Onnapat Muenpaopong

COLLEGE OF HOSPITALITY INDUSTRY MANAGEMENT, SUAN SUNANDHA RAJABHAT UNIVERSITY







Objectives

- 1. Explain the destination selection criteria for the MICE industry.
- 2. Understand factors influencing decisions of MICE organizers and attendees.
- 3. Understand the decision making criteria of convention organizers and attendees.
- 4. Understand the decision making criteria of exhibition organizers and attendees.



Destination Selection (1/17)

- □ From the organizers' perspective, decision-making factors usually revolve around destinations and service providers.
- □ The destination that best meets requirements of an organizer's customer
- Service providers that are able to provide and have proven records of professional services.
- Attendees, on the other hand, pay more attention to intangible factors that have an emotional impact along with other questions about whether attendance will improve business.
- The decision criteria consist of two important elements, including destination and other related requirements. These two components consist of several aspects MICE companies are looking for prior to short-listing suggested destinations from following perspectives:
 - Professional Convention Organizers perspective
 - Delegates perspective
 - Suppliers perspective
- □ Although leisure and business travels are similar in their basic structure, such as hotels, airlines, etc., both types of travels have different demands



Destination Selection (2/17)

- There are many factors making traveling goals different. However, some MICE business travelers are similar to leisure travelers. Important factors for selecting venues and destinations are as follows:
- สถานที่ Location
- การบริการที่มีคุณภาพและได้มาตรฐาน Quality of Service
- ราคา และความคุ้มค่าของการลงทุน Price/value for money
- จำนวนที่พักหรือโรงแรม และ อุปกรณ์อำนวยความ สะดวกสำหรับการประชุม Capacity of accommodation and meeting facilities
- การเข้าถึงยังสถานที่และจุดหมายปลายทาง Accessibility
- คุณภาพอาหารและร้านอาหาร Quality of food
- หลักเกณฑ์อุตสาหกรรม Compliance with industry Criteria

- มาตรฐานที่พักหรือโรงแรม และ อุปกรณ์ การจัดประชุม Quality of accommodation and meeting facilities
- อินเตอร์เนท Free WiFi
- สถานที่จัดงานสะอาดและเหมาะสม Cleanliness of venue
- สิ่งอำนวยความสะดวกสำหรับการพักผ่อน Leisure facilities
- ชื่อเสียง Reputation
- ความคิดเกี่ยวกับจุดหมายปลายทาง หรือ อุปกรณ์สำหรับการประชุม Perception of the destination/ meeting facility
- ความพร้อมสำหรับงาน Availability

Source: IBTM Meeting Industry report 2013 Europe Focus



Destination Selection (3/17)

Corporate Meetings and Incentive Travels Decision Criteria (1/2)

- Corporate meetings and incentive travel are somewhat similar, if not related, to leisure tourism.
- □ The decision criteria, whether or not it is solely made by companies or through meeting planners (DMCs), are usually based on the perspective of those who will attend and what they need.

	Decision criteria in selecting the destination	 Destination requirements Other related requirements
	Destination requirement	 Supporting infrastructure Rules and regulations etc.
	Selected/preferred	 The destination that past specific requirements

Figure 6.1: Factors Affecting Business Travel Decisions



Destination Selection (4/17)

Corporate Meetings and Incentive Travels Decision Criteria (2/3)

- It is necessary to examine the purpose for the event or the incentive travel in terms of whether it is a reward for achieving goals or a motivational tool for future performance.
- Another important factor affecting meetings and incentive travel decisions is destination image, which serves as the important factor of the host's planning
- The first factor is accessibility and convenience. A highly accessible airport, wellconnected transportation networks and modern infrastructure will give destinations an advantage. Also, location attractiveness can be measured through scenery, culture, history and architecture
- For corporate meetings, availability of meeting facilities also comes into play. There must be enough hotel rooms to accommodate every attendee and meeting rooms that satisfy the company's requirements.
- The level of technology, quality of services and expertise in corporate meetings can also help to identify venues suitable to host meetings.



Destination Selection (5/17)

Corporate Meetings and Incentive Travels Decision Criteria (3/3)

- The next issue is safety/security. The venue must be equipped with safety for exhibitor (company) belongings, and even for personal safety
- Transportation cost is another factor for event organizing decisions. Thus, if the venue can support various channels of transportation, it can increase the possibility of companies participating in the event.
- Climate and geography is also an important factor. If climate or geography of the destination is not good, it might affect other aspects, such as products delivery, or product transfer.
- With corporate meetings and incentive travel, most customers work closely with destination management companies (DMCs) and incentive houses to decide the locations at which they want to organize meetings or reward as an incentive trip.
- □ While DMCs and incentive houses suggest and provide suitable locations based on customer needs, the customer will be the one to select the final location.



Destination Selection (6/17)

Convention Organizer (PCO) Decision Criteria (1/3)

 Regardless of the nature of the decision making process in tendering destinations, sets of qualifications each association is looking for must be fulfilled for a destination to be chosen.

1. Destination Requirements

- 1.1 Supporting infrastructure and accessibility enhancement factors
 - Supporting infrastructure and accessibility enhancement factors include destination support, access, time zones, language barriers, telecommunication infrastructure, economic stability and local staff.
 - □ The most important supporting infrastructure and accessibility enhancement factor should be *destination support*, consist of
 - Financial supports can come in the form of grants or sometimes low-interest loans, a discount for accommodations, airlines, incentive, commission refunds, or simple cash rebates
 - In-kind supports free dinners for delegates, free maps, free city-passes, free transportation costs and free advice and assistance in hosting events of any kind



Destination Selection (7/17)

Convention Organizer (PCO) Decision Criteria (2/3)

- 1. Destination Requirements (cont'd)
- 1.2 Rules and Regulations
 - Desirable rules and regulations include trade union and labor relations, custom regulations, visa requirements, VAT refunds and measures to tackle currency risks
- 1.3 Ambience and Appeal of the Destination
 - The last group of factors influencing convention organizers is ambience and destination appeal that contribute to the total experience.
 - Famous tourist attractions, nightlife, shopping and other leisure facilities are always desirable as they add value to the total experience
 - A destination should also promote its cultural appeal, food, quality of services or weather as other selling points



Destination Selection (8/17)

Convention Organizer (PCO) Decision Criteria (3/3)

2. Convention Requirements

- The destination criteria discussed above are concerned with macro components of a destination's ability to support conventions.
- The next step is to look at other components at a destination that specifically and effectively support a particular convention
 - 1) Membership and non-member base within the proposed destination or location
 - 2) Possibility of getting local speakers
 - 3) Strength of local committee
 - 4) Sponsors
 - 5) Price; cost of renting venues
 - 6) Venue; availability and suitability of venues
 - 7) Strength of the industry related to the topic of conventions or exhibitions
- Cost of renting venues, if not the most important factor, is a main factor Destinations that can provide the most benefit to match event profiles given the budget constraint should have the most benefit.



Destination Selection (9/17)

Convention Attendees' Decision Criteria (1/3)

- The more delegates attending a convention, the more benefit it brings to the organizing association and the host location. four stages of convention attendees' decision-making are:
 - 1) Personal and business factors readiness of delegate personal issue individually
 - 2) Association/conference factors their involvement with the association, peer recognition, professional contacts, personal interaction and the local community
 - 3) Location factors
 - Attractiveness
 - Accessibility
 - 4) Cost factors
 - Monetary transportation, accommodation and registration
 - Non-monetary opportunity costs each delegate has to calculate when attending a convention



Destination Selection (10/17)

Convention Attendees' Decision Criteria (2/3)

- Convention content combined with destination attractiveness and accessibility are among the most important factors organizers and associations focus on to attract attendees.
- □ Attendees can be classified into two types:
 - Member attendees
 - Non-member attendees
- □ Decision criteria of attendees are similar to those of leisure travelers as follows:
 - The **first** stage of decision making is **motivation**. A certain need may be stimulated by marketing media or acquaintances
 - The second stage is information search. This is linked to the attendee behavior, which can be divided into two types.
 - $_{\circ}$ $\,$ The first type is attendees whose goal is to buy products.
 - The second type is attendees who receive information from other sources, which include advertisement, printed media or different promotional channels from the organizer.



Destination Selection (11/17)

Convention Attendees' Decision Criteria (3/3)

□ Decision criteria of attendees are similar to those of leisure travelers as follows:

- The third stage is evaluation of alternatives. Most travelers analyze perceived information and make a comparison to choose the most interesting place. This process is linked with
 - *Pull Factor*, such as whether the venue is interesting or whether the exhibition matches attendee needs,
 - *Push Factor*, such as the attendee's desire to gain more experience or to build network.
- The **fourth** stage is **purchase**. This is a quick process after the above three stages. Factors affecting purchase decisions are price or exhibition unfamiliarity.
- The **fifth** stage is **post purchase**. After the attendee makes a decision to attend the exhibition and gains experience that matches their need or expectation, the attendee will be impressed and willing to attend the exhibition again.



Destination Selection (12/17)

Exhibition Organizer Decision Criteria (1/4)

- □ After decision criteria for the meetings industry, next is factors affecting exhibition destination decisions in the organizer perspective.
- □ In choosing destinations, no clear-cut steps as how it is actually carried out.
- PEOs usually base this procedure on previous experience as choosing destinations is usually done by event organizers and not by buyers or sellers. Possible destinations for events will be dictated and confirmed by market surveys and needs analysis completed earlier.



Destination Selection (13/17)

Exhibition Organizer Decision Criteria (2/4)

- □ Four general criteria tend to influence site selection:
- 1. Attendance Marketing
- □ Attendance marketing is a key factor with a direct impact on the choice of sites to be selected.
 - The aspect includes everything that could affect a decision to attend the show Geographic
 - Exhibition location and transportation networks
 - The type of exhibition and program content
 - Entertainment and tourism options
- For trade shows, desired facilities are airport accessibility, connected transportation networks, adequate local accommodation and friendly policies
- □ The organizer also needs to take into account public relations and services, such as promotional channels through social media.



Destination Selection (14/17)

Exhibition Organizer Decision Criteria (3/4)

1. Attendance Marketing (cont'd)

- □ In terms of timeframe plan for trade shows, meetings, or exhibitions, technology has played an important role in facilitating attendees, such as online registration, direct contact with attendees or even passing on information from organizers.
- Available facilities must meet every intended element in organizing exhibitions and should be easy to control throughout the event from planning, organizing, operating and dismantling.
- □ Moreover, venues that have hosted large exhibitions with proven quality and high standards tend to be at the top of the list.
- Rules and regulations should be on top of the list as they can make or break the overall operation of an exhibition in terms of import & export, taxes & customs, logistics & exhibits and visa requirements



Destination Selection (15/17)

Exhibition Organizer Decision Criteria (4/4)

2. Basic Facility Requirement

- Exhibition halls an appropriate amount of total footage with proper height, floorload capacity, lodging docks storage, ventilation system, utilities, communication system must be suitable for the type of exhibitions
- Public service areas washrooms, ticket booths, registration areas, food service outlets, ancillary services

3. Event Value

The impact of an exhibition on the community hosting needs to be significant enough to allow exhibitions to be held.

4. The Site Visit

□ Site visits can help PEOs identify the overall facility quality as well as a chance to interact and show interest with venue operators.



Destination Selection (16/17)

Exhibition Attendee Decision Criteria

□ The *Criteria involved in evaluation of trade shows to visit* and according to the research, variables can be grouped into three main categories.

1. Perceptions and Information about the Exhibitions

- □ The most important factor affecting attendee decision is their perception and information about the exhibitions.
- □ The information which can draw attendees includes :
 - Type of exhibitions
 - Venues and convenience
 - Reputation and management

2. Marketing Objectives

- Marketing objectives factors include distribution network objectives and product scanning objectives for attendees
- The key to drawing attention is attractiveness and public relations which can access attendees of each industry to expand investment opportunity.



Destination Selection (17/17)

Exhibition Attendee Decision Criteria (cont'd)

3. Perceived Cost Deriving from Attending

- □ Last determinant is perceived cost factors divided into;
 - Relative cost is the outlay needed to send employees directly correlated to the position an attendee has in company.
 - Differential costs come from transportation, accommodation and complimentary leisure activities.







Service Providers Selection

- Service providers or service contractors arebcompanies or persons who provide products or services to organizers and exhibitors to create physical components or environment of exhibitions.
- The criteria consist of 7 issues adopted by organizers for selecting service providers in the MICE industry.
 - 1. past experience
 - 2. service readinessการแนะนำอ้างอิง
 - 3. suggestion and reputation of service providers
 - 4. venue familiarity
 - 5. existing resources
 - 6. Expense
 - 7. membership in the society
- □ Although there are many service providers, those who can work in perfect synchronization with organizers are the most likely to be chosen.



Thailand MICE Brand Study by TCEB

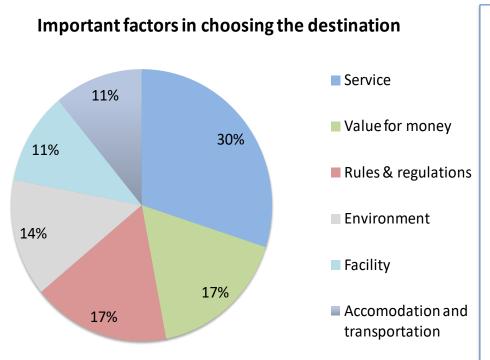


Figure 6.3: Factors in Choosing Destinations

- Service is still the most important factor; includes several aspects such as hospitality, language & communication capability of staff, service and lastly staff competency and professionalism
- Safety and security, under rules & regulations factor is considered as key fundamental aspect for MICE companies when recommending a destination to clients
- Value for money also plays an important role especially in times of an uncertain global economy and many companies cutting back on spending for MICE events



Review Questions

- 1. Explain the destination selection criteria of the MICE industry.
- 2. Give an example of the factor influencing decisions of MICE organizers and attendees.
- 3. Give an example of decision criteria of convention organizers and attendees (one example for each).
- 4. Give an example of decision criteria of exhibition organizers and attendees (one example for each).



Chapter Activities

Observe MICE organizers and attendees, ask them questions, analyze the main factors affecting the organizers and attendees' decision to participate in this event and give an example of the situation.







Objectives

- 1. Understand the meaning of special events.
- 2. Understand types and characteristics of special events.
- 3. Explain the importance and impacts of special events.
- 4. Explain the process of special events and key stakeholders.



Definition

- □ Goldblatt (1990) defined a special event as "a unique moment in time with ceremony and ritual to satisfy specific needs".
- □ Getz (1997) suggested two definitions,
 - A special event is a one-time or infrequently occurring event outside normal programs or activities of the sponsoring or organizing body." and to the customer or guest, a specific event is an opportunity for a leisure, social or cultural experience outside the normal range of choices or beyond everyday experience.
- Shone (2001) definition covers all significant characteristics Special events are that phenomenon arising from those non-routine occasions which have leisure, cultural, personal or organizational objectives set apart from normal activity of daily life, whose purpose is to enlighten, celebrate, entertain or challenge the experience of a group of people.
- Based on these definitions, special event can be summarized as non-routine events or occasions that are not a normal activity, have various objectives and can be organized for several purposes



Special Events





Characteristics (1/3)

According to Shone (2001), special events have typically been grouped into four categories (leisure, personal, cultural and organizational) based on their main objective and context.



Characteristics (2/3)

Leisure Event

- Leisure events, thus, are any special event held for entertainment purposes or involving recreational activities
- They can be organized in both commercial and non-commercial form depending on the objectives.



Personal Event

- Personal events are held to celebrate or commemorate a communal, societal or lifecycle occasion.
- Personal events can be arranged for limited groups invited to a small private birthday party or many people invited to a large, 500-guest wedding.



Characteristics (3/3)

Cultural Event

 Cultural events are special events associated with ceremony, tradition, art or religious aspects as a celebration or culture confirmation and are usually a prominent part of a larger cultural event

Organizational Event

 Almost every organizational activity is part of an organization's events with attendees being members of the same institution or in the same industry







Special Event Components

Event Content/ Main Activity

 Every special event consists of event content or a main activity that can be quite diverse depending on the type or purposes of the special event

Venue

Venues can be either a public or privately owned facility ranging from a hotel meeting room to a public square in a city center.

Host and Organizer of Special Event

- □ The term 'host and organizer' usually refers to those who initiate a special event
- Special event hosts can be an individual, a group of people or an organization who would like to arrange a special event
- Event organizers can be event management companies or event organizers that provide services in organizing an event

Event Participant

- Event participants or attendees, visitors or guests are the most important component in any special event and are the main target audience and reason why it has been held
- □ All in all, to be a special event, number of attendees can range from several people like weddings to over 70 millions people of people like World Expo 2010 at Shanghai



The Key Stakeholders in Special Events (1/2)

□ Organizers usually aim for success when organizing each special event. Stakeholders can be classified as follows:

Event Owners and Organisers

- Event organizers, including companies, government, associations, and non-profit associations
- Destinations or provinces where special events are held (in case of being organized by the government), etc.
- □ Media or advertisements used to promote the events
- □ Supporting organizations from the public and private sectors.
- Regulation and norm setting
- □ Event organizer chiefs, event planners and producers or supervisors

Religious and Cultural Aspect

- □ In each ethnic group, some activities are deeply tied to religion and culture.
- □ These activities are linked with belief and faith of each local community.



The Key Stakeholders in Special Events (2/2)

Political Aspect

Today's politics does not play an important role in organizing special events even though there are some trace of politics-related activities, such as political election events.

Social Aspect

□ The events are organized for a gathering of people, representation of people in the same social groups, either big or small.

Educational Aspect

- □ At present, some countries have organized events to give advice on furthering education
- Special events related to education have been carried out for people to exchange knowledge, such as conferences.

Commercial Aspect

- □ The 20th century is the age of communication technology. The advances of traveling have made our current world more accessible.
- In the commercial perspective, advertisements have played more important roles with the help of communication technology to gain access to the target customers.



Social and Economic Impact (1/4)

Special events can create positive social and economic impacts that benefit communities in terms of employment, income, cultural preservation and community development.

Social Impact

Social impact can be regarded as any consequence to societies, communities or individuals that alter their lifestyle or living conditions.

Improve Social Interaction

All special events whether small or large can enhance social interaction among people participating in the event

Develop Community Cohesion

Special events also develop and increase cohesion within community members. When special events are held in a community social interaction is encouraged by volunteering to help or by joining in on the day



Social and Economic Impact (2/4)

Social Impact (cont'd)

Improve Community Identity and Pride

A tourism attraction promoted to gain recognition for an area or town based on its local special event, can expand social impact in the sense that it creates pride within the community.

Entertainment Variety

Another benefit for society includes providing a variety of entertainment options for residents of the host region. By joining a special event, participants can find new experiences and enjoyment

Even though special events can create positive impact, they can also hurt societies or communities, mostly in the case a special event is badly planned or managed; *overcrowding, traffic congestion, noise pollution and access restrictions*



Chapter 7: Special Events

Social and Economic Impact (3/4)

Economic Impact

- Economic impact benefiting a host economy can be categorized into those having either a direct or indirect impact.
- Direct or primary impact is a new economic gain that comes to the host region and is directly attributed to the special event
- □ *Indirect or secondary impact* is income or economic gain earned directly, but then reinvested within the region.
 - Revenue from Visitor and Organizer Spending Special event income comes from tourist spending, organizer and sponsor expenditure

Employment Opportunities

Special events create job opportunities in the area

Infrastructure and Facilities

Hosting special event can induce significant amount of investment in infrastructure and other facilities, which will be beneficial to the community and economy



Chapter 7: Special Events

Social and Economic Impact (4/4)

Environment Impact

- □ At present, each local community or country has shifted their focus to organizing special events to stimulate the local or national economy.
- Most people tend to think of environmental impact as being negative. However, with good management, the environment can be preserved and the place can continue to organize special events
- □ Examples of good environmental management are as follows:
 - The environment is developed and managed more systematically, for instance, standard transportation to facilitate event attendees, and development of good infrastructure.
 - The environment creates good images to the local community which can boost tourism.



Roles and Importance of Event Management Companies (EMCs) (1/8)

- The clear, solid vision of organizing special event will not happen without an event management company. Event Management Company or sometimes-called event organizer is a professional who provides services in organizing an event from conceptualize and planning process to complete the event.
- Fundamental services EMCs provide will include: planning, marketing, operating and evaluating events.

Event Planning

Before making any plans, precise aims and objectives have to be defined at the beginning, as they are guidelines for planning and controlling other activities.

Operational Planning

In this process, the number of potential total attendees is estimated to plan other components that will be provided. The next task is to manage resources, time, staff and equipment for the event



Roles and Importance of Event Management Companies (EMCs) (2/8)

Event Planning (cont'd)

Financial Planning

First, cost of operating an event has to be estimated with some costs varying depending on attendee numbers. Then a desirable profit will be set while considering a competitive price

Marketing Planning

Marketing an event is key tools that can make people want to attend. A marketing plan has to cope with two issues, marketing budget and timing in operating the campaign.

- □ For event planning, these three scopes of planning should be handled simultaneously since they are interrelated
- □ Another necessary element to help EMCs create an attractive event is creativity.
- Creativity is important because attendees are looking to attend a special event that is new, exciting and different from the last event



Roles and Importance of Event Management Companies (EMCs) (3/8)

Preparing and Operating Events

□ In general, preparation and operation of events includes:

Finding a Venue

Although it might be the starting point in preparation, other operating functions like logistics, organizing food and beverage, equipment and people, should be considered alongside finding the venue

Logistic and Supply Function

Managing logistics and supply functions for an event involves planning, designing and controlling movement of all the resources to the area where required. General logistic for events include:

- Manage event supplies such as tickets, on-site flyers and signage
- Manage the arrival and departure of attendees, flow of people, equipment, suppliers and artists
- Manage catering and drink services



Roles and Importance of Event Management Companies (EMCs) (4/8)

Preparing and Operating Events (cont'd)

Logistic and Supply Function

General logistic for events include: (cont'd)

- Manage technical facilities such as video projections, video conferences and sound reinforcement
- Manage backdrops, staging and lighting
- Manage sound and communications

Human Resource Management

- Managing human resources may include wide-ranging activities, involving long-term strategic development of the event organization. EMCs and event organizers have to assess the labor market, skills required and a possible integration process before performing human resource management tasks.
- Nevertheless, to adopt an appropriate human resource management plan and implementation, all the processes, starting from staff recruiting to designing human resource policies, have to be consistent with the purpose and objective of the event.



Roles and Importance of Event Management Companies (EMCs) (5/8)

Marketing Event (1/3)

Another key function of an event organizer is to market the event starting from defining the target market, designing communication strategy and developing a marketing plan:

Target Market

A first step in marketing events is to know and identify the potential target markets, which refers to the people who will be attending.

Target market information required ranges from age & lifestyle, special interest groups and responsiveness to price difference.

Acquiring information about target markets will help event organizers or marketers choose effective marketing tools and approaches that will attract the correct target customers.



Roles and Importance of Event Management Companies (EMCs) (6/8)

Marketing Event (2/3)

Communication Strategy

Issues for event organizers include activities that will attract the target market, buying habits and the benefits visitors will gain by attending the event.

However, marketing concerns might differ depending on the event type. For example; with a private event, a marketing issue may be how to invite people; for a high profile or very popular public event, the issue may be to control people getting in; for a charity or fund-raising event, getting enough attendees to reach target amounts might be a major concern.

The difference in issues will lead to different tools and medium used to communicate with target markets.



Roles and Importance of Event Management Companies (EMCs) (7/8)

Marketing Event (3/3)

Marketing Plan and Timing

In developing effective marketing plans, event organizers or marketers have to revise event objectives from time to time and conduct an environment analysis on competitive events, stakeholders and circumstances ranging from local conditions to the global economy.

The next step is to prepare a summary of event components, a list of particular product or service mixes the event will need to attract different target market segments.



Roles and Importance of Event Management Companies (EMCs) (8/8)

Evaluating Events

- Once events are completed, an evaluation should be done shortly thereafter, usually no more than one month after the event.
- To get proper feedback, various sources of information can be employed for event evaluation
- □ To evaluate the event, there are two key evaluation issues;
 - Did the event meet its objectives?
 - What can be improved next time?

Evaluating events enable event organizers to identify problems and learn what to improve for the next event.



Review Questions

- 1. Explain the meaning of special events.
- 2. Categorize and explain types of marketing special events.
- 3. Explain the importance and impacts of special events.
- 4. Explain the process and key stakeholders of special events.



Chapter Activities

- 1. Participate in a special event and observe the organizing process.
- 2. If you have a chance to attend a special event, think about strengths and weaknesses of the event. If there are weaknesses, how would you deal with them?



Reference :



A Pillar under:

