

Sri Lanka

South Asia's Destination for MICE

(Meetings, Incentive Travel, Conventions & Exhibitions)

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Promoted as the latest destination in Asia for Meetings, Incentive Travel, Conventions and Exhibitions, referred to as MICE, Sri Lanka has today emerged to obtain its share of the regional and international MICE business. From a mere trickle a few years ago, the number of meetings, specially in the professional and corporate fields, including conventions have increased, with the planned marketing strategy adopted by the Sri Lanka Convention Bureau (SLCB).

MICE is up-market tourism with high yields. International statistics identify this segment of the industry as a high spend business, with the average expenditure of a MICE client being at least six times that of a normal tourist.

Development of MICE, apart from bringing enhanced foreign exchange earnings to the country also has other benefits, particularly exposing the country to a totally different class of affluent people, including professionals and business magnates.

Sri Lanka's recorded history bears evidence particularly meetings and conventions being a way of life. From the Anuradhapura period in the 3rd century BC, the emphasis on the construction of audience halls amplifies the commitment, the nation has had to what in today's terms is referred to as one of the most lucrative and sought after businesses in the world.

Sri Lanka's tradition of pioneering major activities and events, has continued even to the 20th century, with the construction of the Bandaranaike Memorial International Conference Hall - BMICH, in the 1970s, the first purpose-built convention centre in Asia. However, it is only recently that Sri Lanka is being identified as an

emerging convention destination in South Asia and even Asia as a whole.

It is interesting to note the different terminology used in referring to this business of conferences, corporate meetings, conventions congresses to mention a few, in various parts of the world, all of which meaning the very same thing. It is on account of this, that internationally this business of conferences, corporate meetings, incentive travel, conventions and exhibitions are now identified as MICE.

The MICE business has grown to such huge proportions, that most countries around the world are paying so much emphasis with the construction of more and more larger and sophisticated convention and exhibition centres. Looking at Asia itself, it is most fitting to note the addition of the so called "Convention City" within Singapore: the "Suntec City" to accommodate upto ten thousand delegates, the expansion of the Convention and Exhibition centre in Hong Kong, and nearer home Nepal has just commissioned their Convention Centre, a gift from China very similar to Sri Lanka's case, and India has made a commitment to build a convention centre in every city, within the next few years.

It is against this background, that this paper on the MICE Industry in Sri Lanka attempts to present an overview of the infrastructure (though still basic), and to identify the potential available. A major task is to identify and understand what this market means and expects, and therefore, the paper is hopeful of enhancing the awareness on MICE. MICE's role in tourism is even more significant, and plays a dual function: firstly, every MICE visitor to the country has a tourism component by way of pre and post conference or event tours, and secondly the MICE visitor, generally ends up returning with the

spouse/family for a holiday, depending on the impressions created in the course of the first visit, which is limited by time.

MEETINGS, CONFERENCES, CONVENTIONS

Basically, there are two distinct types of meetings: a) hosted meetings, eg. governmental meetings including NGOs, and b) revenue generating meetings eg. Association/Organisation meetings and the corporate meetings.

The unwritten rule is that meetings must be self-financing if not, as in most cases, profit generating. In fact, in the case of most associations in particular, conferences are held regularly as a means of generating funds to finance the operations of such associations. The only non-revenue case scenario can be attributed to hosted events be it governmental meetings or other events held for prestige. However here too, although the rupees and cents value is nil, the ultimate impact and exposure of the country to a more affluent strata of people in the world, has its other direct and indirect benefits. This is the reason why most countries opt to host many meetings regularly.

Hosted meetings

These meetings vary from partly hosted to completely hosted events. Nevertheless the exception does exist for delegates, at times of having to register, by paying a registration fee sponsored or otherwise, but the meeting does not generate any funds.

Revenue generating meetings

◆ **Association/Organisation meetings**
Association/Organisation meetings are the most sought after meetings in the world, making a proportion of as much as 70% of the global meetings. These include: medical, agricultural, engineering, law, information technology, scientific, to food, clothing, construction, to mention a few. Of these disciplines, the Medical field is considered the largest producer of Meetings all over the world.

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◆ Corporate meetings

Corporate meetings are those involving the multinationals and large companies where the meeting is either a motivating forum, a product launch, or a gathering to discuss key issues. These meetings are sponsored by the host company/organisation.

Sri Lanka's market share

As an emerging meetings destination, Sri Lanka has the infrastructure (with proper professional training and planning) to be considered as a meetings destination in South Asia.

With a maximum meeting capacity of 1500 delegates in the main auditorium of the BMICH, complemented with a purpose built exhibition centre, the Sri Lanka Exhibition and Convention Centre in the heart of the Fort, with a floor area of 4000 sq m, together with international and local five star hotel properties in Colombo, the south coast and Kandy, Sri Lanka is well positioned geographically to be a value for money destination. The world is growing smaller to both the regional and international traveller with the development of easier and quicker accessibility by air, and increasing number of people are today looking for newer and exotic destinations.

International statistics indicate that most number of meetings fall into the medium size category: 100 to 500 delegates, the next level being 500 + to 2000 delegates, while the mega 2000 to 10,000 category while being significant in its revenue generation is fewer. The share of the market available is enormous and Sri Lanka has today the capacity to handle and service meetings of upto 1000 delegates at any given time, (although, in terms of meeting hall capacity the BMICH can seat upto a 1500 delegates), considering the fact that the infrastructure facilities: hotel accommodation, transport, etc., at any given time is limited, on account of the traditional and regular tourist demands.

The meetings also tend to adopt a pattern in the selection of the months during a calendar year. According to a recently conducted survey, the favoured months in order of preference are: September, June, May,

October, April, and July. This phenomenon is again to our advantage when considering the present trends in the high/low season in the tourist industry. The development of this particular MICE market should help Sri Lanka enjoying healthy year round occupancy levels, and thereby, to eventually maintain a proper hotel room pricing structure.

Market positioning

The more important issue in the MICE industry in general and the meetings market in particular is that people are looking for newer and more exotic destinations. As is the case in most products, countries particularly in Asia, like Singapore, Hong Kong, Philippines and Thailand, to mention a few, are established and have demanded a fare market share over the years, not to mention the question of saturation. It is therefore, opportune, that Sri Lanka gains the position of being Asia's latest MICE destination.

Marketing strategy

The market identified comprises -
a) the Region : Asia Pacific and the Middle east,
b) Europe, and
c) the Americas.

While recognizing the potential available to Sri Lanka, the SLCB's primary function locally, is to create an awareness to particularly the professional associations, organisations, corporates (through the various trade chambers), and all other sectors on the need to be equipped to offer Sri Lanka as a venue for the next or future conference. (A process which is referred to as bidding for conferences).

It is relevant, in this context to note that other than a few governmental conferences, which meet in various venues automatically, by selection, or by rotation, one has to bid for all other conferences. The process of bidding for conferences and thereafter the pursuing action up to the finalising of accounts of the conference, are the areas the Convention Bureau will support and assist. While the SLCB will offer its services in an advisory / consultative, promotional and support capacity, through a network of approved member organisations comprising : professional congress organisers - (PCOs) and professional exhibition organisers - (PEOs), convention / exhibition cen-

tres, conference hotels, ground handling agents (tour operators) and other connected organisations, the complete process of managing and handling of the meeting will be undertaken.

Through the affiliation with international research organisations such as the International Congress and Convention Association - ICCA, headquartered in Amsterdam and the Union of International Associations - UIA, with its headquarters in Brussels, the SLCB maintains its own DATA Base providing information on conferences/corporate meetings where the potential exists for Sri Lanka to bid. This research is in addition to the various trade exhibitions and specific promotions undertaken by the Bureau where contacts have been established with potential buyers.

INCENTIVE TRAVEL

The term incentive itself spells out the nature of this particular segment of the MICE tourism industry. This segment identifies travel as a motivation tool. More popular with the multinationals, or the corporate sector, incentive travel has today emerged as one of the best and most effective ways of recognising and compensating staff, and particularly those in the marketing and sales fields. Today, as awards to high achievers, and those meeting sales targets and for purposes of motivation corporate sector offer a fully paid, all inclusive holiday package. Incentive travel has grown to such an extent that specialised companies, specially in the USA and Europe cater to only this segment of the market.

According to international statistics incentive travel by the very nature of its producer, being the corporate sector itself, as per international statistics, spend on their achievers, on an average, three times more than that what is spent by a Tourist. It's an expense paid account, where only the best is offered and price or cost is not a determining factor. The norm is what is the best that can be offered to my achievers ?

In Asia, major incentive receptive destinations are Singapore, Hong Kong, Thailand, Philippines, Indonesia and Malaysia to name a few. The incentive producers are mainly

from USA and Europe. However, the trend is changing with Asian countries also considering incentive travel.

Incentive travel while being dominated by the time most suitable to the individual corporate, tends to concentrate on the peak tourist periods as it wants the best for its incentive users, and therefore fall in line in most cases with the general trend in the tourist pattern.

Newer exotic destinations are today's product, and Sri Lanka has much to do to tap this aspect of the MICE market. While as a product we have the Resort complexes, sporting and leisure facilities, fauna and flora, perhaps an area we need to develop and concentrate **is being innovative, and creative**. As one major Incentive receptive country colleague mentioned, "you must be able to dream and make your dreams a reality". The tradition of "Kandyan night" or "fisherman's night" while being attractive may need to be further developed and quality enhanced to match up to what the neighbours offer. What matters is what the client wants and not what we want to give the client.

Incentive travel is not a new phenomenon to Sri Lanka. Most tour operators are in fact engaged in the business which has so far been mainly from Europe. Nevertheless, if Sri Lanka is to be identified as an incentive destination a more concerted commitment from the suppliers, specially the resort hotel complexes and the tour operators is required to bring professionalism to this lucrative segment of the MICE market.

EXHIBITIONS

Sri Lanka has been host to many an exhibition. However, it was only recently, that a purpose built exhibition centre was commissioned with the inauguration of EXPO 94. The Sri Lanka Exhibition and Convention Centre - SLECC with a floor area of almost 4000 sq.m further enhances Sri Lanka's stand in the international market place as a destination for exhibitions.

There are two distinct types of exhibitions, the Stand-alone Exhibitions (eg. EXPO 94), and the Exhibitions that are concurrent to a conference (eg. SEARC Computer Congress and Exhibition)

While the addition of an air-conditioned exhibition centre has certainly contributed to the overall image of the country, in today's context, the entirety of the MICE product from convention centre and exhibition centre together with the supporting hotel/s and other services such as shopping, restaurants and entertainment form is referred to as the MICE centre.

It is important to mention that while the BMICH has hitherto been the only major facility offering to some extent, both conferencing and exhibiting services one has to develop and achieve the level of international requirements of space and facilities.

Whilst Sri Lanka being an exotic destination for the holiday makers, it is rapidly emerging as a new destination for incentives and corporate meetings particularly for the South Asia and the Asia Pacific markets.

Developments in the MICE Tourism of Sri Lanka

- a) The Sri Lanka Convention Bureau which functions with the primary objective of promoting Sri Lanka as a destination for MICE tourism, has expanded its strategic marketing plan by focusing on existing untapped potential markets for incentives and corporate meetings such as -
- * Australia, New Zealand and
 - * Middle East

Accordingly, Sri Lanka exhibited for the first time at A I M E '98, (Asia Pacific Meetings Expo '98), with the aim of tapping the Australian MICE industry.

- b) Sri Lanka Convention Bureau will implement a comprehensive training programme in collaboration with PATA European Division, in order to increase the expertise of the MICE industry members.

The Bureau also encourages its members to participate in the train-

ing programme conducted for the Professional Conference organisers (PCO), by the International Association for Professional Congress Organisers (IAPCO). Most of the PCO members in Sri Lanka have already followed this training programme.

- c) Sri Lanka is also emerging as a destination for exhibitions. In fact the India Expo '99 exhibition, focusing on the consumer products will be held in Sri Lanka in May '98, and INTRAD '2000, which is expected to be attended by fifteen countries, including over 60 foreign delegates, at the BMICH. The European Trade fair, which will comprise of over 180 stalls, will have a foreign delegation of 300 participants.
- d) Product upgrades have taken place in various city hotels such as Hotel Lanka Oberoi and Hotel Galadari. In addition, several new resort hotels have been built with MICE facilities in anticipation of tapping the potential, such as Hotel Blue Waters in Wadduwa Taj Exotica in Bentota and Earls Regency Kandy.
- (e) The Bureau has developed promotional material including the production of promotional video films. In fact, a special video on Sri Lanka and the Indian Connection, is being produced at the moment.

The world is focusing on MICE and Sri Lanka, in which marketing and promotional activities are well proceeding to reap the benefits of this high yield business. Nevertheless, it realizes that one cannot measure results immediately. It is certainly a longterm investment, which will yield results in the future.

The enclosed list indicates the international conferences that have been held in Sri Lanka in the past and those which have selected Sri Lanka as the venue for the year 1999/2000. ■