



ABAC
GRADUATE SCHOOL
of BUSINESS

Au Virtual International Conference 2020
Entrepreneurship and Sustainability in the Digital Era
Assumption University of Thailand
October 30, 2020

Co-hosted by



The Challenges of MICE Industry After Covid-19 in Myanmar

May Me Phu

Hospitality and Tourism Management, Assumption University Bangkok, Thailand.

Email: Maymefeb2302@gmail.com

Dr. Adarsh Batra, Ph.D.

Faculty, Master of Business Administration, Hospitality and Tourism Management, Assumption University Bangkok, Thailand;

Email: adarshbtr@yahoo.co.in

Abstract

Since the outbreak of the covid-19 has started globally, there are a lot of disruptions in tourism business. Travel, tourism, hotel and MICE (Meetings, Incentives, Conventions and Exhibitions) industry are facing immense challenges at present. Especially Myanmar is the developing country and business growth is still growing. Epidemic causes hundreds of events cancelled all over the world, and wakening to news of cancellations or postponements. MICE industry required to reconsider the options and to balance the priorities of upholding the health and safety of staff, sponsors, and attendees which is necessary to meet financial obligations and minimizing the losses caused by disruption. This research is a qualitative study and the purpose of the study is studying the challenges of the MICE business that will need to face during the recovery process. The aim of the study is to point out what is affecting the MICE industry during the crisis and what will be awaiting future for the MICE travel to step forward like other travel. In-depth interview is conducted with 9 managers of the hotels and DMCs from both of the destinations Yangon and Mandalay for investigation and analysis the role of each in the MICE industry. The thematic analysis method is used in this research to analysis the data. The study finds out that it is important to survive the situation with no revenue and the effective recovery plan. After the crisis, the collaborative strategies will be supportive for the future tourism industry in Myanmar. The study points out how the issue of social distancing impacting on the MICE products. This study will be helpful for MICE business crucial need to encourage tourism operators to involve with crisis preparedness and disaster-management strategies and it is important to increase a better understanding of the consumer response to disastrous event by all components of the value chain.

Keywords: MICE, COVID-19, Crisis preparedness, Social distancing

Introduction

The growth of MICE (Meetings, Incentives, Conventions and Exhibitions) industry benefits country's economy and creates new jobs, such as the professionals hired to host the event. Development in MICE sector benefits professionals such as taxi drivers, hoteliers, small business owners, and boosts cultural tourism. Travelers visiting the city go to places such as galleries, museums, shows, theatres. In tourism industry, each and every sector is connected like the umbrella. Epidemic causes hundreds of events cancelled all over the world, and wakening to news of

cancellations or postponements. So, the current problem of meeting professional and event planners is the survival and recovery plan. Myanmar's recent experience with MICE was during the hosting of ASEAN when it assumed chairmanship of the regional association for 2013-2014. Myanmar hosted preparatory meetings and the main summit where heads of states not only of the 10-member countries, but also world leaders from the US, China, Japan and India. The successful handling of the ASEAN activities showed the country's capacity to manage MICE, Myanmar Insider (2015) The situation of lockdown and the stopping the business is globally and the issue to consider for the tourism industry. Ministry of Transport and Communications Myanmar reported the issue released from MOH that International commercial passenger flights band. During this period of time, covid-19 outbreak is the threat for the tourism industry and country's economy. Since the outbreak of the covid-19 has started globally, there are a lot of disruptions in tourism business. Travel, tourism, hotel and MICE industry are facing immense challenges at present.

Research Objectives

- RO1. To find out the challenges that the MICE industry will face according to the crisis of Covid-19
- RO2. To find out the influences of the social distancing and the health issue of covid-19 the MICE travel and event
- RO3. To explore the practices that the MICE Industry will set up due to the post-pandemic situation

Meetings-, Incentives-, Conventions- and Exhibitions- (MICE) Industry

By the author Natalia Smagina, MICE industry brings opportunities for knowledge distribution, networking and capacity structure, making it a vital for regional cooperation and intellectual development. The MICE industry is one of the significant drivers of tourism destination development and an important generator of income, employment and foreign investment. Due to the consequences of the growth of MICE industry, the amount of destinations connecting to this young and dynamic industry is enormously growing. Another significant fact is that convention and exhibition facilities, hotels, casinos, integrated resorts and themed entertainment precincts are being established throughout the destination region. The MICE is a service industry combining trade, transportation, finance, and travel. In Asia, the development of new products, combined with the world's growing emphasis on economic engagement. MICE is a sector that draws direct and indirect revenue for host destinations. With the huge development boom that is currently underway throughout Asia, come challenges as well as opportunities. This makes the entire region will enjoy solid growth in its conventions and meetings market. The industry has been inactive mainly in Europe and America, Smagina (2017).

Health-related Crises

For macro-level crises, the destination must demonstrate that steps have been taken to eradicate the outbreak, or at least to control it to the extent that international health agencies such as the World Health Organization recognize travel to the destination as safe. The public sector has a significant role to play in setting standards such as food safety and hygiene and in ensuring that public companies to those standards. In recent years, health-related outbreaks that have impacted tourism have included avian flu, foot and mouth disease, SARS, salmonella and Ebola, COMCEC (2017). There is an urgent need to enable tourism operators to participate in crisis preparedness and disaster management approaches and it is crucial that all components of the value chain gain a deeper understanding of customer reaction to catastrophic event. There should be a strong connection between hospitality and tourism enterprises, support services, destination management organizations as well as strong reliance on public health authorities to



monitor and reconcile the infections. Without confusion, the workers will be able to come to work and participate in consumer-related activities in the service delivery process. This trust should be applied in the workplace with a proper framework to increase the morale of the employees and with adequate internal and external encouragement. This is one of the main factors which are not in other business organizations' organizational strategies at the moment, Ranasinghe, et al. (2020). In addition, local-global collaboration is vital to the recovery process. The issues will also occur when completely using human resource capacity.

Crisis Management in Tourism Industry

In every industry in which competition advantage can be attacked or harmed by means of negative affairs, crisis management plays a very important role to prevent from such negative events. Especially if it is dealt from the point of view of tourism sector, it can be noticed that fore-definition of the negative affairs which can affect the sector is one of the chief duties of crisis management. For the industries like tourism industry, which do not look like the other industries, which work with mental and imaginary values, and which makes the dreams come true, the crisis management efforts have more importance. The most important thing here is not the observation of how the already known events occur, but the analysis of the dangers and the determination of their possible results. In recent years, global tourism industry has subjected to several disasters including terrorist attacks, political ignorance, economical stagnations and natural disasters. Natural disasters may cause the best prepared managements to such disasters be in successful by defecting especially service managements electric, communication and other critic background compounds. Tourism demand especially shows sensitivity to negative conditions related with security and health. SARS disease occurred in 2003 as an example which best shows the concrete effects of diseases on tourism, Campiranon (2011). Diseases are one of the crisis categories that have the possibility of affecting the country's economy and destinations. This disease especially affected Malezia very negatively.

Research Methodology

This qualitative research encourages the respondents to express their opinions and issues faced personally, making it possible to collect precise information. As the study is about the challenges

after covid-19 which MICE industry will face, the target populations are DMC (Destination management companies) and the hotels in Yangon, Myanmar.

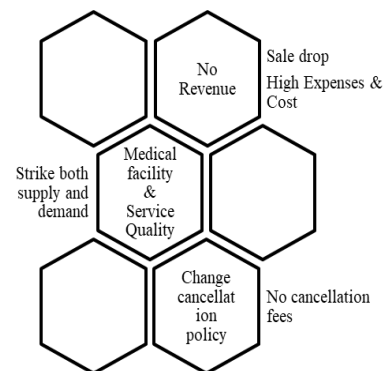
Researcher used the target location as Yangon City is that it is the city of many DMC and hotels are located. By using purposive sampling, an in-depth interview is conducted with the managers of 4 DMC companies and 6 hotels. The target population is varied according the lockdown period in Yangon. The time duration for the data collection is from June 24 to July 8, 2020. In this study, questionnaires are going to applied as a research instrument to determine the conditions and future for the tourism business which focus on MICE. The total numbers of questions are 16 which are based on 16 research questions & 4 research objectives. The questions are designed based on studies done from conceptual frameworks.

The thematic analysis method was used in this research to analysis the data. Thematic technique analysis is one of the analyses, which is used to analysis qualitative data. It is applied to a set of texts and then from the texts, the codes were extracted, and the final step is to put that code under one themed-category or can say less than one theme. The thematic analysis technique helps as all the extracted codes will be under one theme or under one objective of the research.

Results and Discussion

MICE travel is different from others type of tours because it comes with events and groups of people. Now, it is difficult for all the company to arrange something like travel because of the disruption of the business.

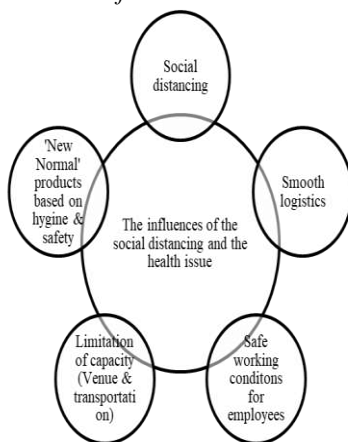
Figure 6.1: Challenges of MICE Industry





The most significant effect is no more revenue for the business. Due to the restriction of the air travel and lockdown, there are many impacts to the travel sector. There is the biggest impact for hotel which makes revenue from the meeting room and revenue. Due to the lockdown, the cost of the products is high. The lockdown makes the import products expensive e.g. amenities and facilities. The significant thing is sales drop. For some hotels, they just start the business of banqueting and events and they have the great loss during this crisis. There are some reasons that will make the Myanmar MICE industry to supply the demand in time. The medical facilities of the country will have effect on that issue. The country is still developing and it has limited medical facilities compared to other developed countries. Due to the crisis, all the business travel stop and government do not allow MICE events. It is good for the well bidding of the whole country and safety concern. From the economic point of view, this is not the good sign for all the business. Lockdown is the most effecting business travel and the country's economy. Meetings and conferences can be postponed or can be virtual way. For incentives travel, there is no postponement. It has the huge impact on the revenue. Most of the hotels have to change the cancellation policy and some do not take charges for the cancellation anymore. Social distancing is the most significant issue for MICE events and the way the virus transmitted is totally opposite with the MICE travel and events going.

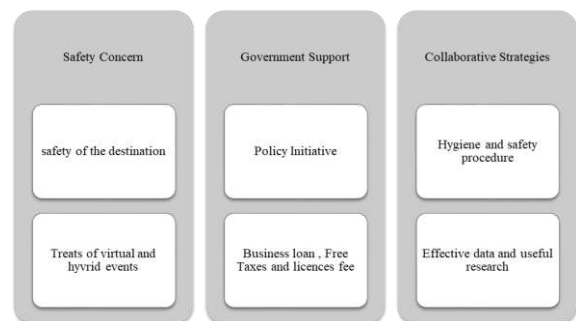
Figure 6.2: The influences of the social distancing and the health issue of covid-19



Due to the health issue, there will be not smooth process in logistics. MICE events like incentives travels, they need ice breaking activities, Gala dinner and team building. In medical point of view,

MICE travel and events have the chance of enhancing the way the virus infected. The company will consider about safety than their incentives travel. The products will be upgraded to new normal and it will be put more safety and hygiene features. The quarantine is the barrier for the business travel. It is not workable when three days business travel have to spend the quarantine of two weeks. The reduction of the human resources and services will be the way of adaptation in new normal. The virus can be infected form the human interaction. So, reduction the number of participants in event will be the necessary in the future. It will be the problem in the utilization of the capacity in venue and transportation. Without face to face contact, it will be unnecessary misunderstanding between the service provider and the customer. Even though new normal procedures are adapted, face to face contact cannot be disposed from the service quality. MICE events and travel includes huge amount of people.

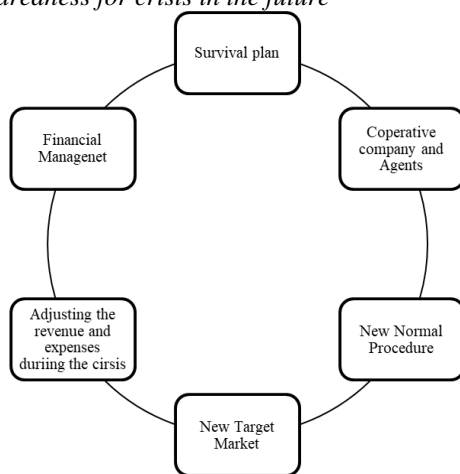
Figure 6.3: The practices that MICE Industry will set up due the post pandemic situation



The group travel and the events have more risks than travelling solo and family. In this situation, the threat will be the virtual and hybrid events. The government set up the rules of the quarantine for the international travel. The quarantine is the barrier for the business travel. It is not workable when three days business travel have to spend the quarantine of two weeks. Government set up the hygiene and safety procedure. The government created the group to check the standard for the reopening the hotel after the covid-19. The government reduced taxes and licenses fees. The government is the policy initiatives and the biggest support. The association like UMTA association to connect the public and private sectors can be the supportive for the collaboration.

The strategy the DMCs and hotel plan now is for survival. Some company focus on the co-operate company and agents. Some DMCs try to find the market from the leading countries which will travel after covid-19. The companies negotiate for the salary and the leaves in order to reduce the unnecessary crisis between the company and employee. Reducing the expenses like some company they close the offices branches in many cities. Recovery plan is based on the new normal procedures and the government policy and restriction on travel. During this time, the revenue will be from local market and nonprofit organization. The time for the recovery plan is still far to predict because the companies are still surviving for the crisis. The crisis gives the travel business to survive with no revenue. Financial management is necessary for adjusting the revenue and expenses during the crisis.

Figure 6.4: Myanmar MICE businesses handle and preparedness for crisis in the future



Conclusions and Implications

The travel business and the hotel predicted the MICE travel will come for the last step in the recovery plan. As the research pointed out the MICE sector has way more impact than other sectors. Now, it is difficult for all the company to arrange something like travel because of the disruption of the business. It is more viral to pay the employee salary is far more important than that.

The government still does not authorize for the events and group travel and the people are still cautious about the social distancing. Social distancing is the main factor that will block the

MICE travel and events to start again. Due to the health issue and the safety concern, it is quite not sure to give the smooth logistics for the process of business travel. Another thing is that the taking place of the virtual way of events likes meeting and conferences. People are choosing the digital way of creating events for the sake of safety and the cost cutting concern. The health issues and the rules and regulations are the main challenges for the travel sector. There are some regions still do not apply the quarantine rules. Safe working conditions for the employees and the security of the tourists will force MICE product like venues and transport to be under the circumstance of 'New Normal'.

The survival is the only option for the current situation. The companies negotiate between our employees and organizations due to no revenue. They reduce the office branches from the many cities to reduce the expenses. During the recovery plan, it is vital for the collaboration of the public and the private sectors. It is important to survive the situation with no revenue and the effective recovery plan. After the crisis, the collaborative strategies will be supportive for the future tourism industry in Myanmar.

Recommendations

The recommendations are requirements that can be done by each stakeholder who are facing the same crisis in Myanmar.

The finding of this research is limited due to limitation of the time duration, but which can be carry forward for new researcher with better data collection

The travel business can step forward due to the challenges that are pointed out in this research during their recovery plan.

The MICE products can be upgraded and renewed according to the new normal demand e.g. open-air venue for social distancing

Adaptation the hybrid events can get the number of benefits as increased the financial benefits, increased attendance, measurability and ease of transition.

The collaboration of the private and public sector to form Myanmar as safe MICE destination

Travel business should spread their market segment rather than focusing on one single market.

Acknowledgements

First of all, I would like to thank my professor, Dr Adarsh Batra, for his patience and encouragement.

I've learned a lot from him and from the program. He always patiently enlightens and encourages us and acknowledges our efforts. During this lockdown, it is hard for us to collect the data and he always supports us with very valuable idea. He gave us plenty of helpful tips in the busy schedule. I couldn't have finished the project, without his help. I wish to express my sincere gratitude to him for the opportunity to know. I would like to thank Mr. Ronald @ Tin Aung Myint -Station Manager of Asian Trails for introducing me to the companies for face to face interview. I would like to thank all the interviewers for letting me do face to face in depth interview in this covid-19 crisis. Lastly, I also would like to thank my family and friends for helping me a lot with supportive encouragement.

References

- Myanmar recognises importance of careful tourism management. (2018). *Oxford Business*. [16.5.2020] (2020). Myanmar: <https://dcamyanmar.com/dcadca/>. [16.5.2020]
- Disruption In The Business Events Industry: Rising To The Challenges Of COVID-19. (2020). <https://congrex.com/blog/disruption-business-events-industry-challenges-covid-19/>. [18.5.2020]
- Campiranon, K. (2011, January). Understanding crisis vulnerability of The MICE Sector. <https://core.ac.uk/reader/14984729>. [23.5.2020]
- Chen, W. (2011). *"Technology base self service in hospitality industry"*. Las Vegas: UNLV Theses, Dissertations, Professional Papers, and Capstones. [22.5.2020]
- COMCEC. (2017). Risk and Crisis Management in Tourism Sector: Recovery From Crisis in the OIC Member Countries. *COMCEC COORDINATION OFFICE*, [file:///C:/Users/MAY/OneDrive/Desktop/Research %20Article/Crisis/Ris_and_Crisis_Management_in _Tourism_Sector-.pdf](file:///C:/Users/MAY/OneDrive/Desktop/Research%20Article/Crisis/Ris_and_Crisis_Management_in_Tourism_Sector-.pdf). [20.5.2020]
- Curran, J., & Meuter, M. (2005). "Self-service technology adoption: compaign three technologies". *Journal of Services Marketing*, 19(2), 103-113. [19.5.2020]
- Deependra, S. (2016). "Enhancing customer experience using technological innovations : A study of the Indian hotel industry". *Worldwide Hospitality and Tourism Themes* , 8(4), 469-480. [19.5.2020]
- Heinonen, K., Ostrom, A. L., & Voss, C. (2015). 'Futurizing' smart service: implications for service researchers and managers. *Journal of Services Marketing*, 29(6), 442-447. [19.5.2020]
- HILLIARD , T. W. (2009). CRISIS PREPARED MEETINGS: CRISIS PREPAREDNESS. <https://shareok.org/handle/11244/7222>. [19.5.2020]
- HILLIARD, T., SCOTT-HALSELL , S., & PALAKURTHI, R. (2011). Core Crisis Preparedness Measures Implemented by Meeting Planners. *ResearchGate*, https://www.researchgate.net/publication/232987425_Core_Crisis_Preparedness_Measures_Implemented_by_Meeting_Planners. [19.5.2020]
- Karantzavelou, V. (2020). ICCA analyses COVID-19 global meetings industry impact: Industry shows resilience and confidence. <https://www.traveldailynews.com/post/icca-analyses-covid-19-global-meetings-industry-impact-industry-shows-resilience-and-confidence>. [19.5.2020]
- KHIR, M. M. (2014). DEVELOPING AN EVENT SAFETY RISK TYPOLOGY. <https://pdfs.semanticscholar.org/5ee6/3adf9506df446e39e491724a789040c2e60b.pdf>. [19.5.2020]
- Kim, J., Christodoulidou, N., & Brewer, P. (2012, February). "Impact of individual differences and consumers' readiness on likelihood of using self-service technologies at hospitality settings". *Journal of Hospitality and Tourism*, 36(1), 85-114. [19.5.2020]
- MyanmarInsider. (2015). Attracting MICE: Trapping a Lucrative Tourism Market Segment. <https://www.myanmarinsider.com/attracting-mice-trapping-a-lucrative-tourism-market-segment/>. [19.5.2020]
- Ong, L. I. (2010). "Can self service technologies work in the hotel industry in Singapore? A conceptual framwork for adopting self service technology". *UNLV Theses, Dissertations, Professional Papers*, 694. [19.5.2020]
- Oxford Business Group. (2018). Myanmar recognises importance of careful tourism management. <https://oxfordbusinessgroup.com/overview/balancing-act-recognition-need-careful-management-key-time-transition>. [19.5.2020]
- Ranasinghe, R., Damunupola, A., Wijesundara, S., Karunarathna, C., Nawarathna, D., Gamage, S., et al. (2020). TOURISM AFTER CORONA: IMPACTS OF COVID 19 PANDEMIC . *ResearchGate*, https://www.researchgate.net/publication/340754502_TOURISM_AFTER_CORONA_IMPACTS_OF_COVID_19_PANDEMIC_AND_WAY_FORWARD_FOR_TOURISM_HOTEL_AND_MICE_INDUSTRY_IN_SRI_LANKA. [19.5.2020]



Au Virtual International Conference 2020
Entrepreneurship and Sustainability in the Digital Era
Assumption University of Thailand
October 30, 2020

Co-hosted by



RATAJCZAK-MROZEK, M. (2014, January). Cooperation, Innovations and Knowledge in MICE Tourist Product Perception. https://www.researchgate.net/profile/Milena_Ratajczak-Mrozek/publication/266149437_Cooperation_innovations_and_knowledge_in_MICE_tourist_product_perception/links/542908ac0cf238c6ea7ce68e/Cooperation-innovations-and-knowledge-in-MICE-tourist-product-percep. [19.5.2020]
Sertan, K., & Faizan, A. (2019). "Smart service experience in hospitality and tourism services: A conceptualization and future research agenda". *Journal of Service Management*, 30(10). [19.5.2020]
Shamdasani, P., Mukherjee, A., & Malhotra, N. (2008). Antecedents and consequences of service quality in consumer evaluation of self-service

internet technologies. *Service Industries Journal*, 28, 117-138. [19.5.2020]
Smagina, N. (2017). The internationalization of the Meetings-, Incentives-, Conventions- and Exhibitions- (MICE) industry: Its influences on the actors in the tourism business activity. *Journal of Economics and Management*, https://www.researchgate.net/publication/317684222_The_internationalization_of_the_Meetings-Incentives-Conventions-and_Exhibitions-MICE_industry_Its_influences_on_the_actors_in_the_tourism_business_activity. [19.5.2020]
THIHA. (2020). Myanmar Tourism Sector Braced for 50% Job Cuts Amid COVID-19 Downturn. *Consult Myanmar*, <https://consult-myanmar.com/2020/05/11/myanmar-tourism-sector-braced-for-50-job-cuts-amid-covid-19-downturn/>. [19.5.2020]