

MICE Business: Strategy Formation Using SWOT Analysis and TOWS Matrix

Case Study: Strategy Formation for MICE Business in terms of Conventions and Exhibitions in Thailand.*

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Abstract

This article aims to study the marketing mix of MICE Business and analysis of the opportunities, strengths, weaknesses, and threats, and also to investigate a case study of MICE Business involving conventions and exhibitions in Thailand. The technique called “TOWS Matrix” is used as a method which yields benefits to MICE entrepreneurs or stakeholders. The analysis for the strategy formation is divided into the following four types: SO Strategy, ST Strategy, WO Strategy, and WT Strategy.

Keywords: MICE Business SWOT Analysis TOWS Matrix

* This article aims to study the marketing mix of MICE Business and analysis of the opportunities, strengths, weaknesses, and threats, and also to investigate a case study of MICE Business regarding conventions and exhibitions in Thailand.

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Introduction

Tourism industries have risen sharply. Tourism Direct GDP (TDGDP) is 5.45% compared to the national GDP. This ratio has increased over time and generated employment in the third quarter of 2015 for approximately 4.45 million people or 11.64% of the country's overall employment. The trade balance was 284.22 trillion THB overbalanced. The value of TDGDP in the third quarter of 2015 totaled 180,361 million THB, while the first and second quarters totaled 170,629 and 194,574 million THB, respectively. Compared to the same quarters of the previous year, the TDGDP increased 21.89%, 27.20%, and 18.12%, respectively. When comparing the GDP proportions of the country evaluated by the Office of the National Economic and Social Development Board (NESDB), the proportion of TDGDP in the third quarter was 5.45% of the country's total GDP. In the second and first quarters, TDGDP proportions of tourism industries were 5.20% and 5.72% of the country's total GDP. Moreover, when including the Tourism Indirect GDP (TIGDP), both the direct and indirect GDP in tourism industries of the first, second, and third quarters equaled 14.50%, 13.81%, and 15.28% respectively. From this it can be concluded that tourism industries have become increasingly important. Compared with the country's economy in general, tourism industries which have a rather high GDP value include accommodations for tourists, food and beverages servicing industries, and county-pacific tourism industries such as spas, Thai massage, etc. (Ministry of Tourism and Sports, 2016). At present, MICE industries are in the public eye and are accepted by many more countries government's as a key mechanism of tourism industries which keep growing steadily and have become important for generation of income and employment in the country. This is because MICE tourists have specific business targets, high purchasing power, and a demand for quality products and services as well as food, drinks, flights, hotels, logistics, domestic travel, etc. These factors are reflected in their average expenses which are 2-3 times higher than that of other types of tourists in general.

In the next five years, MICE Business in Thailand will continue developing because MICE tourists spend three times more than tourists in general do. This will benefit the country's economy, for example, there will be more technology available and more research conducted in many fields such as the motor industry, jewelry, woven crafts, spas, food, etc. Thailand's potential to export products will also grow. In the sphere of the private sectors, MICE Business is approved by a number of organizations such as the Thai Exhibition Association (TEA), Event Management Club (EMC), Creative Management Organization (CMO), etc. These organizations point out that nowadays the proportion of meetings and incentives is at about 50% which will yield an enormous amount of income to the country. Therefore, MICE Business entrepreneurs such as the event organizers, including businesses related to tourism, should make adjustments by developing the potential of personnel in their organization and by helping them to learn faster in order to catch up with the development and growth of MICE Business on an international level. Therefore, it is suggested that the Thailand Convention and Exhibition Bureau (TCEB) hold more training programs for their personnel. Moreover, the data and statistics collection should be systematic and be reported clearly and accurately so that it can be used to plan ways to move MICE Business marketing forward to catch up to the world competition. MICE Business in Asia has played an important role in the tourism industries for the past ten years in Malaysia, Singapore, Hong Kong, Korea, and Thailand. These countries realize the importance of such business and are putting forth effort to raise the standard of their own countries in order to become hosts of important activities in the region. This has brought Asia fame and the region is has become more accepted than it was in the past. This is due to the fact that some Asian countries realize the importance and benefits of supporting the conferences and in the competitions with one another. This can help to improve the conference venues to reach the international standard so as to become destinations of international conferences.

Objectives

1. To study the marketing mix of MICE Business
2. To study the possibilities and analyze the strengths, weaknesses, opportunities, and threats of MICE Business marketing

3. To examine a case study of strategy formation for MICE Business in terms of Conventions and Exhibitions in Thailand.

Marketing Mix of MICE Business

MICE Business prioritizes customers' needs by trying to analyze their needs before designing products or providing MICE services for each group of customers or visitors, using the marketing mix to attract the customers or visitors to purchase the products or services, thereby providing satisfaction to customers. This approach also produces repeat customers and they might pass on their satisfaction to others who will also use MICE Business Services. The MICE Business entrepreneurs will receive the expected profits from the satisfaction of the customers or visitors. In this way the marketing mix of MICE Business is used as a tool with strategies that can influence sales and services, both of which MICE Business needs in order to respond to the needs of the target market. This marketing mix consists of eight Ps which include:

1. Product

This kind of product is an intangible service which is a component of the MICE Business management program. For example, the products of MICE Business can consist of speakers, academic seminars, recreational activities, merchandise displays, conference locations, and facilitations, including the reputation of the particular tourist attractions, quality of food, and modern services and technology of the convention which supports the conference to make it a success.

2. Price

Pricing in this case means quoting for the MICE event program which involves the cost. For example, MICE Business includes the rent paid for the convention; the budget for accommodations, food, and beverages; the payment for registration to receptionists; and the purchasing power of the association's members. Moreover, the collected fees of registration, accommodations, all meals, and tour program result in a high rate. This may cause those participants who have low income to be unable to join the conference. Therefore, the event organizers should remove accommodation fees from registration fees in order to provide an opportunity for the members to choose an economy room, etc.

3. Place

A place is the channel for selling MICE activities. For conference business, a place is where the conference program is disseminated, while for a merchandise expo it means a place for the exhibition of the products.

4. Promotion

Promotion is the way to give information about MICE Business events in order to raise public interest to join the event. The promotion also includes persuading members and others who are interested in participating in the event to join. There are four types of marketing promotion, which are advertising, public relations, sales promotion, and sales by sales assistants. The promotion also includes different kinds of media such as postal services, radio, television, telephone, etc.

5. People

People are considered an important part of a MICE organization. A number of people attending the event can animate the occasion. Moreover, in order for a MICE organization to run smoothly, cooperation is needed between the participants engaging in the activities which the organizer has proposed. Therefore, both the organizer and the participants are key components of MICE Business. For example, in MICE Business, all convention staff, registration staff, and participants are considered the heart of the success of the conference because such business is abstract and is where the organizer and the participants do activities together.

6. Package

A package is a complete flat-rate program of MICE Business which includes accommodations, flight tickets, and travel programs with special offers of which the price is cheaper than by single-item purchase. However, buying a package is suitable for only the participants who join the event from the start to the last day of the event. That is to say, the package does not fit the needs of those who attend the event intermittently.

7. Planning Process

The Planning Process is a plan which is started by analyzing the market and competitors, picking a location, implementing strategies for inviting as many members and interested persons as possible to join the event. The planning process is crucial for the success of MICE Business because the organizer needs to interact with many other sectors. It is also concerned with the ability of the organizer to hold the event in a

convenient and luxurious location which is affordable. This can impress the participants and the sponsors.

8. Post Sale Process

The success of MICE Business occurs when the members, the company's staff, and interested participants who join the event, are satisfied with the event, and want to join the event again. The success also involves the sponsors being satisfied with the event. Therefore, in the end, the organizers should evaluate the satisfaction of those who are involved and schedule a meeting to come to a joint conclusion together with the hotel managers, convention planners, and involved staff about the MICE conference to identify mistakes, problems, challenges, and solutions for the next event to make it smooth and successful.

Probability Analysis: Strengths, Weaknesses, Opportunities, and Threats of MICE

The main objective of MICE Business is to acquaint customers with the benefits of such kinds of businesses which can respond to the customers' needs and provide solutions for the problems.

Probability Analysis of MICE Business

MICE Business tends to have a clear growth opportunity and will probably become a tourism industry which in the future will bring a great deal of income to the country. The marketing factors supporting MICE Business are readiness of the venue and facilities such as conventions, accommodations, an airport, well-funded support by the government with the aim of the country becoming a global MICE Business center, expanding world and domestic economies, and stable politics in Thailand. However, there are still some risks in MICE Business marketing which include competition from countries such as Singapore and Hong Kong who have the potential and viable strategies to run MICE Business. Moreover, the inconvenience experienced during the immigration process such as delays in inspection, tax collection for imported equipment used at conference, etc.

The probability analysis (SWOT Analysis) of MICE Business investigates the strengths, weaknesses, opportunities, and threats in Thailand as follows:

Summary of the Strengths of MICE Business in Thailand

(1) As MICE is a kind of tourism in which visitors travel to specific places to either enjoy or learn, or both, from the event; selecting a venue for a MICE event to provide visitor satisfaction is an important thing to do. A place or an attraction which has cultural uniqueness is a key factor that attracts foreign visitors or organizers to come and use the services. Because of this factor, Thailand must become an art and cultural tourist destination for its various attractions. The country also has a suitable economy and population size together with various kinds of services. Thai style warm-welcoming greetings attract a number of foreign visitors. These strengths contribute to more distinctive advantages of MICE Business in Thailand than those of the neighbor countries.

(2) Thailand has the readiness and in-place standards for the venue. That is, the area is sufficient and there are enough places to meet the demands. Moreover, there are enough facilities such as conference equipment and sport equipment. The readiness includes sound public utilities and suitable service fees when compared to the quality of service that the customers receive.

Summary of the Weaknesses of MICE Business in Thailand

(1) Compared to the future growth opportunities for MICE Business in Thailand, there are not enough staff who are professional and expertized in MICE Business in either service or in practice. At present, the same group of MICE practitioners still work at the international auction. Moreover, MICE Business lacks experts or specialized staff, especially those in medical and scientific fields which are growing markets. This weakness causes Thailand to lose the opportunity to win auctions in specific area conferences.

(2) All kinds of businesses, industries, and organizations have demands for using MICE Business. However, the preparation for training programs for the service assistants or receptionists provided by the government or private sectors don't meet the service standard. This is because most training programs emphasize knowledge only for a particular event and such knowledge does not cover further applications to other areas. Moreover, training programs in English for communication for servicing in national

conferences are not intense enough, compared with other neighbor countries which are Thailand's competitors including Singapore, Hong Kong, and Malaysia.

(3) Marketing plans, advertising, and public relations of MICE Business entrepreneurs who provide venues and MICE Business organizers still do not cover the target groups. Moreover, most staff who support current customers have only one specific skill and lack knowledge in other related fields such as marketing, creativity, etc.

(4) There are only four major convention sites in Thailand that can support international conferences, which are Queen Sirikit National Convention Center; Bangkok International Trade and Exhibition Center (BITEC); International Multi-Purpose Arena, Conference and Trade Complex (IMPACT Arena); and Pattaya Exhibition and Convention Hall (PEACH). This number is considered very small for the entire country. If there were more than four international conferences at a time, there would not be enough convention sites to accommodate the other conferences. Moreover, all four of the convention sites are in Bangkok or nearby and are not in other areas in Thailand. Big cities such as Chiang Mai, Songkhla, Phuket, and Nakhon Ratchasima also do not have locations for major conventions.

(5) A number of small-size convention sites in Thailand lack the readiness to hold a major conference due to the shortage of modern technologies such as video conference systems, hi-speed Internet, and language translation systems.

Summary of the Opportunities for MICE Business in Thailand

(1) It is very important for support to be given by government organizations, private sectors, domestic institutions, and international organizations which continuously promote tourism development in terms of MICE Business including:

(1.1) The government and private sectors supported and promoted Thailand as a center for conferences in Asia in 2008 and also held trade exhibitions in the country as international events, for example, The Motor Show, Orchid Exhibition, etc. Both

sectors also formed a partnership with other countries to increase the number of international major conferences in Thailand every couple of years such as “New Route Asia 2006” of the international airline businesses, “Gastrotex 2008”, “Top CEO” in collaboration with *Business Week Magazine* and *Fortune Magazine*. The idea came from the fact that Thailand had three potential convention and exhibition centers which were able to hold international conferences. The three conventions sites were Queen Sirikit National Convention Center, BITEC, and IMPACT Arena. Each center is was ready and well-equipped with their venues and were complete with modern conference equipment. These conventions sites also serve as a meeting point for businesspersons who enjoyed the facilities and services. The plan was also to enhance businesses, relaxation, and lifestyles which Thailand already has under a global standard.

(1.2) Cooperation between Thailand’s government and Thai Airways International Public Co., Ltd. for seating and advance booking could help develop a good overall image of tourism in the long run because there is high value in the purchasing power of MICE Business.

(1.3) Cooperation between Thailand’s government and private sectors to encourage conferences and trade exhibitions during the low season. Training programs to increase the potential of entrepreneurs to develop MICE Business standards like those of many countries would increase income for the country.

(1.4) Plans to accelerate Thai staff development by providing training programs to expand the potential and readiness for the expansion of MICE Business in the future.

(1.5) Assign marketing representatives who are appointed to work internationally in the following ten countries: Russia, Singapore, Australia, China, Hong Kong, the United States, Canada, India, and Japan to work on marketing with the aim to cover the target markets more effectively.

(1.6) Cooperation between the 20 countries in the Asia-Pacific Economic Cooperation (APEC) transforms regions into economic zones for conferences and trade exhibitions together with trading and investments. Raise the standard of MICE Business to the international level to become competitive with European countries and the United States. MICE Business in the Asia-Pacific region is tending to grow each year as major events once held in Europe and America are now beginning to be organized in Asia-Pacific countries. This results in trading and investment growth in the regions simultaneously.

(2) The market trend of meetings and a trip to Thailand as an incentive supported by a company has reached to over 50 percent of all the MICE Business market shares. Such meetings and trips are scattered in touristic provinces and each business city in different regions of Thailand. This benefits the tourism connectivity market such as Cultural Tourism, Eco-Adventure Tourism, Health Tourism, etc.

(3) Thailand Convention & Exhibition Bureau (TCEB) was founded with a mission to support MICE Business and create clear guidelines for it.

(4) Thailand outmatches other countries in Asia in terms of a lower budget spent on MICE Business. Therefore, there are opportunities for overseas countries to use MICE Business services in Thailand.

(5) Thailand has other types of tourism which can support or connect with MICE Business marketing in terms of culture, nature, or food.

Summary of the Threats to MICE Business in Thailand

(1) The policies which support MICE Business with cooperation between the government and private sectors are not clear. Mostly, they are in a patronizing form which causes private sectors to rely on themselves as much as possible and they need to be adjusted for the strategies to be able to compete with other countries in the region. This is because the cost of living in Thailand is rising and it may cause the customers to change to the services available in other countries.

(2) Some areas of MICE Business are problematic and have become threats to the development of such businesses. For example:

(1) There is lack of readiness at tourist sites. Some tourist sites are undeveloped and decadent, causing visitors to not be impressed or satisfied. Moreover, some sites are unable to support a large number of visitors.

(2) The traffic management in Bangkok and big cities in Thailand is ineffective and does not enable customers to follow the schedule whereas most foreign visitors put much emphasis on punctuality.

(3) There are delays in contacting officers as the number of staff who take care of visitors and the number of visitors are not in a balance.

Case Study: Strategy Formation for MICE Business in terms of Conventions and Exhibitions in Thailand.

The advantages of examining the strengths, weaknesses, opportunities, and threats is done (conducted) to form a strategy for MICE Business using the TOWS Matrix. There are two stages of the operation procedures as follows:

1. Strengths, weaknesses, opportunities, and threats are identified by evaluating the environment in which these aspects can be found. The strengths and weaknesses are done with an internal evaluation while opportunities and threats are done with an external evaluation.

2. The relationships between strengths and opportunities, between strengths and threats, and between weaknesses and threats are analyzed. The analysis results can be divided into four aspects which are SO Strategy, ST Strategy, WO Strategy, and WT Strategy.

Strengths (S)	Weaknesses (W)
S1 There are basic structures and complete, efficient facilities that support the development of strong industries.	W1 Personnel in the industries still lack skills needed for services including those of communication in foreign languages. This is considered a threat to the industries.
S2 There is a standard of quality for the club meetings, trade shows, and international exhibitions which is a global standard.	W2 Using old-fashioned technology causes a negative image which is opposite to the idea of the 21 st Century organization.
S3 There are unique and prominent places which reflect Thainess and Thai traditional culture which can attract customers to use the services.	W3 The industries are located in the tropical zones which consumes a lot of electric power and create pollution for the environment. Moreover, there is no clear policy concerning effective alternative energy.
S4 There are Thai food and culinary services which will help promote Thai cuisine culture to be well-known to foreigners. The products include healthy Thai herbal drinks.	W4 Most of the areas for holding conferences,

	<p>S5 The most areas and the majority of club meetings, trade shows, and international exhibitions in the ASEAN region.</p>	<p>trade shows, and international exhibitions are located in Bangkok and its perimeter areas which are crowded and full of pollution.</p> <p>W5 The number of Research and Development organizations for organizational development remains unclear.</p>
<p>Opportunities (O)</p> <p>O1 The market share of the areas for trade shows and exhibitions are tending to move from Europe into Asia.</p> <p>O2 Trade show and exhibition industries are related to the economic growth in the ASEAN region which continues to flourish. This increases the trust of the consumers in the industries.</p> <p>O3 Power and</p>	<p>SO Strategies</p> <p>S1O1. Focus on attracting more event organizers (customers) in Asia.</p> <p>S5O2. Attract a group of event organizers in ASEAN developing countries following the concept of developing grand and complete areas in the region.</p> <p>- Services with Thai culture, especially Thai food and herbal drinks, served to the participants who join the</p>	<p>WO Strategies</p> <p>W1O1. Welcome Asian customers whose languages are similar to the Thai language such as Laotians.</p> <p>W2O4. Attract event organizers from the Middle East to work in Thailand to create learning processes and knowledge sharing of technology.</p> <p>W5O1. Increase trading partnerships or business fellowships for personnel development</p>

<p>industries' markets in developed countries are turning to developing countries</p> <p>O4 Consumers in the Middle East who have high purchasing power tend to pay more attention to and take care of their health which results in a growing number of trade shows involving healthcare products.</p> <p>O5 Turning to the retirement state, there is a higher demand for travel and attending tradeshows and exhibitions concerning healthcare products.</p>	<p>conferences, trade shows, and exhibitions to attract customers from the Middle East who pay attention to health care and fitness.</p>	<ul style="list-style-type: none">- Use strategies to support trade shows and exhibitions of healthcare products for retired customers without focusing much on modern technology.
<p>Threats (T)</p> <p>T1 A rapid change in technology causes greater complexity in trade shows and exhibitions.</p> <p>T2 There are more trade show holders and exhibition organizers which</p>	<p>ST Strategies</p> <p>S1T5. Increase and accelerate public relations and communication to build trust among the exhibition holders and participants while giving information on political situations that do not affect</p>	<p>WT Strategies</p> <p>W1T1. Try to support personnel, keep researching and developing the organization by providing scholarships for study, etc.</p> <p>W2T3. Create a variety of pricing strategies for</p>

<p>cause them to compete with one another for more participants and representatives.</p>	<p>the events, including the trip to the event and the admission system for participants.</p>	<p>different services, decrease technology advancement to attract more customers, and reduce expectations.</p>
<p>T3 Participants and representatives in trade shows and exhibitions have higher expectations toward the event organizers which causes more pressure and more stress.</p>	<p>S2T4. Encourage sales promotion following the standard provided by conventions to reduce the bargaining power of substitute products.</p>	<p>W4T1. Participate in environmental projects to create ideas for environmental conservation by using less technology and energy and so on.</p>
<p>T4 Rising numbers of large indoor sport centers in the neighbor countries are considered a substitute for trade show and exhibition industries in Thailand.</p>	<p>S3T1. Emphasize differences in business by focusing on selling international conferences and trade shows following the Thainess concept that can be found only in Thailand.</p>	<p>- Use the strategies to support conferences and exhibitions regarding economy and finance to reduce technology use by avoiding participants' and representatives' expectations.</p>
<p>T5 Political conflicts within the country which are ready to break out cause consumers to worry about the security of their life and belongings.</p>	<p>- Provide global quality club meetings, trade shows, and international exhibitions in order to avoid the complications caused by rapid changes in technology.</p>	

	<p>- Make use of available areas and conventions to hold a number of club meetings, trade shows, and international exhibitions in order to meet the demand for holding such events and to avoid competing with others for participants and representatives.</p>	
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Conclusion

From the study of the marketing mix of MICE Business, it was found that it consists of eight components or 8Ps: (1) Product, (2) Price, (3) Place, (4) Promotion, (5) People, (6) Package, (7) Planning Process, and (8) Post-Sale Process. According to the case studies of MICE Business involving conventions and exhibitions in Thailand, marketing principles can be used to analyze the strengths, weaknesses, opportunities, and threats to develop strategies for MICE Business. In order to make it successful, the technique called TOWS Matrix can be implemented as a method for MICE Business entrepreneurs and for the stakeholders to follow in order to create an effective strategy formation.

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