
Potential Foreign Markets for MICE

In the world market, the Americas and Europe have the greatest MICE demand and supply. On the supply side, both regions have many large and modern conference and exhibition centers. In 1998 and 1999 more constructions and improvements took place. They also have diverse natural beauty and unique cultures. The cities in the Americas and Europe are different and have high tourism appeal.

On the demand side, they spend a substantial amount on MICE. Some MICE activities took place overseas with large expenditures.

3.1 The Americas Market

- **Meetings and Conventions**

In the Americas, the spending at meetings and conventions was as high as US\$ 8.2 billion in 1994. The figure increased by 9% every year until it reached US\$ 112.4 billion in 1999. It is expected to increase to US\$ 122.5 billion in 2001⁹. It can be seen that the Americas spent a great deal of money on meetings and conventions, US\$ 25 billion (31 %) of which was spent overseas.

Table 3.1: The Americas spending on local and overseas meetings and conventions from 1994 to 2001

Year	Conventions in the Americas (Billion US\$)	Overseas Conventions	
		Billion US\$	Billion baht
1992	67.6	20.95	523.75
1994	82.8	25.68	693.36
1998	112.4	34.84	1,289.08
2001	122.5	37.97	1,708.65

Source: SM's Millennium Survey, published January 2000

- **Incentive Travel**

According to the projections made by Society of Incentive Travel Executives (SITE), 5.7 million Americans are offered incentive travels each year, and 1.4 million (a quarter or 25%) traveled abroad.

⁹ SM's Millennium Survey, published January 2000

American incentive travelers find Caribbean cruises, Mexico, London, the Bahamas, Canada, Bermuda, France, Italy, Spain, and Australia to be the most popular destinations¹⁰.

SITE projected that American incentive travelers spent US\$ 10 billion locally and another US\$ 10 billion abroad, totaling US\$ 20 billion. Therefore, the Americas market has very high potential.

According to the Incentive Travel Usage and Impact Study in 1996, the factors contributing to destination selection are 1. Geographical location, 2. Recreational facilities, 3. Sightseeing, and 4. Appealing culture.

- **Facts Obtained from Interviews of Operators**

The obstacle to expansion of the Americas market for Thailand is that most Americans do not know Thailand very well. Although Thailand has everything to offer to tourists, considerable publicity on the country is needed prior to the introduction of programs.

Another problem is the long journey to Thailand. It takes 20 hours to travel from the Americas to Thailand, which is too long for many people. Most incentive travelers prefer short or medium haul trips to long haul trips.

¹⁰ Dr. Adele Ladkin and Joulie Spiller, *The Meetings, Incentives, Conferences & Exhibition Industry* (UK: Travel & Tourism Intelligence, May 2000)

3.2 European Market

- **Meetings and Conventions**

About 2.5% of GDP of each European country is spent on business travels, 31% of which on overseas travels and 1-5% on MICE activities.

Germany is the biggest spender on business travels. Next to it are the U.K. and France.

European taxation is particularly strict. Incentives are included in personal incomes and are subject to taxes. Therefore, giving incentives to employees may wind up causing them some hardship. To assist employees in tax avoidance, European companies organize corporate meetings rather than straightforward incentive travels. Regardless, there are no distinct records of MICE activities in Europe.

- **Incentive Travel**

The U.K. is the European country that spends the largest amount of money on international incentive travel -- around Ecu 450 million in 1997. The following countries are major destinations:

Short-haul incentive travel:	France, Germany, Spain, and Italy
Long-haul incentive travel:	The U.S.A. and the Caribbean (Asia is attracting attention at the moment)

According to the Incentive Travel Usage and Impact Study in 1996, European companies select destinations for incentive travels by the following factors: 1. Budget and costs and 2. Exotic destination.

Travel as incentive to hard work

According to Motiv Force's Incentive Survey of 200 British companies offering incentive travel in 1998, 46% of samples allocated higher budget for incentive travel and another 46% allocated the same budget, 10% reduced the budget.

The findings showed, however, that cash was the most popular form of incentive, not travel, and the latter ranked third. See Table 3.2.

Table 3.2: Use of incentives for Sales and Non-sales staff

Type of Incentive	% Use for	
	Sales Staff	Non-Sales Staff
Cash	58.3	46.9
Gift Vouchers	50.0	44.9
Events	44.4	30.6
Group Travel	33.3	28.6
Merchandise	30.6	14.3
Weekend Break	22.2	10.2
Personal Travel	19.4	2.0

Source: Motiv Force's Marketing Incentive Survey, 1998

● **Facts Obtained from Interviews of Operators**

Most Europeans know Thailand very well and selling the country in Europe does not require a great deal of introduction. Programs can be sold quickly and more attention can be devoted to the programs, prices and management.

The main obstacle in selling Thailand in Europe is the long journey to the country. Europeans prefer to travel within the region because of proximity and because of the strong markets that companies already have there.

3.3 Asia-Pacific Market

In Asia Pacific, Australia and Japan are the major markets. Each year 13.5 million Japanese travel abroad, and this figure is increasing every year. About 2.7 million Japanese (20%) are incentive travelers ¹¹. They can be divided into 3 groups:

- **User Incentive:** This group represents 10%. They are consumers invited to go on a tour to establish company's image or create brand royalty.
- **Channel Incentive:** This group represents 40%. They are sales representatives rewarded for attaining sale targets.
- **Inner Incentive:** This group represents 50%. They are employees rewarded for their good performance.

¹¹ Dr. Adele Ladkin and Joulie Spiller, **The Meetings, Incentives, Conferences & Exhibition Industry**
(UK: Travel & Tourism Intelligence, May 2000)