Managing Site Selection Factor to Determine Best MICE Destination and Policy Implication in Indonesia

Nining Yuniati[*]

Sekolah Tinggi Pariwisata Ambarrukmo, Yogyakarta, Indonesia

*Corresponding Author: niningyuniati@gmail.com

Article Info

Abstract

Indonesia already has standards in the development of MICE destinations which are a reference for districts/cities, namely Regulation of the Minister of Tourism Number 5 of 2017. In this regulation there are four variables which have several comprehensive indicators which are the requirements for how to create ideal MICE tourist destinations. However, before this regulation was released, many empirical studies had been carried out by world researchers which resulted in several criteria which were then included in existing policies in Indonesia. Using the semi-systematic review method, it can be underlined that in general the number of studies conducted can be grouped into four variables, namely 1) Services including accessibility, HR, and all forms of services 2) Facilities such as accommodation and convention facilities 3) Amenities of supporting facilities such as shopping centers, banking services, and tourist information 4) Attractions, which consist of interesting places, entertainment, recreation, and tourist attractions. These four things later became the fundamental basis for the development of MICE destinations in Indonesia as mandated by the Minister of Tourism Regulation No. 5 Year 2017.

Keywords: destination; tourism policy; MICE; event venue.

INTRODUCTION

Background

MICE (Meeting, Incentive, Conference/Convention, Exhibition) generally has been defined as an industry that organizes meetings which include various events and activities gathering a group of people, managed professionally to produce a number of values, benefits, and achieve certain goals (Giao & Son, 2018). The MICE segment consists of company executives, government officials, businesspeople, association members, and students. The MICE business grows due to the growing needs of the business world which requires people or companies to continue to meet each other to discuss various issues, trends, problems, and dynamic market movements. ICCA (International Congress and Convention Association) recorded until the end of 2017 there were 12,558 meetings, an increase of 346 meetings compared to 2016. This number is the highest annual

record that has ever existed in the last few years recorded by all ICCA members of 168 countries.

Several MICE business advantages have made this industry a leading business in various countries in the world as a high-income contributor (Cristina Bernini et al., 2021; Setyawan, 2018; Trisic & Bojović, 2018). Some of the advantages of MICE are the ability to spend up to six times compared to ordinary tourism, its massive nature because it is able to bring in large numbers of visits at just one event, its ability to move the tourism sector, and its resilience to crises makes MICE an industry that is quite promising economically (UNWTO, 2019). According to UFI The Global Association of Exhibition Industry in 2022 MICE has an economic value of USD 1,563.29 billion with an average annual growth of 7.5% and spending reaching USD 280 Million, MICE promise extraordinary economic value.

According to the ICCA database in 2018 the world MICE industry is highly dominated by countries in the US (941 events) and Europe (Germany (682 events), UK (592 events), Spain (564 events), Italy (515 events)) both from in terms of the number of events and the number of delegates present. In the next ranking after the US and Europe are countries in the Asian Region such as Japan (414), China (376 events), and the Republic of Korea (279 events). At the city level, Paris, Vienna, Berlin, London, Barcelona, Singapore, Madrid, Lisbon, Seoul, and Prague are 10 destinations that are in great demand by delegates as hosts of events (ICCA, 2020).

Seeing the enthusiasm of the delegation's interest in these countries, of course there are factors that influence destinations that cause people to be interested in always being involved in MICE activities in these places. In several studies a person's interest in a destination is strongly influenced by destination image. The image is formed by several attractions from the destination both in terms of things that appear physically such as infrastructure, tourist objects, tourist facilities, climate, and non-physical aspects such as hospitality and service quality. (Castillo-Villar, 2019; Ianeva & Georgieva, 2021; Weru & Njoroghe, 2021).

In some cases, it is true that the choice of destinations for MICE organizers is not always directly related to the attractiveness of a destination or image but rather due to political interests, a periodic rotation system, or direct appointment. The interesting thing is to find the reasons why a destination is attractive as a MICE destination, so that these factors can then be used for the benefit of stakeholders in MICE development activities.

Responding to the dynamic development of MICE, of course Indonesia is also trying to behave by continuously increasing its competitiveness as a MICE destination. The Indonesian government is seizing MICE growth opportunities by preparing several regions so that they have infrastructure readiness to become MICE destinations. Even though the MICE business competition is very tight in ASEAN, the government is trying to prepare 14 destinations as MICE destinations (Medan, Padang, Batam, Jakarta, Solo, Yogyakarta, Surabaya, Bali, Makassar, Manado, Palembang, Mataram, Balikpapan and Bandung). The preparation of these areas certainly considers various factors and ideal criteria for MICE destinations both in concept and regulation. However, Indonesia certainly hopes that many other values will result from MICE besides the economic aspect, such as Indonesia's diplomatic position towards the international community, the impact on expanding promotion and increasing awareness of destination image, investment, and other collaborations.

In the ranking released by ICCA in 2018 it was told that Indonesia was ranked 40th in the world with 89 events, the estimated number of delegates reached 32,628. On a city scale, only Bali is included in the ranking list for MICE destinations, and even then, it is in 62nd place

out of a total of 133 cities that are ranked. In this case, Bali is still ranked lower than Singapore (6th), Kuala Lumpur (14th) and Bangkok (19th), meaning that Bali has tough competition within cities in Southeast Asia.

The most important thing in this case is what exactly are the criteria for a destination to become the best MICE destination, not only in the view of potential delegates but also MICE planners. The rankings made by the ICCA are based on the number of delegations and number of meetings held, so the criteria in the selection and selection of MICE locations are derived from empirical research carried out over the past few decades.

Research Objectives

This research aims: 1) to examine what are the criteria for a best MICE destination 2) see the implications of the policies that apply in Indonesia in making guiding to prepare all the regions able to prepare themselves to become MICE destinations and fulfilled the best criteria.

LITERATURE REVIEW

Process to decide of the Event Venue

Many studies have examined the process of figuring out and selecting a venue for organizing an event. In the article (Crouch & Louviere, 2004a) the process of determining an event venue is carried out in the following stages:
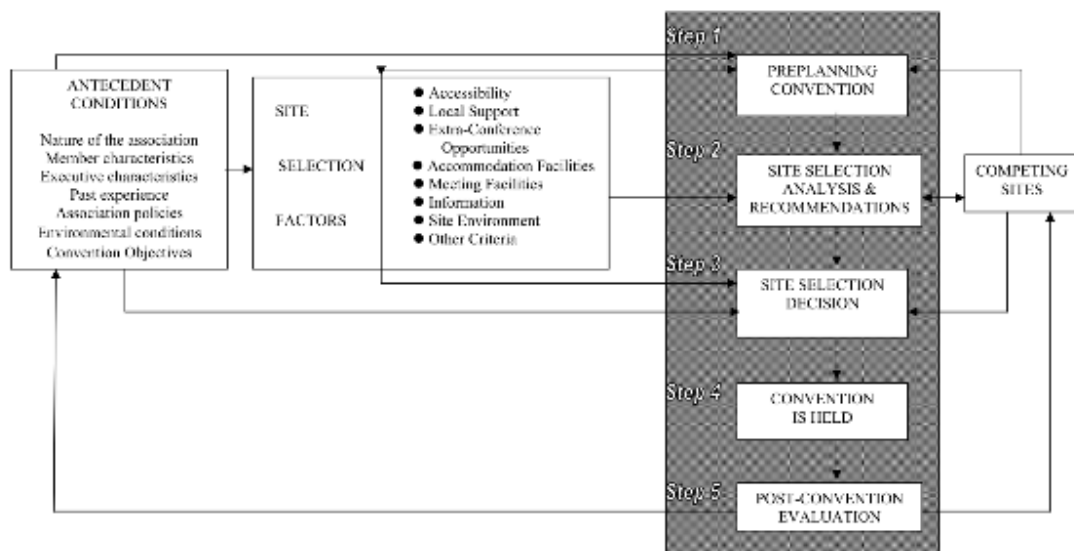

Figure 1. Process in Venue Decision
(Source : Crouch and Louviere, 2004a)

Various Opinion About Site Selection Factor

Based on the results of previous research studies, related to the criteria for a good MICE destination, each researcher basically has its own goals in determining a number of parameters for a MICE destination in the best version. Oppermann (1996) has conducted research in North America on several event planners about

the main considerations of having an event site. According to this study, mention that at least 16 criteria should be ready for destination to be the best host of events: 1) Meeting room facilities, 2) Hotel service quality, 3) Hotel room availability, 4) Clean/attractive location, 5) Safety/Security, 6) Ease of air transportation access, 7) Food and lodging costs, 8) Overall affordability, 9) City image, 10)Transportation

costs, 11) Restaurant facilities, 12) Exhibition facilities, 13) Scenery/sightseeing opportunities, 14) Climate 15) Nightlife, 16) Others.

Meanwhile, Crouch and Ritchie (1998) found the site selection factor by reviewing a number of studies that have been conducted over the last few decades, the results are not much different from what has been found by Oppermann (1996). He found at least eight potential factors might be the predictors how to find the best meeting site: 1) Accessibility (cost, time duration and distance, frequency connection to the site, convenience, barriers such as visas, customs), 2)local support (local chapter, convention center, subsidies), 3) extra conference opportunities (entertainment, shopping, sightseeing, recreation, professional opportunities), 4)Accommodation facilities (capacity, cost, service, security, availability), 5)Meeting facilities (capacity, layout, cost, ambience, security, availability), 6) Information (experience, reputation, marketing), 7) Site environment (climate, setting, infrastructure, hospitality), 8)Other criteria (risks, profitability, association promotion, novelty)

Crouch and Louviere (2004b) at Australia who did research later found 20 criteria which can be addressed as best place for held meetings and conventions (Participant Proximity; Unrestricted Airfare; Best Airfare; On/Off Site Accommodation; Accommodation range; Accommodation rate; Taxi Time; Expected weather; Cost of venue; Food quality; Entertainment Opportunities; Physical Setting; Social/Cultural Setting; Chapter Assistance; Bureau assistance; Exhibition space; Plenary room; Break-out room; Ball room; A/V facilities)

According to Nadkarni and Wai (2007) who did research in Macau, shows that attributes of successful MICE destination should be accommodated at least consists of MICE facilities and lodging; Cost and affordability; Leisure and entertainment facilities; Service quality and professionalism; Infrastructure and accessibility;

Business-friendliness and image; and Government support. Meanwhile, Borghans et al. (2010) who did research at 20 cities in Europe called a vignette approach element of conference preference are: Conference location; Keynote/speaker; Social event; Month; and Venue.

In other research did by Hayat (2011) about several attributes that influenced meeting planner in choosing the destination to held MICE in Orlando US, are: a place that support delegate to bring family and friend, variety of accommodations/venues, easily accessible, quality city-wide transportation, pleasant weather, high quality services, good value to the organization.

Pavlukovic et al. (2011) on the research at Serbia who revealed that element of congress satisfaction factors are: 1) Venue; 2) Organization; and 3) Technical Equipment. While amenities, accessibility, and affordability were another factor of satisfaction as mention by Chiu and Ananzeh (2012). In Indonesia Rukmi et al. (2013) mention that conference site selection should be included in 1) accessibility, 2)accommodation; 3) Meeting facilities, 4) information, and 5) criteria of location and environment.

Other research did by Para and Kachniewska (2014) revealed that factors which influenced planner in site selection of convention and conference are : accessibility by air and by roads, number of first-class hotel or brand name hotels, amount of dedicated exhibit space, choice of restaurants image as a desirable place to visit, reputation for hosting successful events, earlier experience with a destination, safety and security, support services for events overall cost.

Kang et al. (2015) who did research in many Asian Countries such as Bangkok, Hong Kong, Soul, Singapore, Tokyo mention that the competitiveness of international meeting destination should be included at least the criteria: 1) accessibility consists of airline services and on-site transportation, 2)attraction included kind

of shopping activities, nightlife, entertainment, cultural and historical uniqueness, tourism features, 3)Cost (accommodation, transportation, sightseeing, restaurant), 4) environment (climate, social, political stability), 5)facilities (meeting, exhibition, accommodation, recreation, and restaurant), 6) image of the destination, 7)information (experience, reputation, marketing activities), 8)safety and security, and 9)service and hospitality

In the more recent study which was did by Nwobodo (2016) in Malaysia, revealed that factors that influenced destination selection for business event consist of: background of information, accessibilities, information on site, meeting facilities, extra-conference opportunities, site environment, local support, brand marketing, business networking, corporate lobbying. Then Pansuwong (2017) who did research in Thailand, mention that factors attributing to convention destination competitiveness are: 1) tourism resources & attractors, 2) convention infrastructure, 3)Supporting infrastructure, 4)overall host environment, 5)government support & industry cooperation, 6)human resources, 7)service quality, and 8)innovation development.

In a publication did by Joa et al. (2019) as the newest study, it was found that there were at least five groups of factors that influenced delegation decisions. These factors were very comprehensive compared to several earlier studies. The first group is Facilities of Meeting and Convention and Costs (Quality of available accommodation; Choice of the level of hotels (Various Star and Non-Star Hotel); Rates of hotel rooms per night; Availability of meetings facilities; Number of hotel rooms; Overall affordability of the host convention destination; Cost of meetings facilities; availability of exhibition facilities; Cost of exhibition facilities). The second group is Personal influence and reputation (favorable relationships with elected officers, board members of the association; Favorable relationships with international members; Influence of local organization

on the international associations; Active participation at international association's board and committee; Credibility of the chair or members of the local organization; Experience of the chair or members of the local organization).

The third group is Extra activities (Availability of shopping and entertainment; Availability of nightlife; Variety of restaurants). The fourth group (Scientific achievement; Level of scientific achievements of the local hosting organization; Capability of organizing high-quality scientific programs; Opportunities for extra scientific or technical programs) the fourth group is Destination image (Political and economic stability Image of destination; Experience and reputation for their successful hosting events; Previous visit experience to the destination; Financial resources; Sponsorship opportunities from the private sectors; Sponsorship opportunities from the public sectors).

Based on the review, there are several studies discussing the important factors in choosing a site/venue for event organization. Each researcher provides different perspectives and conducts comprehensive analyses of each factor. How these factors can become important considerations in MICE development policies in Indonesia will be examined based on the current regulations.

METHODS

This research is a review from earlier studies and research which is relevant to the research subject. In this case, the subject matter is the various criteria for a MICE destination. Review methodologies known in research are divided into three types: 1) systematic review model for quantitative research, 2) semi-systematic review for qualitative/quantitative research by reviewing the results of earlier studies, and 3) integrative review for qualitative research types. with the aim of producing a taxonomy and a theoretical model (Snyder, 2019). The type of method chosen for this

research is a semi-systematic type which is carried out by exploring the results of research that has existed or related policies. The reason for choosing this type of method is because the material reviewed consists of qualitative and quantitative research.

The steps to be taken in the systematic review method are (1) determining research objectives that lead to efforts to trace existing research results, (2) collecting related research articles, (3) conducting reviews, (4) writing results review in the form of tables or systematic narratives, (5) implementing the results of the research being conducted (Snyder, 2019). The results of the literature review will be useful in deciding policies that are more comprehensive and balanced. In this research, the method is implemented by reviewing several studies that have been carried out and including the main points in a table with a simple narrative as an outline of the results. Then the summary results in the table will be compared with one another and matched with the policies in force in Indonesia.

The review in this paper does not prioritize the number of journals examined but rather focuses on the content analysis relevant to the research subject. The journals were obtained with the help of the Publish or Perish tool and Google Scholar.

RESULTS AND DISCUSSION

The policy on guidelines for organizing MICE destinations was released by the Indonesian government in 2017. When examined in detail, the contents also have the same variables as those that have been studied empirically in several earlier studies. This means that policies have been formulated with reference to empirical research formulations. It makes sense that to be able to develop MICE destinations requires a lot of requirements. However, not all regions understand the criteria for MICE destinations, so that each destination can easily declare their area as a MICE destination. But the rules are not that simple.

It is hoped that this MICE Destination Guideline will provide understanding to the Government, Regional Governments, and other stakeholders to create a destination that meets all the criteria and indicators of a MICE destination that is nationally and internationally competitive, so that the Minister needs to stipulate Guidelines for Destinations for Organizing Meetings, Incentive Travel, Conventions and Exhibition. In general, the policy for developing MICE destinations in Indonesia adheres to four important things, namely 1) Accessibility, 2) Attraction, 3) Amenities, 4) Human resources of MICE & government support.

MICE Accessibility is the main requirement considered important. Ease of transportation access is an important consideration for the delegation. The part of accessibility including airport with international standard and route; cost of flight; flight schedule; frequences of flight; comfortably transit; customs; immigration & quarantine; and airport connectivity.

MICE Attractions are the internal factors of a destination that include various attractions and supporting services which consists of 1) Meeting Facilities & Exhibition facilities included various venues, capacity, layout, ambience, services, and security; 2) Accommodation Facilities included various of accommodation, capacity, price, service quality, and security; 3) Interesting Places included shopping center, restaurant, entertainment, tourism attraction, recreation, and business opportunities.

MICE Amenities or supporting facilities related to image and various needs of the delegation during MICE activities which consist of 1) Environment Situation including infrastructure, police, tourist information center, hospital, money changer, bank, information system, cargo, transportation, hospitality, local culture, price standard; 2) Destination Image including security, destination experience, reputation, social politic stability, economic condition, cleanliness, risks, 3) Destination

marketing activities.

Human Resources of MICE & Government Support related to the availability of human resources and the policy from the government. The first is Professionalism of Human Resources of MICE which consist of PCO (Professional Congress/ Conference/ Convention Organizer); PEO (Professional Exhibition Organizer); DMC (Destination Management Company); EO (Event Organizer); Travel Agent; Transportation Support; Logistic and Freight Forwarder; Vendor MICE; Tourist Guide; Publisher; Catering; Stand Contractor; Art Culture Performance and Other Entertainment Show; Airport authority; MICE Education; Airline. The second is Stakeholder Support which consists of Professional and Industry Association; Destination Marketing Organization (DMO); and Local Government.

Based on the reviews related to the ideal criteria or factors for a MICE destination either set up by Indonesians government of empirical based quietly almost has the same variables and indicators. Material that has been figured out by Indonesia about the MICE policy has adopted several studies that have been conducted before. Although not all cities/regions in Indonesia have complete criteria as MICE destinations, at least several cities that have been prioritized by the government are relatively adequate to become MICE destinations. As well as Jakarta and Bali which were previously listed in the ranking of world-class MICE destinations released by ICCA in from 2018 – 2022.

In general, it cannot be figured out exactly which criteria are the best, but the variables and indicators mentioned in the review above are complementary. If it is to be grouped, it is generally divided into four group namely 1) Services which cover all forms of services such as accessibility, human resources, and all kinds of other services 2) Facilities such as accommodation and convention facilities 3) Amenities or supporting facilities such as shopping centers, banking services, and information

tourism 4) Attraction which consists of interesting places, entertainment, recreation, and tourist objects. Such categorization has been conducted in research carried out by Handyastuti et al. (2023). One thing to consider is that every year there is a shift in delegates' preferences towards MICE destination interests. The role of technology and the ease of the registration process have now also become important considerations (Li & Wang, 2024).

Special for Indonesia, what is already in the Decree of the Minister of Tourism No. 5 of 2017 is very comprehensive, and very relevant to several studies on earlier empirical studies. It is very possible that in the future there will be added or reduced variables or indicators.

CONCLUSION

Based on the review above, it can be concluded that there are quite a few requirements for a destination to be considered a MICE destination. Fundamentally, as told in the Regulation of the Minister of Tourism No. 5 of 2017 there are four things namely 1) Qualified Human Resources in the field of MICE including the support of stakeholders in it, 1) Accessibility, 2) Attractions, 4) Amenities, and 4) Human Resources. All four variables are an absolute requirement for destination management, especially in Indonesia. However, it should be considered that every year there is a shift in delegates' preferences towards MICE destination interests. The role of technology and the ease of the registration process have now also become important considerations.

The attributes attached to a destination as mentioned in the review above are elements that really need to be considered by all parties, especially local governments who want to position themselves as MICE destinations. Each variable and indicator can be tested or studied in future studies, either partially or comprehensively.

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