MICE tourism can contribute significantly to the development of a tourism destination. As the EU market is a large source market for MICE, it is a promising target market for MICE suppliers. Germany, the UK and France are promising markets for MICE suppliers in developing countries (DCs) as they are the largest EU source markets for business travel. Small scale meetings and incentive trips are the most promising segments. The most important requirements of EU MICE buyers are unique experiences, high quality services, value for money, sufficient capacity, flexibility and professionalism.

Introduction
Developing MICE can have great advantages for a destination, such as:
- Enhancement of the tourism economy, especially in low season.
- Development of better tourism infrastructure.
- Increased tourism expenditure as MICE travellers generally spend more money than leisure travellers in less time.
- Conversion of MICE travellers into leisure travellers. MICE travellers can extend their stay before/after the event, can be accompanied by their partner or can return with their family or friends.

The EU is a large source market for MICE and is therefore a promising target market for DCs that can comply with requirements of MICE buyers.

Product Definition
According to the International Association of Professional Congress Organizers (IAPCO), MICE refers to Meetings, Incentives, Conferences and Exhibitions. MICE trips are trips where the main purpose is business and in which generally large groups are brought together for a particular purpose. Sometimes also the terms ‘Meetings industry’ or ‘Events industry’ are used. MICE is considered to be a sub-segment of business travel, but it can also involve a leisure component.

Meetings
The coming together of a number of people from corporate organisations in one place with a minimum size of 10 people. The frequency can be on an ad hoc basis or according to a set pattern. Examples are annual meetings, board meetings, sales meetings, product launches, presentations or trainings.
Incentives
Incentives are corporate-sponsored trips for employees, distributors or clients to reward performance, motivate work effort and create company loyalty. Unlike the other types of MICE, incentives are focussed on leisure rather than business.

Conferences
Participatory meetings of hundreds or thousands of individuals belonging to a single profession, cultural or religious group or with another common interest. They are often organised by industry or trade associations. Some MICE definitions use congresses or conventions instead of conferences. However, their definitions do not differ largely from conferences.

Exhibitions
Professionally organised events where products and services are displayed and which facilitate the meeting of buyers and sellers in a cost-effective manner. Most exhibitions are organised by associations and are held annually at the same location. Some MICE definitions use events instead of exhibitions. However, tourism related events such as the World Cup, Olympic Games or Formula 1 attract more leisure travellers than business/professional travellers although sponsored business visitors are numerous.

Product Specifications

Product characteristics
- **Different characteristics and requirements**: although leisure tourism and MICE tourism share common infrastructure such as airlines and hotels, they have different characteristics and requirements. Table 1 gives an overview of the main comparisons between leisure tourism and MICE.

Table 1: Comparisons between leisure tourism and MICE

<table>
<thead>
<tr>
<th></th>
<th>Leisure tourism</th>
<th>MICE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Audience</strong></td>
<td>Consumers</td>
<td>Corporations and associations</td>
</tr>
<tr>
<td><strong>Participants</strong></td>
<td>Leisure travellers</td>
<td>Business travellers</td>
</tr>
<tr>
<td><strong>Supply chain</strong></td>
<td>Inbound tour operators, Outbound tour operators, Travel agencies, Personal travel advisors, Online portals and travel agencies</td>
<td>Business travel / MICE tour operators, Incentive travel houses, Professional Congress Organisers (PCOs), Exhibition/event management companies, Corporate travel agents, Destination Marketing Organisations (DMOs), Convention bureaus</td>
</tr>
<tr>
<td><strong>Products</strong></td>
<td>Accommodation, Attractions, Tours, Excursions, Transportation, Restaurants, Shopping</td>
<td>Accommodation, Meeting facilities, Special venues, e.g. sporting venues or museums, Technology, Transportation, Catering, Entertainment</td>
</tr>
<tr>
<td><strong>Motivators</strong></td>
<td>Destination appeal, Fun/self-actualisation</td>
<td>Infrastructure and capacity, Professional development</td>
</tr>
</tbody>
</table>

Source: Gaining Edge consultants, UNWTO and Facts Figures Future

**CONSIDERATION FOR ACTION**: Specialise in leisure tourism or MICE as requirements and market approaches differ. Long-term support from local governments is needed to enable specialisation in MICE. Therefore join forces

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2Consideration for Action
with other tourism stakeholders in your region and lobby with governments for investment in infrastructure, capacity building and marketing and branding.

- **Meetings and Incentives most promising:** CBI’s target group are generally small and medium-sized tourism providers in DCs who generally do not have the capacity to host very large conferences and exhibitions. Therefore, small scale meetings and incentive trips (up to 50 people) are considered as the most promising MICE segments for DCs. Larger meetings, conferences and exhibitions can be promising for DCs with sufficient capacity and/or sufficient financial means for investment in MICE infrastructure.

**Product requirements**

MICE buyers have different perceptions of what is most important during their stay. However, some important factors that are generally taken into account when choosing a MICE destination and venue are shown in Figure 1.

**Fig 1: Key factors influencing destination and venue selection for MICE, European buyers, 2013, in %**

- **Location:** location requirements differ per buyer and MICE segment. They include many aspects such as distance, connectivity, destination image, authenticity, climate, safety, travel formalities and the range of leisure options. However, MICE buyers are in general seeking locations that offer unique, authentic experiences, experiences they cannot find elsewhere.

**CONSIDERATION FOR ACTION:** Marketing is of prime necessity to differentiate from competitors and to create a unique identity and destination image. Form partnerships with DMOs, tourist boards and other MICE suppliers in your destination and together develop marketing activities such as destination branding campaigns. Focus your marketing on the unique and authentic features of your location.

**CONSIDERATION FOR ACTION:** Increase your competitiveness by benchmarking competitors as you can learn lessons from successful MICE destinations and/or suppliers which you can apply to your own destination and/or product.

- **Quality:** in MICE, quality is even more important than in leisure tourism as business travellers generally have higher expectations. EU MICE buyers require high quality in all areas such as a high level of customer service, safe and comfortable transport, clean accommodation with comfortable rooms, good catering and meeting facilities with good Internet access and Wi-Fi.

Source: IBTM Meeting Industry Report 2013 Europe focus
CONSIDERATION FOR ACTION: Professionalization is a key element of competitiveness in the MICE industry. Therefore focus on providing high quality services: hire experienced staff and guides, train your staff in hospitality, make sure you work with reliable partners and offer additional services.

- **Value for money:** EU MICE buyers attach more importance to value for money rather than price. An exotic or unknown destination is not necessarily what they are looking for. What they find important is that the destination and/or venue offers unique experiences and creative MICE programmes at reasonable cost.

CONSIDERATION FOR ACTION: Be creative and unique in the development of pre and post programmes for meetings and programmes for incentives.

CONSIDERATION FOR ACTION: Know your customer. Ask potential customers for detailed information about their company, the objective of their MICE trip, the type of participants and their specific wishes. Use this information to tailor your MICE offering.

- **Capacity:** EU MICE buyers also qualify potential destinations in terms of their capacity. It is important that the destination has adequate accommodation capacity to house all participants and that meeting facilities have adequate meeting, exhibition or banqueting space.

CONSIDERATION FOR ACTION: Provide in your marketing clear information on capacity.

- **Flexibility:** EU MICE buyers increasingly want choices and flexible packages that suit their needs and budget. MICE suppliers can respond to this by offering flexible and affordable MICE packages that consist of standard components and optional components.

CONSIDERATION FOR ACTION: Be flexible. Offer for example different types of accommodation, meeting facilities and pre and post activities that buyers can combine to create their own MICE package.

- **Experienced ground handlers:** EU MICE buyers require qualified ground handlers that know and understand the MICE market such as qualified DMOs, PCOs and transport operators. They strongly prefer full service suppliers, which means they can hand over the entire land arrangements to one single party. Of course these suppliers can subcontract some of their activities, but for the EU buyer it should be a ‘one stop shop’.

CONSIDERATION FOR ACTION: Make sure you have a reliable and consistent network of local suppliers.

CONSIDERATION FOR ACTION: Emphasize in your marketing any experience you have in MICE as EU buyers strongly prefer specialised MICE suppliers with a proven track record.

**Buyer requirements**

Buyer requirements can be divided into:
1. Must: requirements you must meet to enter the market, for example legal requirements.
2. Common: requirements you need to comply with to keep up with the market.

Figure 2 gives an overview of the EU buyer requirements for MICE tourism.
Must

- **No legal EU requirements**: as long haul MICE is offered outside the EU market there are no additional legal EU requirements applicable.

**CONSIDERATION FOR ACTION**: Although EU partners will not pass on legal requirements, you have to comply with the legal requirements in your own country.

Common

- **Reliability**: EU MICE buyers are looking for reliable, professional partners. They therefore often request partners to adhere to a code of conduct they have set up, generally including health and safety requirements, business ethics and social responsibility. Furthermore, they see membership of national and international sector associations and networks as proof of reliability and professionalism.

**CONSIDERATION FOR ACTION**: Study the codes of conduct of EU MICE tour operators and adapt your business practices accordingly to increase your chances on the EU MICE market.

**CONSIDERATION FOR ACTION**: Become a member of national and international sector associations and networks. For example your own country’s tourism trade association.

- **Liability**: EU tour operators, including MICE tour operators, increasingly ask (potential) partners about the presence of a liability insurance to cover possible damage and accidents of customers during their holidays, especially for travel outside of the EU. This is because their own liability insurance often does not cover damage caused by third parties. DC MICE suppliers that have such insurance have a large advantage.

**CONSIDERATION FOR ACTION**: Contract a liability insurance and communicate that you have such insurance. If it is not possible to get a liability insurance, push with your authorities and trade associations to make such insurance possible. Also discuss it with EU (potential) partners as they might have some influence as well.

Niche

- **Sustainability**: although price issues are generally still more relevant, the importance of sustainability, especially in Western and Northern EU countries, is increasing. EU MICE professionals say that a sustainability policy demonstrates credibility and trustworthiness to clients and that it can provide some market differentiation. As a result, more MICE professionals are trying to build up some form of sustainability into the events they organise, the facilities they operate or the products and services they supply. DC MICE suppliers can use this to their advantage by making their products and operations more sustainable.
**CONSIDERATION FOR ACTION:** Implement sustainable best practices into your product, for example a sustainable design and architecture of venues, sustainable transport, support to local projects, energy and water consumption efficiency, waste reduction and selective waste management. Also check the website of the Green Meetings Industry Council, a leading resource on sustainability for the meetings industry.

**CONSIDERATION FOR ACTION:** For an overview of other relevant standards for tourism, also check ITC's Standardsmap.

For information on tourism buyer requirements in the EU market in general, refer to CBI's 'EU Buyer Requirements' for Tourism.

**Trade and Macro-Economic Statistics**

- **Recovering economy:** as corporate profits fell in most EU countries due to the economic crisis, many companies reacted with cost cutting measures related to participation in MICE. MICE buyers increasingly chose destinations closer to home, downgraded from five to four star accommodation or decrease the number of participants in MICE. However, MICE business conditions are gradually improving as the EU economy is slowly picking up. According to the Economic Intelligence Unit (EIU) GDP in the EU only grew by 0.1% in 2013, but is expected to increase by 1.4% in 2014 and 1.6% in 2015. According to research of Advito, MICE is expected to modestly increase as well and long distance travel is returning. However, budgets are expected to remain under pressure.

**CONSIDERATION FOR ACTION:** Be competitive in your pricing and add value by being creative and flexible in your product offering.

**Figure 3: World international tourist arrivals**

- **Market size:** it is difficult to give a reliable indication of value and volume of MICE, since definitions differ per source and no systematic research has been conducted so far. According to the World Tourism Organisation (UNWTO), business travel generated 14% of the world’s international tourist arrivals in 2012. Furthermore, according to IPK International, MICE accounts for around 54% of the total business travel market (Figure 3). If we would apply these figures to the EU + Norwegian + Swiss outbound tourism market, which consisted of almost 385 million trips in 2012, this would result in almost 29 million MICE trips. However, this is just an estimation.
• **Shift in demand:** there has been a shift in demand in the business travel market. Due to substantial cuts in corporate travel spending, the MICE segment has increased much faster than the traditional business travel segment. Over the first eight months of 2013, the MICE segment grew by 6.0% while the traditional business travel segment decreased by 10% according to IPK's World Travel Monitor. Within the MICE segment, incentives, conventions and conferences have all shown strong growth on a cumulative basis since 2009 with respectively 61%, 44% and 27%, while traditional business trips declined by 10%.

• **Five large source markets:** Germany, the UK, France, Italy and Spain represent 70% of the European business travel market according to the Global Business Travel Association (GBTA). These countries are considered to also be among the top EU markets for MICE. Business travel spending was highest in Germany with a total spending of €38 billion in 2013, followed by the UK (€29 billion), France (€24 billion), Italy (€22 billion) and Spain (€12 billion). 70% of business travel spending by these countries is estimated to be domestic. From the other 30%, the majority of the trips remain within the EU and only a small share goes to destinations outside the EU with the USA and China being the most popular destinations. However, improved business confidence and expectations for stronger economic and employment growth contribute to stronger expectations for international outbound business travel. Spain is expected to show the highest growth in international outbound travel spending in 2014 (10%), followed by France (8.8%), Italy (6.5%), Germany (6.3%) and the UK (3.2%).

**CONSIDERATION FOR ACTION:** Target large EU source markets for business travel such as Germany, the UK and France.

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**Figure 4:** Types of events organized by European MICE buyer respondents, 2013, in %

**Figure 5:** Number of attendees of events organized by European MICE buyer respondents, 2013, in %

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• **Meetings largest segment:** meetings are the most demanded by European MICE buyers according to IBTM, followed by incentives and corporate conferences (Figure 4). MICE events up to 50 attendees make up for around one third of the total MICE events organized by European MICE buyers (Figure 5). Smaller events offer the best opportunities for DCs according to industry experts, as events of a larger scale are generally not feasible due to the large capital investments and limited capacity in many DCs.

**CONSIDERATION FOR ACTION:** Focus on the Meetings or Incentives segments. Not only because they are the largest segments within the European
MICE market, but also because they are considered as being the most feasible due to (generally) lower investments and capacity.

**Fig 6: Top industry sectors in Europe for MICE, 2013, in %**

- **Top sectors for MICE:** pharmaceuticals/medical, finance/banking/insurance and electronic/communications are the industry sectors in Europe with the highest demand for MICE tourism (Figure 6). These sectors are expected to remain the most important in the upcoming years.

**CONSIDERATION FOR ACTION:** Target industry sectors with a high demand for MICE.

- **Europe preferred destination:** Europe is the preferred region for EU MICE buyers due to its proximity and connectivity with Germany, Spain and the UK being the most popular destinations according to the International Congress and Convention Association (ICCA). However, EU MICE buyers also organise MICE in regions outside Europe. According to IBTM, 43% of European MICE buyers organise MICE in the Americas (especially in the USA, Canada, Brazil, Argentina and Mexico), 35% in Asia (especially China, Japan, Korea, India and Thailand), 32% in the Middle East (especially United Arab Emirates, Qatar, Bahrain and Jordan), 19% in Africa (especially South Africa and Kenya) and 9.0% in Australia Pacific.

For information on tourism trade statistics and macro-economic indicators in the EU market in general, refer to CBI’s ‘Trade Statistics’ for Tourism.

**Trends**

**Social drivers**
- **Experience tourism:** the trend towards experience tourism is also affecting the MICE industry. MICE travellers are increasingly demanding added value from the MICE events they attend. They increasingly find enriching experiences and activities available at a destination more important than the functionality of accommodations and venues.

**Technological drivers**
- **Hybrid events:** there is a trend in ‘hybrid events’, which combine a traditional physical event with on-line participation and on-line presentations. This trend takes profit of the latest communication technologies which can be very helpful for participants with any kind of limitations: economic, geographical, political, connectivity or strong disabilities. Furthermore, there is an increasing interest in virtual meetings and events (e.g. video
conferencing or webinars), not only to cut costs, but also to save time and contribute to a more sustainable impact on the environment.

- **Linkage of MICE and social media**: there is also a strong trend to link MICE events with social media platforms which can be general ones or specific ones especially created for the event. Social media platforms can help MICE buyers and participants to connect, interact and share knowledge, not only after the event, but also before and during. In this way, the impact of the event can be much wider and extended in time. The effective deployment of communication technologies and the use of social media are seen as key for the future evolution of MICE.

**CONSIDERATION FOR ACTION**: Create MICE events with enriched meeting design and content to provide more value to participants, for example by using social media platforms. Good Internet access is vital here.

**CONSIDERATION FOR ACTION**: Stay up-to-date with new and emerging technologies that could add value to MICE buyers and participants.

**Economic drivers**

- **More non-traditional properties**: EU MICE planners are increasingly considering non-traditional venues as locations, such as outdoor venues, sporting venues, museums and aquariums according to the American Express Meetings & Events Forecast 2014. Also meeting space is changing from traditional ‘boardroom’ styles to innovative approaches.

**CONSIDERATION FOR ACTION**: Be creative and innovative in your MICE venue offerings. Try to come up with unique, off the beaten track locations.

- **Convergence of incentives and meetings**: many EU corporations offer incentive trips to employees, distributors or clients because they work highly motivational. Incentive trips are mostly recreational, but formal meeting components are increasingly included as a component. This is because having a meeting may provide corporate tax benefits and offer additional value in terms of networking, communication, education and team building.

**CONSIDERATION FOR ACTION**: Include optional meeting components into incentive programmes.

For information on tourism market trends in the EU market in general, refer to CBI’s ‘Trends’ for Tourism.
**Market Channels and Segments**

The two main trade channels for MICE suppliers are intermediaries such as MICE tour operators, incentive travel houses and smaller Professional Congress Organisers (PCOs) and a direct approach (Figure 7).

**Figure 7: Trade structure MICE tourism**

- Focus on smaller MICE intermediaries: many EU corporations and associations do not have a special department to organise MICE. They tend to use professional MICE intermediaries. These intermediaries usually prefer to work with one local partner that selects a MICE package for them, often a DMO or an inbound tour operator.

**CONSIDERATION FOR ACTION:** DMOs and inbound tour operators in DCs should target EU MICE intermediaries, as they are widely used by EU corporations and associations to help them organise MICE programmes.

**CONSIDERATION FOR ACTION:** DMOs and convention bureaus should attend EU MICE trade events to increase awareness and develop an image that will position their country (or region) in the market place as a viable destination for MICE.

**CONSIDERATION FOR ACTION:** MICE suppliers such as accommodation providers, transport operators and MICE venues should focus both on working with local DMOs, convention bureaus and inbound tour operators as well as with EU MICE intermediaries.

Trade associations, trade events and databases are good sources to search for EU MICE intermediaries. Some examples are:

- Business Travel Show - [http://www.businesstravelshow.com](http://www.businesstravelshow.com) - business travel trade event, held annually, in February, in London, the UK.
- EIBTM - [http://www.eibtm.com](http://www.eibtm.com) - global meetings & event expo, held annually, in November, in Barcelona, Spain. EIBTM also publishes reports like the EITBM Trends Watch Report and the EIBTM Meeting Industry Report.
- European Federation of the Associations of Professional Congress Organisers (EFAPCO) - [http://www.efapco.eu](http://www.efapco.eu) - go to ‘EFAPCO Network’.
- IMEX Frankfurt - [http://www.imex-frankfurt.com](http://www.imex-frankfurt.com) - meetings, events & incentive travel trade event, held annually, in May, in Frankfurt, Germany.
- International Association of Professional Congress Organisers (IAPCO) - [http://www.iapco.org](http://www.iapco.org) - go to ‘Looking for a PCO’ and ‘Members of IAPCO’.

Source: Hogeschool West Vlaanderen, industry experts and Facts Figures Future

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Source: CBI Market Information Database • URL: [www.cbi.eu](http://www.cbi.eu) • Contact: marketintel@cbi.eu • [www.cbi.eu/disclaimer](http://www.cbi.eu/disclaimer)
• International Congress and Convention Association (ICCA) - http://www.iccaworld.com - go to ‘Membership directory’. They also publish interesting reports and statistics.

• ITB - http://www.itb-berlin.de - largest international tourism trade event in Europe, held annually, in March, in Berlin, Germany. They have a special hall for business travel and MICE.

• Join Meeting Industry Council (JMIC) - http://www.themeetingsindustry.org - consists of a number of international organisations who share a common interest and involvement in the Meetings Industry. Go to ‘Our members’.


• Society of Incentive Travel Professionals (SITE) - http://www.siteglobal.com - global network of incentive travel and motivational event professionals. They also publish reports and studies about the incentive tourism market.

You can also look for MICE intermediaries by searching on search engines like Google. Examples of keywords are ‘MICE’, ‘Incentive’ or ‘Meeting’. In advanced search, narrow your domain to your target country’s extension, for example ‘.de’ for Germany or ‘.uk’ for the UK.

• Target smaller end customers directly: you can also target end customers directly, especially as the increasing use of the internet as a sales channel is facilitating a direct approach. The two main end customers for MICE are corporations and associations. There is also a small group of individual business travellers who turn to modular self-arrangements for MICE. Corporations are the largest end segment, representing around 65% according to industry experts. Associations are for example trade associations, societies, religious organisations and political parties. There are some differences between corporate and association buyers. Table 2 provides an overview of their main characteristics.

<table>
<thead>
<tr>
<th>Corporate buyers</th>
<th>Association buyers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work for ‘for profit’ organisations</td>
<td>Usually employed by ‘non-profit’ organisations</td>
</tr>
<tr>
<td>Small average meeting size (less than 100 delegates)</td>
<td>Larger average meeting size</td>
</tr>
<tr>
<td>Essentially organise meetings, simple, creative events and incentives</td>
<td>Usually organise conferences, congresses, exhibitions and sports events</td>
</tr>
<tr>
<td>Short time between the booking and the actual date of the MICE event</td>
<td>Long time between the booking and the actual date of the MICE event</td>
</tr>
<tr>
<td>Decision-making process is straightforward and rapid</td>
<td>Decision-making process is complex and prolonged</td>
</tr>
<tr>
<td>Organise a wide range of events</td>
<td>Organise a limited number of events</td>
</tr>
<tr>
<td>High per head costs</td>
<td>Lower per head costs</td>
</tr>
<tr>
<td>Shorter events throughout the year</td>
<td>Longer events mostly in spring and autumn</td>
</tr>
</tbody>
</table>

Source: Adapted from Swarbrooke and Horner, 2001

**CONSIDERATION FOR ACTION:** Target smaller corporations that want to offer meetings and incentives for maximum 50 participants. They are the most promising end segment for MICE suppliers in DCs as corporate events are generally of a smaller size and therefore more feasible for DC MICE suppliers than association events.

**CONSIDERATION FOR ACTION:** Have a professional, high quality website with quality photos and videos as this is a vital part of the promotional mix.

For information on tourism market channels and segments in the EU market in general, refer to CBI’s ‘Trade Channels and Segments’ for Tourism.
Field of competition

Refer to CBI’s ‘Field of Competition’ for Tourism as competition in the EU MICE tourism is based on the same aspects as competition in the long haul tourism market in general.

Main sources

- IBMT Events - http://www.ibtmevents.com - trade fairs for the meetings and events industry. They have a global research section on their website.
- Meeting Professionals International (MPI) - http://www.mpiweb.org - global association community for meeting and event professionals.
- World Tourism Organisation (UNWTO) - http://www2.unwto.org - international tourism organisation.

For all CBI’s tourism related market intelligence documents, go to CBI’s ‘Market Intelligence Platform for Tourism’.

This survey was compiled for CBI by Facts Figures Future in collaboration with CBI sector expert Theo Nagel.

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