

## MICE IN INDIA

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### Abstract

Tourism has been recognised worldwide for being one of the most important contributors to the economic reinforcing activities. The emergence of economic liberalisation and globalisation has resulted in a new form of tourism known as MICE. MICE is an acronym for Meetings, Incentives, Exhibitions and Conventions and is currently supplementing the economic contributions of traditional tourism. MICE tourism has been predicted to have the potential to outweigh the conventional patterns of tourism and that would contribute in even greater volumes in comparison to the traditional tourism industry. Due to this MICE has gained significant attention across the globe. Tourism industry from across the globe has predicted that the world would witness a significant boost in the number of travelers and tourists in forthcoming years. Singapore is a country that generates nearly one third of its income from the tourism. India at the same time has been recorded to generate approximately one percent from the international market through MICE.

### Introduction

The tourism industry has been a significant contributor to the economic development of nations across the world, generating international receipts worth US\$1,260 billion in 2015 (World Travel and Tourism Council, 2016). As per the Travel and Tourism Economic Impact Report (2016), the number of international tourist arrivals in 2015 was recorded to be 1186 million worldwide, representing a year-on-year growth of 5%, an above average growth trend for sixth consecutive year post the economic crisis of 2009. Of this, 14% of international tourist arrivals were cited for business and professional purposes. Business tourism spending

has generated over US\$1106.9 billion in 2015, poised to increase another 3.9% in 2016 and to grow up to \$1658.8 Billion within the next 10 years. From destination specific point, Europe and Northern America held close to 55% of the total market share while the Asian economies commanded over one-third market share in 2015. India has been successful in terms of ensuring that its tourism is well capable of making concrete economic contributions to the national economy, generating substantial employment opportunities simultaneously. The Indian tourism industry has undergone significant transformation post liberalization. In 2015, tourism generated international receipts worth US\$21,013 million, making India the 7<sup>th</sup> largest tourism economy (World Tourism Organisation, 2016). This has resulted in a significant change in the scope, outlook, nature, dimension and concept of tourism in India. While traditional forms of tourism exist in India given its rich cultural, historical heritage and boundless natural scenic beauty, business related travel industry is still in its nascent stage.

The MICE represent a combination of “Meetings, Incentives, Conferencing and Exhibitions” (The International Association of Professional Congress Organizers, 2007); a contemporary form of tourism which is a direct outcome of economic reforms and globalization within India.

While developed countries that have fully tapped the potential of MICE tourism include leaders like USA, Germany, Spain, United Kingdom, all having organized more than 500 global conferences and meetings in the year 2014-15, India ranks 35<sup>th</sup> having organized only 116 global conferences and meetings (MRSS India, 2016). This is significantly low in comparison to China with 332 such conferences while being comparable to Asian countries like Taipei (145), Singapore (142), Malaysia (133) and Thailand (118). For Indian cities, New Delhi ranks 69<sup>th</sup> in the list of world MICE hotspots having organized 35 meetings while leading cities include Vienna, Madrid and Paris with over 200 such meetings. Therefore, it suffices to point out that India has a huge untapped potential in terms of MICE tourism industry.

## MICE in India

Indian subcontinent has been one of the most popular tourist places for people across the globe, due to its rich historical backgrounds and others. India has the opportunity for being a wonderful MICE venue that is equivalent to global tourist standards. The Incredible India Campaign launched by India's ministry of tourism was an important landmark to promote the idea of MICE tourism in India (Ministry of Tourism, 2014). These promotional campaigns were supported by development of superior convention centers, various world class international airports with customized hospitality facility in consideration to the personal requirement and interest of inbound business travelers and tourists as well as by emergence of various five star rated resorts and hotels that have separate, confidential, spacious conference, convention or meeting halls that allow business entities or people to organize their meetings, conventions, exhibitions and incentive travels in the most effective manner.

India is currently linked with approximately 50+ international airlines along with various national or domestic airlines that ensure a convenient connectivity with different parts of the nation and globe as well. Additionally, Indian tourism industry has also been very keen towards ensuring especially the international tourist do not face any language problems, with majority of tourism and travel industry personnel in India being fluent in English. The ministry has also been enthusiastic towards ensuring better domestic railways and land transportation facilities as well as domestic airlines connectivity. The emphasis has also been given over information technology hubs, latest convention hubs, meeting facilities and hotels; India has recently transformed into one of the most important destination considering the MICE perspective. The number of MICE travelers and tourists coming to Indian region has also increased on domestic and international terms. Most of the domestic business class travel towards the sea areas such as Goa as the first preference for their meetings and conventions (John, 2016). There have also been some records that show that some part of the Australian

business community is coming over to Goa for their business trips and conference purposes, which certainly end up being a small vacation (John, 2016).

The India Convention Promotion Bureau (ICPB) was also developed by India's Ministry of Tourism with the sole aim of developing India as a leading international MICE tourism destination (ICPB, 2016). Government of India's emphasis has been consistent in terms of enabling a multiplier economic impact of MICE tourism by allowing synergistic leisure opportunities for inbound travelers to extend their stays beyond business requirements and explore local destinations for health tourism, rural tourism, spiritual tourism, adventure tourism, medical tourism as well as cultural tourism (Wood & Brotherton, 2008). The government of India has initiated plans for further development of Mega Convention Cities in 5 regions of India that can handle small and medium scale conventions. There is also ongoing work in terms of simplification of Conference visa processing as well as introduction of e-Visa facilities (Times of India, 2017). At the state government level, there have been comparable initiatives to promote their respective states and cities as world-class MICE centers, initiating development of world class exhibition and convention complexes with PPP model, inclusion of more heritage sites into UNESCO's list of world heritage sites to gain international familiarity. As a result, Indian cities of New Delhi, Mumbai, Kolkata, Chennai, Bangalore and Hyderabad have developed international MICE tourism oriented centers for conferences, exhibitions, meetings and other business fairs. The capital city of New Delhi is an important MICE center, taking advantage of being the political and corporate hub as well as quick accessibility and international connectivity through a world-class international airport, well developed railways station and a state of the art metro rail services. New Delhi also boasts of international infrastructural facilities, developed in tune with Delhi being the host city for the 1982 Asian Games and 2010 Commonwealth games. Internationally reputed MICE centers in New Delhi include Vigyan Bhawan, Pragati Maidan, Habitat World, The Ashok and Hotel Samrat,

Taj Palace and Taj Mahal Hotel, Park Royal, Hyatt Regency, Inter Continental, ITC Maurya Sheraton and other ITC hotels, Le-Meridien, The Oberoi, The Park Hotel, The Leela Palace and numerous more.

International Scale convention centers are also being established in nearby cities of Noida (India-Expo Mart), Jaipur (B. M. Birla Science Centre, Jaipur exhibition and convention center, ITC Rajputana, Hotel Clarks Amer, Mansigh Towers) and Agra (Mughal Sheraton, Jaypee Palace, Taj View, Holiday Inn, Clarks Shriaz, Hoard Park Plaza); with latter two being already scoring favorably high on international tourists' radar. In parallel, Mumbai also boasts of being an international commercial destination with a strong industrial hub and international connectivity through air and sea. Mumbai is also a currently favored hop-over destination for international travelers in India, especially for leisure and adventure travelers visiting Goa. Mumbai has specialized convention centers in The Taj Mahal Hotel, Hilton Towers, The Leela, Taj Lands End, Renaissance, ITC Hotel Grand Maratha Sheraton, Grand Hyatt, J.W. Marriot Hotel, Taj President, Le Royal Meridien etc. Goa also hosts the international film festival every year that attracts a huge MICE tourism crowd. Southern India has a huge presence in global commerce industry of Information Technology, Electronics, Mining, Automobile, Engineering goods as well as healthcare and Biotechnology. Chennai has internationally accredited MICE centers like Chennai trade center, Le-Meridien, ITC/Park Sheraton/Towers, Connemara Hotel, Taj Coromandel, Chola Sheraton etc. Hyderabad houses the Hyderabad International Convention Center with 5,000 seating capacity, HITEX exhibition center spread over 100 acres, CII-Sohrabji Godej Green Business Centre. In the southern part of India, Kerala is also being promoted as a MICE hotspot due to strong international accessibility through the coastline and favorability by international tourists for health and medical tourism, Ayurveda and spiritual tourism. Kerala has the Lulu convention center while Karnataka has TMA Pai International Convention Centre, both with a seating capacity of over

4000. In eastern India, the city of Kolkata has prominent international convention centers in Science City, International Financial Hub Convention Center, The Oberoi Grand, Taj Bengal, Hyatt Regency, ITC Sonar Bangla. All these centers are well-equipped with features like telephones in rooms, fax, computers and WiFi internet access facilities, tele-video conferencing facilities, multi-level car parking, cyber security as well as hotel security, outdoor landscaping and presence of latest quality electronic equipment such as audio-video projectors, high quality sound systems, mega screens, digital sound recording and editing, videography facilities as well as satellite-enabled network connections.

## SWOT ANALYSIS OF INDIA'S MICE

### Strengths

India enjoys excellent internal connectivity through an efficient system of road, rail and domestic air travel links which has led to the establishment of dominant international commercial hubs and business parks in cities like Gurgaon, Pune, Hyderabad, Jaipur that host global trade fairs and entertainment events. The Travel & Tourism Competitiveness Report (2017) ranked India 10th in terms of price competitiveness of India's tourism sector. Ranking 32<sup>nd</sup> in air transport infrastructure, there are more than 30 International airports with customs and migration facilities well connected to almost every international destination through more than 50 international airline operators (World Economic Forum, 2017). India also enjoys a favorable position in world tourism owing to its natural resources and cultural resources including Taj Mahal one of the Seven Wonders of the World. Ranking 55th out of 136 countries in international openness, India is striving to promote policies like e-visas and visa on arrival. essential for business environment (World Economic Forum, 2017). Several MICE hotspots enjoy leisure infrastructures like modern shopping centers and shopping malls, sports facilities for golf, tennis, swimming.

India enjoys a strong economic position as a global leader in IT-ITES, automobile industry, hardware manufacturing, financial services, engineering and chemical goods, petroleum products and petrochemicals as well as gems, jewelry and textiles (Ministry of Finance, 2017). Presence of banking and financial leaders along with international stock exchange houses as well as Information technology giants, a rising cosmopolitan culture and an urban middle-class demographic with high purchasing power have also contributed to development of India as a natural choice for MICE. Availability of talented and skilled human resources with world-class educational institutions for professional degree programs in management, business, engineering and medical studies have further contributed to development of India as a preferred commercial business destination and by extension MICE. India also offers a great variety of experiential opportunities in terms of village stays, home stays, a rich variety of Mughlai and Awadhi cuisines, international health and wellness centers with spa, yoga and meditation facilities (Ganguli, 2011). India's entertainment industry has received international fame for its film production, artists, costume designers as well as musicians. Bollywood industry remains a crucial point of interest for Non-Resident Indian travelers and enjoys a strong foothold in markets of UK, USA, Canada, Australia, Dubai among others. India's capital city New Delhi boasts of international MICE-oriented infrastructure facilities, having already held two mega international events of the 1982 Asian Games and the 2010 Commonwealth Games have led to the massive infrastructure development. Further the amicable and hospitable behavior of citizens and traditional values such as Atithi Devo Bhava (Guests are equivalent to God) have earned India's hospitality industry highest accolades.

### Weakness

The biggest weakness of India's MICE tourism stems from a lack of trained human resources, specially at supervisory and managerial levels as well as India's language barrier. India scored a low 4.4 on a scale of 10 in terms of human resources, contributed by lower ed-

ucation enrollment rates, staff training as well as ease of finding skilled employees (World Economic Forum, 2017). There is also a lack of mobile network coverage and internet users in India, rendering India very low on the global scale of ICT readiness. The travel and tourism competitiveness index ranks India 104<sup>th</sup> on a list of 136 countries in terms of government's prioritization of travel and tourism industry with India faring worst in terms of total percentage of government budget allocated to tourism and travel expenditures (World Economic Forum, 2017). Also, recent international reports of domestic crimes, terrorist attacks and a weak internal law and order situations have instilled a sense of fear in international travelers and harmed India's international image (Swaine, 2008). There is also a gap in terms of quality hotel accommodations for budget business travelers. There is also a lack of well-developed and affordable public transportation system in cities like New Delhi. Parking facilities at convention centers in busy cities such as Gurgaon, New Delhi and Mumbai remain a big hassle, compounded by road traffic congestion (Raina & Agarwal, 2004). Prevalence of touts, peddlers, hawkers, and beggars also deteriorates destination ambience. Business tourists also face inconveniences in delay of domestic flights and railways. A complex tax structure with numerous levies such as luxury tax, state VATs, Centre VATs, excise and more add to the hassle of business transactions (Lahiri, Mukhopadhyay, Purkayastha, & Rao, 2000). There is also a considerable shortage of ultra-luxury hotels, shopping centers, business suites and a trained hotel staff required by very high net worth business travelers (EquityMaster, 2016). Lack of coordinated marketing and promotional facilities as well as absence of social media and digital marketing facilities by hotels and convention centers further adds to the weekend position. Proper hygiene and sanitation facilities, electricity supply waste management as well as clean drinking water and healthy surrounding even in major cities is an often-cited issue faced by international tourists. A hot and humid climate with elements like unpre-

dictable monsoons and lack of drainage facilities even in modern cities like Mumbai add to the miseries of inbound international tourists.

### Opportunities

While Indian hotel and convention players are eyeing to capture a huge chunk of inbound foreign MICE travelers, Indian business sector in itself is a hotbed of MICE-based outbound travelers. The outbound Indian MICE travelers are expected to be 50 million 2020. This is an opportunistic market for Indian hotels and convention industry. For inbound MICE travelers, India offers a plethora of unique elements in terms of cultural, historical, traditional, spiritual as well as luxurious travel and excursion offerings. The Ministry of Tourism to plan and invest in convention centers in the country. As per the international congress and convention association, the number of international association meetings is growing at an exponential rate, doubling every ten years. In terms of the share of MICE market, India ranks 31st worldwide and supported by an active stance of the central and state governments, it is poised to grow further. The ministry of tourism, state governments as well as private hotel players are undertaking conscious efforts to build MICE facilities, convention and exhibitions centers as well as state of the art conference venues for international and domestic business travelers. There is a huge inflow of Foreign Direct Investment in India's tourism and hospitality sector, totaling US\$10.14 billion during April 2000-March 2017 Department of Industrial Policy and Promotion (DIPP). With the launch of E-Visa scheme by the government of India, the tourist inflow to India will grow even further.

The Indian government has realized the country's potential in the tourism industry and has taken several steps to make India a global tourism hub. The government's opening up of aviation sector for FDI is further likely to encourage international carriers to expand their operations India and improve international and domestic connectivity. This will boost the MICE tourism flow to India. Thus, India can tap into several key opportunistic elements for evol-

ing as a leading MICE destination. These include, offering a rich experiential travel, secondly, offering modern and high-end business meetings, conferences and convention opportunities in a low-price range and lastly being conveniently accessible. With fulfilment of these three, India is poised for a steady growth as a MICE destination.

### Threats

The biggest hurdle standing in the full-scale unveiling of India's MICE market is the country's own international reputation in terms of domestic crimes, social unrest and security. Secondly India's MICE market faces a constant threat of competition from development of world-class MICE centers in neighboring Asian countries such as Singapore (World Travel and Tourism Council, 2016). The insurmountable dominance of European and American MICE markets is another key challenge. India's closest MICE neighbor, China, has positioned itself as an Asian leader in the world MICE market, ranking 8th globally; while comparable Asian economies such as Singapore, Thailand, Malaysia and Indonesia are major competitors of Indian MICE industry (World Economic Forum, 2017). India's domestic licensing systems and red tape-ism adds to the woes of international and domestic convention players. There is also a lack of coordinated and systematic marketing initiative that can boost India as a global MICE hub. International security concerns, post terror attacks in globally renowned cities like Delhi and Mumbai have negatively hampered international visitors. Lack of developmental indicators in terms of health and hygiene facilities, language barriers, as well as city infrastructures of roads, highways and parking structures continue to deteriorate India's brand as a MICE destination. Urban development in cities has not kept pace with modern trends, lending an edge to players like Malaysia and Singapore that have branded themselves as world-class cities. Growing land unavailability and sky-high real-estate prices in tier-I and tier-II cities has made expansion unviable.

## Recommendations and Conclusion

There is a global surge expected in the MICE industry all over the world in the coming decade. Even currently, the MICE industry stands at an approximate valuation of US\$480 Billion. However, India's share of the same is only about two per cent, compared to neighboring MICE destinations such as Singapore that are commanding close to 30 percent of the MICE tourism revenue. Therefore, there is an urgent need for the Government of India to work with a systematic and coordinated policy of promoting, marketing and capturing the inbound MICE tourism revenue. Taking into account India's idiosyncratic strengths, research and training lessons can be drawn from MICE growth experiences of its Asian neighbors, creating roadmap for emulating these growth trajectories in India within the next 5 years. Making India a MICE heaven is not the sole prerogative of the tourism board and will require coordinated policy actions from all stakeholders, including state governments, public and private sector hospitality partners and central ministries such as of urban development and commerce. There is a need to appoint a neutral MICE promotion body to coordinate amongst all such stakeholders by defining their roles and providing expert consultations on the required growth strategy. Use of technology and social media trends should also be incorporated into MICE development strategy for tapping potential customers as well as providing technological facilities such as video conferencing and live feeds, at par with developed MICE nations while facilitating interactive experiences in meetings, conferences, exhibitions and conventions, even from remote locations. Easy integration of technologically-aided navigations such as GPS navigation, real-time update of meetings, conference and exhibition content such as flow of program, speakers' information, uploading presentations, live screening of keynotes and addresses, floor plans and social media marketing of such events can also boost MICE tourism revenue for existing destinations. Similarly, there is a need to train human resources

at all levels in MICE-specific organizational and hospitality skills through focused initiatives and accredited certifications and courses by government bodies.

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