Management for the transformation of a Historical City into a MICE City supporting the idea of MICE business in AEC

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Abstract
This mixed method research investigated the measures that had been taken in order to transform a historical city into a MICE city in order to cater to MICE business, which has been rampaging under the prevailing AEC. The term "MICE" in the setting of travel is an acronym for meetings, incentives, conferences and exhibitions. The data was collected via questionnaires, interview forms, small group discussions, and empirical meetings. The participants were stakeholders consisting of local people, tourists and government and representatives from the private sector, who were involved in Historical Tourism in Ayudhaya Province. Descriptive analysis and content analysis were used to interpret the data. The research provides the following suggestions for the transformation of the historical sites into MICE business cities. It was suggested that tourism management should take into account appropriate administration in the following areas: 1) Tourist Needs: Special care should be given to the following: area management, tourism holding capacity, appropriate application of technology for area management, uniqueness, historical image, and historical scenery management. 2) Tourism Sites: It was suggested that appropriate management be addressed in the following areas: a) tourism activity before and after the conference, b) tourism diversity, tourism magnitude, and c) the promotion of Learning Tourism. 3) Tourism Activities: Amendments should be made regarding the tourism car rental systems, souvenir shops, tourist support, staff capabilities, the staff member’s foreign language abilities, and problem-solving skills. 4) Tourism Personnel: The city, being subjected to change, should make certain that changes are made to the city’s political image, and that a variety of platforms are used for data inquiry (website, information center, and brochures), and that the credibility of the information is verified.

Keywords: MICE, Tourism management, historical tourism, ASEAN Economic Community, Thailand

Introduction
The tourism industry consists of multiple sub-sequential businesses, such as tour guide operators, food and beverage services, and hotel and accommodation businesses. Each is closely interrelated and co-contributes to the creation of local and national revenues. The increased expansion of tourism business is geared towards a new type tourism business called, MICE industry, which is an acronym for Meetings, Incentives, Conventions, and Exhibitions. MICE has proven to be an effective strategy to generate revenues from high quality tourists, to create jobs, and to increase the employment rate (UNWTO, 2018). MICE is, therefore, an alternative business that helps to increase market competitiveness under a fluctuating tourism market (World Tourism Organization (UNWTO), 2018).

MICE is formed via the combination of tour types of businesses consisting or Meetings, Incentives, Conventions and Exhibitions (Astroff & Abbey, 2006). The target (the so-called tourists for MICE) is a group of academics, teachers, and students, who comprise high quality groups that are less likely to create problems on tourism as compared to other groups of tourists. The expenditures by the first group are about 2-3 times higher than those of other types of tourists. The revenue obtained from the MICE industry accounts for 10.7 percent of the total annual gain in tourism industry (Association of Southeast Asian Nations, 2018).
Based on the record of Thailand Convention and Exhibition Bureau, in 2010, MICE attracted about 740,412 tourists, 4.65% of the total amount of general tourists. It generated a revenue of 53,226.20 million Baht, and the average rate of meetings attended among Thai citizens was 5.49 day per year. The average commuting cost was 71,887 Baht; this amount was exclusive from 45,372 companies. These statistics effectively express the growth and the capacity of the MICE industry in Thailand (Thailand Convention & Exhibition Bureau, 2018).

The emergence of Asian Economic Community (AEC) in 2016 has overhauled the economies of the member countries and has triggered a more intense tourism competition. As a result, each nation has attempted to create new tourist attractions (Bovee, et al., 1993). Thailand is blessed by its abundant cultural heritages and is interspersed in all regions of the country. As such, it has been easy to create various form of new tourism business (Ming, et al., 2006).

Phra Nakhon Si Ayutthaya is a Thai historical site and a World Heritage city. It is a hub for many famous historical architecture's sites, including Chao Sam Phaya National Museum, Pra Srisanphet Temple, and Mahatat Temple. Phra Nakhon Si Ayutthaya Province’s development plan envisions the following: “Phra Nakhon Si Ayutthaya is tourist city that has the reputation of being the world's historical site, a hub for quality food, a center for investment, a place for clean technology, a lively city, and a place of sustainable well-being”. The city also endorses a tourism strategy that helps preserve the world’s cultural heritage prevailing in the province (Snyder, 1979).

Based on the importance of Phra Nakhon Si Ayutthaya Province as referred to above, the researcher was inspired to examine the processes for transformational management that are required to make the switch from an historical city into a MICE city in order to cater to MICE business as endorsed by the Asian Economic Community (AEC). The aims of the research were as follows:

- to investigate the measures that can help transform Phra Nakhon Si Ayutthaya province into a new MICE city
- to promote cultural tourism and other cultural related services, which should be beneficial in generating incomes and increasing the country’s competitiveness in AEC.

**Research methodology**

This research followed a mixed-methods research methodology, and the data was collected via questionnaires, interview forms, sub-group meetings, and empirical workshops. The informants were representatives of the stakeholders in historical tourism from Phra Nakhon Si Ayutthaya Province.

The evaluation of research tool was conducted with a reference group for which 40 copies of sample questionnaires (10 percent of the actual amount) were used. The sample questionnaire validity was based on the Index of Item-Objective Congruence (IOC), which was rated at 0.91.

The data was analyzed using descriptive statistics and content analysis. It was believed that the results, which were obtained from this research, could provide baseline measures to help transform a historical site, such as Phra Nakhon Si Ayutthaya, into a MICE city and prepare it for the AEC Tourism Competition, while sustainably generating incomes for the local communities.

**Result and discussions**

Since the emergence of ASEAN in 2015, Thailand has encountered some challenges in establishing MICE business and becoming a leading nation for MICE business in the region. Based on its acronymic clue, MICE is an endeavor that should establish Thailand as a leading country in AEC for hosting meetings and creating incentive, convention, and exhibition business. To propel its plans, Thailand, under the responsibility of Thailand Convention and
Exhibition Bureau, Public Organization (TCEB), has set a five-year plan (2012-2016) to spur the development of the Thailand MICE industry. Accordingly, three strategic measures for the observance of the MICE industry have been formulated: 1) attracting international conferences and exhibitions into Thailand (WIN), 2) promoting the country’s image as a center for MICE, and 3) developing the country’s capacity to compete within the MICE industry. In order to concretely establish strength in MICE business, eight measures are being undertaken: 1) old markets are being maintained and new market are being explored, 2) Thailand is being promoted as a top MICE country in Asia, 3) consistency in D-MICE growth is being promoted, 4) MICE cities are being created, 5) differences are being created in line with creative economy, 6) infrastructures are being developed for MICE, 7) a strong MICE network at both the national and international levels are being established, and 8) efficiency and the role of Thailand Convention and Exhibition Bureau is being intensified (TCEB) (Ming, et al., 2006).

It can be seen that the MICE industry has been enjoying consistent growth in ASEAN during the past 5-6 years. The industry is mobilizing economic expansion in the region. It has been surmised that MICE will face a bright future due to the economic dynamics in Asia. Moreover, this is evidence of how AEC can help projects to economically expand in the region (Cronbach, et al., 1972). Based on an analysis carried out by IPK’s Asian Travel Monitor, AEC is being exploited as a tool to attract foreign investment into Southeast Asia, which is a factor that contributes to the growth in MICE industry (Convention Industry Council, 2005).

During the process of developing the MICE industry, event organizers, venue owners, builders, logistical companies, and the MICE cities are targeted (David & Martin, 2000). These groups of people need to be trained in how to proliferate the quality of MICE products so that they are comparable to international standards. The sectors, which are responsible for MICE quality development, should also establish a specific MICE curriculum to train students for the career (Domjan, 1996). The action that should be taken now is to train the coaches, who will be able to go into the universities and train the university teachers on the MICE instructional methodology. Concurrently, academic exchange should be implemented in order to gain insight into the capacity for MICE development in Thailand (Dwyer, et al., 2001).

Ideally, the development of MICE cities should be completed within the 3-5 years period following the emergence of AEC in 2015. The cities being promoted for MICE industry should be equipped with convenient transportation and local products, which can be promoted. Moreover, there should be universities in designated areas, which have the capacity to train students about the scope of MICE (Falk, et al., 2012). Moving forward, Thailand should be primed to become a MICE leading country in ASEAN and the world. The returns, which can be received from taking the aforementioned actions, can no longer be considered as abstract when Thailand has been appointed as a center for advanced MICE learning in the ASEAN region by some of the leading associations in the world: International Congress and Conference Association (ICCA), Meeting Professional International (MPI), International Association of Professional Congress Organizers (IAPCO) and Convention Industry Council (CIC) (Feilden & Jokilehto, 1998).

In Thailand, there are different organizations that are responsible for the development of MICE industry and MICE skills training, and these include: Thailand Incentive and Convention Association (TICA) and Trade Exhibition Association (TEA). These associations have been well supported by the Department for MICE Industry Development (Fenich, 2008). In order to develop the capacity of MICE cities, there should be specific trainings or workshops on MICE leadership (Girod, 2009). This exercise should help to empower the personnel of the MICE cities to create new market opportunities and prepare them to create market innovations under the navigation of AEC (Goakes, 1972).

Inspired learning activities, which encourage ultimate performance via group interactions, discussions, and problem-solving should be conducted for MICE senior administrators (Hamid, et al., 2012). Inspired learning activities are believed to have the capacity to
encourage the MICE senior members to face the challenges that can occur during MICE operations and help them to make the necessary changes (Hawkins, et al., 2002).

The capacity of the MICE industry has been endorsed via the memorandum of the Free Trade Agreement of South East Asian Nations (ASEAN) that first began operations in 2015 (Holloway, 1983). Under this free trade enforcement, markets in ASEAN countries are linked to one another. It is important for private and public sectors in Thailand to take the initiative to exploit the trade opportunities, which are being raised within this new regional association (Holliday, 1973). In order to receive the ultimate benefits from the MICE industry under AEC, a working team from the Department for MICE Capacity Development has imposed suggestive measures for MICE operators (ICOMOS, 1999). The group also envisions how Thailand will earn revenues from this business in AEC. The operational guidelines and trainings for SMEs and event organizers should be geared towards helping these MICE-related practitioners to adjust to the AEC market (ICOMOS, 1987).

In addition, both the private and public sectors should disseminate analytical data and manuals outlining MICE investments in AEC nations (Kuznetsova & Silcheva, 2014). In order for Thailand to concretely step up as an ASEAN leading nation in the MICE industry, collaboration from all related parties is needed to establish trainings, workshops, and university curricula in the areas, which are related to MICE development (Kotler, 2003). It is crucial to emphasize here, that the development of the MICE industry should not be carried out at the expense of the historical and cultural values by completely overhauling them and reshaping them into tourism goods and entertainment tools for the sole purpose of economic gain (Lovell, 1980).

MICE is a new generation of business that can fuel the economy of ASEAN nations because it can, by far, generate better revenues than its conventional counterparts (Maslow, 1970). Because of this fact, ASEAN is considered to be a magnet that gravitates global investment. Furthermore, it has been speculated that MICE will accordingly have a bright future (Henderson, 2007).

The researcher would like to propose a pro-active MICE tourism operating model for the management of the transformation of a historical city into a MICE city in order to support MICE business in AEC.

Figure 1 is a model that depicts the operating system to help transform a historical city into MICE city under AEC mobilization. Further details are described below:

- There should be a capacity analysis for the enterprise to highlight the strengths and weaknesses of entrepreneurs. For example, the culture of Thai service-mindedness and lower Thai service costs should be acknowledged to the clients (McCabe, et al., 2000). Moreover, Thailand has various natural tourist destinations that stretch across the country (McCartney, 2014).

- There should be an appropriate foundations for business and clear market goals. The MICE business should seek to target MICE tourists, who may wish to visit Thailand for the first time, or to target specific groups of tourist, such as businesses providing trainings, incentive groups, honeymoon couples, wedding businesses, health tourists, tour guide companies, long-term stay tourists, golf tourists, and diving tourists (McIntosh & Goeldner, 1986). Despite the fact that these groups of tourists are quite small, they possess a relatively high degree of purchase capacity and tend to be a loyal group of tourists, who have previously traveled to Thailand at some point in the past. The MICE market should be made more accommodating to the target group.

For example, European tourists, who have been confronted with European economic downturns, are more likely to take a short economy trip to Thailand and Asia. The domestic market should thus provide tourism packages that are responsive to the specific needs of this group of tourists (Mcnulty, 1985).
• There should be international language and regional ASEAN language training and up-skilling for the tourism workers. If the entrepreneurs do not have the necessary funding to acquire language training (Michale, 1972), then they may recruit volunteers who are proficient in that language. It is important for the language volunteers to have tourism service training prior to beginning the task (Mykletun, et al., 2014).

• The MICE operators should establish domestic and international tourism networks in order to increase competitive capacity and to optimize services for the tourists (Nadkarni & Wai, 2007). An example of this type of service is offering a fixed rate room ticket that allows the ticket holder to stay at any hotel or resort, which is a partner of the ticket provider (Page, 2007).

The MICE business sectors should be aware of business trends and opportunities to sustainably expand the MICE business into the allies of the ASEAN, such as the countries in ASEAN+3 and ASEAN+6 (Hsieh, 2013).

In observance of the AEC, a free trade policy has been exercised, which will allow some big international tourism companies to base their operations in Thailand. Blessed with their greater investments and loyal tourist base from their home countries, the invasion of these international companies may hopefully lead to shares of the tourism market being taken from the local Thai operators. Thai national laws have made a concerted effort to make certain that the profession of tour guides can be a career that is reserved only for Thai citizens, which will make it impossible for the foreign tour guides to exercise their task in Thailand (Rio & Nunes, 2012). However, this single measure is not sufficient to assure that Thailand will not lose its place in the tourism industry (Rodríguez, 2009). The following items are suggestions for the tourism operators in Pranakhon Sri Ayuddhaya province to cope with the changing tourism climate in the province:

• Promoting Specific Tourism for Specific Groups of Tourists: There should be health tour packages for AEC tourists because there are greater numbers of tourists from this region, who receive medical treatment in Thailand. The groups of health tourists usually have high

![Figure 1. AEC MICE Model (Chaigasem, 2016)](https://www.ajhtl.com/issue/8-5/article/5/5.png)
purchasing power (Schmoll, 1977). Because Thailand shares borders with many countries including Myanmar, many high-end tourists from this country prefer to visit Bangkok to pay homage to the famous Bangkok temples and other historical sites in the vicinity of the capital (Seebaluck, et al., 2012).

- Creating Business Partnerships: The creation of partnerships should be extended to the partners of similar and different types of businesses. For example, if a MICE operator is running a health tourism business, it is strongly suggested that the firm ally itself with hospitals and car rental services (Shankland, 1975).

- Promoting Social Media Marketing: This online market should be especially beneficial for SMEs due to their limited budgets. Social media marketing is effective in helping the SMEs to reach out to a wider range of their targeted groups (Smith, 2009). However, social media can also be used by disgruntled customers to file their dissatisfaction about the services (Solomon, 1992). Using social media markets should be done cautiously and in such a way that the service quality levels can be maintained at optimal standards by the operators. Creating a direct communication channel with the social media customers is also crucial (Swarbrooke, 2007).

The emergence of AEC has had both direct and indirect effects on the burgeoning tourism climate in Thailand. Changing groups of customers and higher rates of competition have made it necessary for tourism firms to adjust to the new environment. It is vital for the operators to conduct research on the AEC market. One of the outstanding effects of AEC on Thai tourism has been the founding of a new generation of tourism business and the establishment of MICE business (Tansakul, 2012).

Thailand is the second biggest MICE operator in ASEAN, after Singapore. The market has been found to be expanding significantly in Malaysia, the Philippines, and also in Vietnam. In these three countries (Tunming, et al., 2019), MICE are blessed with their English abilities (Tian & Wang, 2010). Recently, Thailand and Vietnam have signed a memorandum to foster MICE crossed business promotions (U.S. Department of the Interior, National Park Service, 2002). The Thailand Convention and Exhibition Bureau (TCEB, 2015) has estimated an annual expansion of 15-20 percent for MICE business in the buddy countries (Whitfield, et al., 2014).

In Thailand, there are three international trade exhibition centers as follows: Bangkok International Trade and Exhibition Center (BITEC), Queen Sirikit National Convention Center (QSNCC), and Impact Convention Center. The measures, which are being taken to increase the operators’ readiness and capacity on MICE marketing under the AEC mobilization, (Worskett, 1969) are as follows: 1) articulating the strengths of the organizations and services; 2) correcting the weaknesses related to services, public relations, and ability to communicate in English; and 3) teaming with other business firms to create a platform on which to exchange good practices (World Tourism Organization, 1995).

It is equally important to make tourism services more responsive to various groups of tourists. Various forms for tourism activities should be fashioned to serve the needs of a trendy market, which has been triggered by clients from developed countries. Activities, such as Green Tourism, Conservation Tourism, Health Tourism, Agri-tourism, MICE Tourism, and Sporting Event Tourism, should be undertaken (World Tourism Organization, 2006). Public and government sectors should provide research support in order to establish the types of tourism mentioned above so that the Thai tourism operators can be given opportunities to acquire greater competitive power under the AEC free trade regime (World Tourism Organization., 2010).

**Conclusion**

The management to transform a historical city to MICE city under the prevailing AEC regime should consider the importance of the following factors. 1) Tourist Needs: Special care should
be given to the following: area management, tourism holding capacity, appropriate application of technology for area management, uniqueness, historical image, and historical scenery management. 2) Tourism Sites: It was suggested that appropriate management be addressed in the following areas: tourism activities before and after the conference, tourism diversity, tourism magnitude, and the promotion of Learning Tourism. 3) Tourism Activities: Amendments should be made regarding the tourism car rental systems, souvenir shops, tourist support, staff capabilities, the staff member's foreign language ability, and problem-solving skills. 4) Tourism Personnel: The city, being subject to change, should make certain that changes are made to the city’s political image, and additionally that a variety of platforms are used for data inquiry (websites, information centers, and brochures), and that the credibility of the information is verified.

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