
Thailand		300		300
Malaysia		9	236	245
Canada	48	190		238
France	150	25		175
India		120		120
New Zealand	95			95
German			75	75
South Afrika	60			60
United Arab Emirates		35		35
Sweden		20		20
Mexico			7	7
Venezuela		6		6
Polandia		2		2

5. CONCLUSION

Based on the results of the analysis, market segment of MICE that most often hold MICE activities as well as contribute most to bring quality tourists is the corporate market segment. The most visitors based on the type of MICE event comes from the holding of a meeting / conference. Meanwhile, countries that can bring the most visitors come from China, Singapore, USA, Australia and Japan. Thus, the implication of this research is that each destination marketer in both central and regional level must be focuses on the corporation market and market of the top 5 (five) countries that bring in the most visitors: China, Singapore, USA, Australia and Japan.

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