

THE LEADING COMMUNITY OF CHINA'S TOP TRAVEL BUYERS

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Chinese MICE operators capitalize on opportunities owing to digitalisation

As new digital companies attempt to strengthen their position, and traditional businesses plan to revitalize their business strategy, the MICE business is looking at making the most of this tussle and is witnessing growth as a result.

The pressure on those organizations that have been around for a while is immense, and this has enforced them to strengthen their ties with their stakeholders. One way to do so is to focus on incentive tours or additional conferences and meetings. “In the era of the Internet, when products are (being) frequently updated, the risk (of being replaced or going out of business) is increasing. In order to consistently capture their clients, many companies have to expand their respective marketing spending, which in turn drives the growth of MICE demand,” shared *BaiYang Liu, GM of Shanghai office, Smart MICE.*

With this continuous tussle for staying relevant and forging ahead, the MICE business is benefiting.

Also, as an operator in the MICE business, Liu says the company seeks transparency in regulatory issues and policy making so that one can pre-empt the pulse of economy, performance of various sectors etc. and this in turn helps in targeting and serving organizations and associations from various sectors.

Liu shared that the company’s business mix is as follows: Outbound MICE 30% and local MICE 70%. “(Our MICE customers are based in) Shanghai, Beijing, Shenzhen and Chengdu,” shared Liu.

“With state-of-art technologies, our MICE business will witness the annual growth rate of about 30% over the next 2-3 years,” shared Liu.

More business owing to more players

“The overall MICE demand is growing,” said Liu. In addition to emerging options, for instance, an ecosystem of Tencent’s stature resulting in an influx of players trying to associate themselves around the entire business model of Tencent, some of the struggling sectors are witnessing their respective trade associations taking MICE-related initiatives to keep businesses afloat.

Explaining the same, Liu added, “Though influenced by economic and policy-related factors, the demand among healthcare, government and automotive customers is dropping, that of corresponding trade associations is roaring. At present, the MICE market in China is supported by a variety of industries instead of some particular sectors. What’s more, some emerging industries have favoured MICE, such as the WeChat business operators.”

“The (overall) drivers (of the MICE business) include government authorities including tourist administrations, convention and exhibition bureaus and trade associations. In addition to this, (the business is benefitting from the contribution of) healthcare, automotive, financial services, insurance, direct marketing, FMCG and other industries,” said Liu.

Counting on technology

One of the areas that Smart MICE has focused on is capitalizing on digital technology to not only streamline the entire travel journey of the group but also their core MICE experience.

Citing an example, Liu referred to a tyre manufacturer’s MICE project in Vietnam.

More than 500 visitors visited various locations in Vietnam - Ho Chi Minh, My Tho and Nha Trang – in April and May this year. Be it for taking the hassle out of the check-in process, luggage handling or ensuring the visitors made the most of the trip in terms of gaining understanding of the product/ business and could have seamless discussions/ interaction around the same, Smart MICE ensured the available technology was put into use to modernize everything.

The chosen dealers visited the tyre maker’s factory in Vietnam and gained an in-depth understanding of the company’s manufacturing processes and corporate culture. “Supported by cutting-edge technologies during the visit, the platform provided live streaming and interpretation, and shared live photos so that the dealers could ask questions and discuss online in real-time. In addition, due to the large size of the group, we used our cloud platform and app to collect the names, passport and ID photos of the participants, which ensured accuracy and efficiency in visa application, luggage sorting, hotel check-in, group travel and other activities,” shared Liu.

Other than technology, Liu also mentioned that it is imperative for MICE operators to be aware of what various generations prefer and accordingly serve them.

As key decision-makers evolve from Gen X (born between 1965-1979) to Gen Y or Millennials (1980 – 1994), Liu expects that the emerging (MICE) destinations will show two extremes:

1. The destinations with challenging or adventurous activities; and
2. The destinations providing luxurious indulgence

Liu underlined five factors that are considered by Chinese MICE customers while picking up destinations: budget, safety, weather, influence or popularity and capacity of the destination.

When it comes to a new destination for MICE, Liu said it is important to ensure that it’s distinguished from prior destinations. “ Meanwhile, a new destination implies a number of potential risks, including unfamiliar local resources and staff and underdeveloped itineraries,” he said.

Therefore, the team at Smart MICE will focus on the following:

- To concentrate on the highlights of the itineraries and seek the differences from prior itineraries, which will be used as features during project presentation to maximize customer acceptance;

- The pre-stage research needs to be detail and experience-oriented in order to familiarize with the itineraries and resources and enable ongoing optimization;
- To tailor special experiential activities with local features of the new destination so as to encourage extensive involvement and engagement.

Going forward, Liu believes that not only external factors but an industry-related factor, too, is going to challenge the MICE industry in China.

Other than the macro-economic and national policies-related hurdles, the lack of new-generation talent is going to pose a challenge, too, concluded Liu.