



The Meetings, Incentives, Conferences,
and Exhibitions (MICE) Industry in China:
Residents' Perceptions

中国会展产业发展：居民的感知研究

Zhou Chao

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Preface

This book is based on the doctoral thesis on residents' perceptions of general impacts of meetings, incentives, conferences, and exhibitions (MICE) development. As in other Chinese cities, Hangzhou's MICE policies are primarily determined by the municipal government with comparatively less reference to residents. The research was conducted respectively in 2007 and 2012 after two world leisure expositions were hosted in Hangzhou. However, during the publishing process of the book, the 2016 G20 Hangzhou Summit was also hosted, which brought enormous effects to the MICE industry in the city.

The researcher has found very little prior research into the subject of residents' perceptions of MICE. Nevertheless, as described in the book, there has been increasing competition among cities as each seeks to build conference centres and attract business. Much of the literature reviewed is based on the research into Western cases, but reference is also made to potential differences between China and other places.

Given the lack of previous research in China, the main focus of this book is descriptive and exploratory in nature, but the initial results permit the development of a potential set of causal relationships that are summarised in the main text. This permits a series of four propositions to be examined. It is to be noted that the term 'proposition' is used rather than 'hypothesis'. The latter term implies quantifiable relationships that are thought to exist and that can be tested. The literature review reveals a general deficiency about residents' perceptions of MICE and the Chinese situation, so at this stage it is proposed that a relationship between residents and MICE should be tested.

The propositions include:

Proposition One

Socio-demographic variables have an impact on residents' perceptions of MICE at the city and personal levels, and on evaluations of Hangzhou's MICE policies. In this respect, generally, it was found that socio-demographics were not discriminating variables, and only employment status and a past experience of MICE attendance had some role of significance.

Proposition Two

There will be differences between residents' perceptions of the impacts of MICE policies when the residents' were asked to consider (a) impacts on Hangzhou generally, and (b) impacts on personal daily life. This was found to be generally true, and generally respondents were supportive of MICE policies that generated benefits for the city as a whole.

Proposition Three

There will be differences in perceptions that can be caught in psychometric measurements that will enable different clusters to be discerned, whereby some will be supportive of MICE policies and others less so—such differences being determined by the evaluations of social and environmental costs as against economic gains. In short, there is an inherent tension of the economic, social, and environmental aspects within the current state of Hangzhou as a fast developing city in a fast developing nation. This has proved to be the case.

Proposition Four

A history of past attendance at MICE will be a variable that shapes support for MICE development and evaluations of MICE policies. This was partially supported.

While distinct factors, clusters and the role of past attendance were found, the overall model proposed in Chapter Three, whereby a mix of civic advantages and personal impacts were thought to generate evaluations of MICE policies, was not wholly supported by path analysis.

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Chapter One

Introduction

➤ 1.1 Background

Event tourism is currently a significant sector in the tourism industry and a force in the economic regeneration or micro-modernisation of both the tourism industry and regional economies. Ritchie (1984) wrote that event tourism involves either major one-time or recurring events of limited duration, developed primarily to enhance the awareness, appeal and profitability of a tourism destination in the short and/or long term. The success of these events relies on uniqueness, status, or timely significance to arouse interest and attract attention. Raybould and Fredline (2012) mentioned that one of the most extensively researched areas of special events is their economic impact. Canniffe (1998) and Ryan (1998) also agreed that the nature and impact of events rely on whether the destination is a country as a whole or a particular region, city or town within it. For his part Getz (1989) added that although the majority of events have probably arisen for non-tourist reasons, there is clearly a trend to exploit them for tourism and to create new events deliberately as tourist attractions. Consequently, the significance and success of meetings, incentives, conferences, and exhibitions (MICE) tourism are not unanticipated, for MICE is deliberately engineered by the local, regional and national government as a means of prestige and economic regeneration. As Getz (1991) said, the growing interest in festival and special events is based on events' profitable activities in the community.

According to the International Congress and Convention Association (ICCA) (2013), the number of meetings of international associations between 1963 and 2012 was 173,432; the current ratio of association members to meetings is 1 : 13 compared to 1 : 3 in the 1970s; the estimated total expenditure on all meetings in the ICCA database taking place in the last five years is 56.4 billion USD. The position of international events and especially event tourism is becoming important in the world economy. The ICCA (2013) stated that each year the ICCA figures are anxiously awaited by destinations around the world, all of which compete fiercely for a larger share of this lucrative market. These figures have subsequently increased and in 2008, ICCA estimated that, in 2007, there had been, globally, a total of 6,500 conference sessions, an increase of 800 sessions over the previous year 2006. International event tourism also possesses significant potential for growth. Because of worldwide economic integration, and in spite of the growing use of the Internet, commercial, academic, and governmental needs dictate a growing demand for frequent face-to-face MICE. This need has enabled the industry to get less impact and survive recessions during economic downturns.

Due to the economic impacts brought by MICE, MICE tourism has played a very important role in tourism and economic policy development by regional and national governments. The creation of special events and attractions is increasingly playing an important role in attracting tourists to a local region or community (UNWTO, 2012). Kim, Uysal and Chen (2002) agreed, stating earlier that one of the fastest growing sectors of the tourism industry has been 'event tourism'. As Hall (1992) said, events are being viewed as an integral part of tourism development and marketing plans. Again, to further cite Hall (1992), international events are an opportunity for nations to improve their image in an increasingly market and brand image conscious world. Yet this is not new. According to Armstrong (1986, p. 11), '... the first international exhibition, the Great Exposition of the Works of Industry of All Nations, held in Hyde Park, London, in 1851 was held because, as Prince Albert stated, "It was the only way to out-do the French".'

It has thus become commonplace that events are important success factors for the marketing of tourism and its development (Getz, 1997; Peters & Weiermair, 2000). Consequently, event tourism and MICE management have also become an important

issue. Getz (1997) stated whether an event is organised by professionals or volunteers, corporations or non-profit associations, event management is both an art and a science. According to Yeoman, Robertson, Ali-Knight, Drummond and McMahon-Beattie (2004), the components involved in event management are varied such as financial support, volunteers' motivation, theme selection, and the ability to identify market segments and their needs.

It is therefore not uncommon for the public sector to be responsible for a large proportion of the special events provided for the community, and many local governments now have a substantial and varied events program (Thomas & Wood, 2004). Indeed, in many countries local authorities have someone within their organisation who has the specific role of devising a portfolio of events and conferences and who seeks to encourage the private sector to initiate conferences, conventions and meetings. Yet despite the growth in the importance of such activities and the increasing role of the public sector in providing special events (Shone & Parry, 2001), the public service provision for entertainment, culture, and arts remains a non-mandatory requirement (Borrett, 1991). Furthermore, because of the interest in economic regeneration, research has been dominated by economic impact assessment. Many researchers have focused on the residents' reactions to or a relationship between mega events and the local community. Warnick, Bojanic and Xu (2015) mentioned that most economic impact (EI) studies focus on tourist destinations and long-term seasonal tourism attractions and special events, which by nature are different from permanent attractions. However, there are still gaps in the research such as studies of residents' perceptions of event-related policies and financial and social benefits related to hosting events. This lack of interest specifically exists in the Chinese MICE research area, partly due to the very recent emergence of MICE development in this country. Thus it can be stated that the Chinese MICE industry has been less studied than that of the West. This book attempts to go beyond a narrow economic approach and explore a wider resident perception of MICE tourism with specific reference to a regional centre located in the People's Republic of China.

Visitors attending a convention or exhibition often look for elements beyond the core of the event to complement their experiences. It is common to draw upon local cultures to

provide these attractions because these are specific to an area, and are thereby unique and are thus thought to attract out-of-region visitors (Kim, Uysal & Chen, 2002). Robinson and Phipps (2003) defined what are termed ‘pockets of opportunity’ whereby convention and exhibition delegates increasingly seek to touch, at different levels, the essence of ‘otherness’ communicated through various intercultural mediators such as food, outdoor music, objects, aesthetic signs, and narration.

➡ 1.2 MICE Development

MICE tourism has developed well in the US, Canada, UK, Spain, France and Germany. According to Xinhua News Agency (2003), many international MICE events are held in a few Western economies such as the US, which has the world’s biggest passenger transportation demand and 33.8% of the demand for hotel accommodation (ICCA, 2006). This is also certainly true for Canada, Australia, etc. Whilst Western countries have made large profits from the international MICE tourism market, at present the industry is embryonic in Asian countries. The gap between Western countries and Asian countries is obvious.

Although there is an obvious disparity between Western and Asian countries, the growth of MICE tourism in the Asian tourism market cannot be ignored with its rapid development. According to ICCA (2013), there were two major Asian cities in the ranking of the top ten popular event-hosting cities in 2012 (see Table 1.1)—Singapore and Seoul, while Hong Kong was not on the list.

Table 1.1 Ranking of Top ICCA Event-hosting Cities in 2012

Ranking	City	Number of Meetings
1	Paris	204
2	Madrid	186
3	Vienna	182
4	Barcelona	179
5	Berlin	178
6	Singapore	175
7	London	166
8	Istanbul	146