

Part II

Meeting, Incentive, Convention and Exhibition (MICE) Business in Thailand

Asia is an attractive place for sightseeing, tour, leisure, and business. Japan, Singapore, South Korea, and Hong Kong were the first Asian countries which entered the MICE business and became quite successful due to their expertise. So far, they have gained international recognition.

Thailand is quite unique physically. It is also an attractive MICE destination. The success in MICE business depends on various factors. The factors contributing to the success in M, I, C and E are also different.

2.1 International Meetings and Conventions in Thailand

Thailand's entry into international convention business can be attributed to the establishment of the Central Plaza Hotel. At that time, the hotel's Bangkok Convention Center was the largest convention center in Thailand. In 1991, the Queen Sirikit National Convention Center (QSNCC) was completed to hold The 46th World Bank & IMF Annual Meeting, and from then on Thailand has become the new destination for international conventions and exhibitions.

Hotel operators are aware of this fact and have built new hotels in major provinces, particularly in Bangkok where they usually have large and small meeting rooms to accommodate meetings held outside convention centers. The meeting rooms are in addition to guest rooms that are used by ordinary tourists.

2.1.1 Factors contributing to selection of international convention venue

Accessibility: Participants to international conventions at organization, corporation or association level have to make long overseas journeys. They prefer easy access. A change of transports can cause confusion among participants and add burden to organizers. Therefore, any international convention is likely to be held near international airports with many flights in operation.

Professional skill: International conventions have to be organized by professionals – from the time of registration, check-in, documentation, meeting inauguration, presentation, light and sound control, food, beverages, banqueting, farewell ceremony, etc. Everything has to be handled in the most perfect and timely manner. Solutions to immediate problems must be sought professionally. Hotel, convention center and PCO must have excellent management skill.

Venue: The venue for international convention must be well decorated, convenient and fully equipped. Its size, seating capacity and atmosphere must also be appropriate to the convention.

Hotels: Any large international convention will have many attendants and their accompanying persons. There must be a sufficient number of hotels to accommodate them. The organizers must arrange for the attendants and their accompanying persons to stay in many different hotels. Therefore, the venue for large international conventions must be near many hotels.

Level of confidence: It is important that organizers feel confident in the destination, PCO, hotels and convention center. Recognition of the management is another factor contributing to the decision to choose a destination. Therefore, the destination must gain international recognition.

Diversity of choices: Apart from the physical character of the destination, other qualities such as scenic beauty, unique arts and cultures, entertainment, etc., can also attract organizers and participants.

Table 2.1: Places having potential for international conventions categorized by areas and factors

Province	Factor
<p>Bangkok</p> <p><i>Capable of accommodating international convention of any size</i></p>	<p><u>Accessibility:</u> Bangkok International Airport with its two terminals and 80 airlines in operation is capable of providing services to 25,000,000 passengers each year. Airport buses, limousines and taxis are available. Although there may be a slight language barrier with some taxi drivers, Bangkok has easy access and is fully equipped for international conventions.</p>
	<p><u>Professional skill:</u> Bangkok is the commercial hub of Thailand. Many hotels, international convention centers and PCO in Bangkok have professional skills in management and service. There is hardly any language barrier, because most establishments employ English-speaking persons.</p>
	<p><u>Venue:</u> There are 4 convention and exhibition centers capable of accommodating 30,000 attendants. See Table 2.2-3. About 50 5-star hotels have convention rooms for government and corporate meetings of up to 50,000 participants.</p>
	<p><u>Hotels:</u> There are many 5-star hotels in Bangkok. QSNCC and BCC are well surrounded by many good hotels.</p>
	<p><u>Diversity of choices:</u> The Greater Bangkok area offers many choices of entertainment establishments, department stores, and places of cultural interest. Many visitors find Bangkok unique and attractive.</p>
	<p><u>Others:</u> Bangkok is a business center. Meeting participants can attend to their business constantly. The Skytrain offers convenient transfers.</p>

Province	Factor
<p>Chon Buri-Pattaya</p> <p><i>Capable of accommodating large international conventions</i></p>	<p><u>Accessibility:</u> Pattaya can be reached by landing at Bangkok International Airport and continuing by bus for 1-2 hours into the city. Alternatively, a plane can be chartered into U-Taphao Airport. The journey is not too difficult, but more organizer co-ordination is required.</p>
	<p><u>Professional skill:</u> Pattaya has been a tourist attraction for a long time. Some hotels and convention centers are established especially for international conventions and their staff can communicate in English reasonably well.</p>
	<p><u>Venue:</u> PEACH is a modern convention/exhibition center. Ambassador City Jomtien is a large hotel. Each place is capable of accommodating a meeting of 5,000 to 6,000 persons, totaling 13,000 persons. See Table 2.4. Many 4- and 5-star hotels in Pattaya can hold medium-sized conventions.</p>
	<p><u>Hotels:</u> There are many modern hotels to cater for a large number of meeting attendants and their accompanying persons.</p>
	<p><u>Diversity of choices:</u> Pattaya is near Bangkok. It has beautiful beaches, leading department stores and a number of exciting activities. It still has a negative international image which has to be improved through extensive public relations. Traffic congestion frequently occurs, especially during annual festivals. A solution to this problem must also be found.</p>

Province	Factor
<p>Chiang Mai</p> <p><i>Capable of accommodating large international conventions</i></p>	<p><u>Accessibility:</u> Chiang Mai International Airport operates air travel service for the northern part of Thailand. Seven international airlines operate flights for 2,000,000 passengers per year. Some passengers still have to change their flights at Bangkok International Airport, because there is no connection flight at the time of their arrival in Bangkok. This means they have to stay a night in Bangkok waiting for another flight in the morning. Contacts and arrangements with meeting participants may be troublesome, but Chiang Mai is still very accessible.</p>
	<p><u>Professional skill:</u> Although Chiang Mai is the commercial hub of the northern part of Thailand, the hotels and convention centers there still have to ensure that their staff improves their skills in management, service and English language.</p>
	<p><u>Venue:</u> Chiang Mai University is one of the convention centers. Many 4- and 5-star hotels can also host international conventions. See Table 2.5. In 2000, Chiang Mai University hosted the Annual ADB meeting with 4,000 participants. The meeting was inaugurated at the university and it was convened at many hotels where its participants stayed. Further improvement still has to be made to ensure smooth organization of international conventions in the future.</p>
	<p><u>Hotels:</u> Being a holiday resort, Chiang Mai has plenty of modern hotels to accommodate a large number of meeting participants. If traffic congestion escalates meeting participants in different hotels will find it difficult to make journeys between their hotels and convention center.</p>
	<p><u>Diversity of choices:</u> Chiang Mai has unique cultures and scenic beauty which attract all types of visitors.</p>

Province	Factor
<p><u>Phuket</u></p> <p><i>Capable of hosting large international conventions</i></p>	<p><u>Accessibility:</u> Phuket International Airport has 11 international airlines which operate flights for 3,000,000 passengers per year. Limousine and taxi services are available – but taxi drivers may not be able to communicate in English effectively. The airport is quite far from the city and the journey through mountainous areas may take time. Some passengers still have to change their flights at Bangkok International Airport, because there is no connection flight at the time of their arrival in Bangkok. This means they have to stay a night in Bangkok waiting for another flight in the morning. Contacts and arrangements with meeting participants may be troublesome, but Phuket is still very accessible.</p>
	<p><u>Professional skill:</u> Phuket has been a holiday resort of international renown for quite some time. Hotel staff members are capable of communicating in English and there are often Japanese staff or Thais who can speak Japanese to help Japanese visitors. Many Phuket hotels have foreign managers who use English for communication.</p>
	<p><u>Venue:</u> There are no convention or exhibition centers in Phuket. However, at least ten 5-star hotels are capable of hosting government and corporate meetings. See Table 2.6.</p>
	<p><u>Hotels:</u> Phuket is frequented by tourists all year round. Despite many modern hotels there may not be enough vacancies that reservations and other arrangements have to be made well in advance.</p>
	<p><u>Diversity of choices:</u> Phuket is famous for beautiful beaches, convenient accommodations, a wide variety of entertainment, and many department stores. Such unique characteristics are powerful attractions for tourists.</p>

Table 2.2: Conventions and Exhibitions in Thailand

Venue		Exhibition Area		Meeting Room			Number of hotel rooms
				Number of rooms	Seating		
		Indoor	Outdoor		Classroom	Theatre	
1	Bangkok Convention Centre (BCC)	5,274	-	10	3,160	6,250	607
2	Bangkok International Trade & Exhibition Centre (BITEC)	21,330	14,410	22	11,337	18,523	-
3	Queen Sirikit National Convention Centre (QSNCC)	16,492	-	13	3,410	6,940	-
4	Pattaya Exhibition and Convention Hall (PEACH)	4,851	-	16	3,090	6,445	1,100
5	Impact Exhibition Centre	61,073	-	20	15,326	16,886	60
Total		109,020	14,410	81	36,323	55,044	1,667

Table 2.3: Hotels with large convention rooms in Bangkok

Venue	Hotel rooms	Meeting room (Seating)	
		Classroom	Theater
Bangkok			
Amari Watgate Hotel	575	900	1,620
Grand Hyatt Erawan Bangkok	400	910	1,540
JW Marriott Hotel Bangkok	425	1,030	2,100
Siam Inter-Continental Bangkok	389	1,025	2,120
The Dusit Thani Bangkok	525	1,305	2,785
The Emerald Hotel	625	1,015	2,350
The Imperial Queen's Park Hotel	1,356	1,940	3,550
The Landmark Bangkok	415	880	1,680
The Maruay Garden Hotel, Bangkok	315	930	1,820
The Montien Riverside Hotel	462	1,400	2,600
The Oriental, Bangkok	396	740	1,450
The Royal Orchid Sheraton Hotel & Towers	772	875	1,900
The Shangri-La Hotel Bangkok	850	1,330	2,540
The Siam City Hotel	500	750	1,450
Windsor Suites Hotel, Bangkok	460	2,150	3,100

Table 2.4: Convention centers and hotels with large convention rooms in Pattaya

Venue	Hotel rooms	Meeting room (Seating)	
		Classroom	Theater
Pattaya			
Ambassador City Jomtien Hotel	5,000	3,800	5,000
Dusit Resort Pattaya	450	2,000	2,869
Pattaya Exhibition and Convention Hall (PEACH)	1,100	3,090	6,445

Table 2.5: Convention centers and hotels with large convention rooms in Chiang Mai

Venue	Hotel rooms	Meeting room (Seating)	
		Classroom	Theater
Chiang Mai			
Westin Riverside Plaza Chiangmai	526	1,480	2,600
The Empress Hotel & Convention Center	375	670	800
Chiangmai Plaza Hotel	445	1,080	1,200
Lanna Palace Hotel	205	510	850
Lotus Hotel Pang Suan Kaew	660	3,380	3,000
Convention Center' Chiang Mai University	-	3,500	4,000

Table 2.6: Hotels with large convention rooms in Phuket

Venue	Hotel rooms	Meeting room (Seating)	
		Classroom	Theater
Phuket			
Laguna Beach Resort Phuket	248	1,200	1,500
Karon Villa Phuket & Karon Royal Wing	332	1,110	1,650
Le Meridien Phuket	447	650	980
Phuket Arcadia Hotel & Resort	695	1,615	2,200
Royal Phuket City Hotel	251	1,320	2,500

2.1.2 International conventions in Thailand

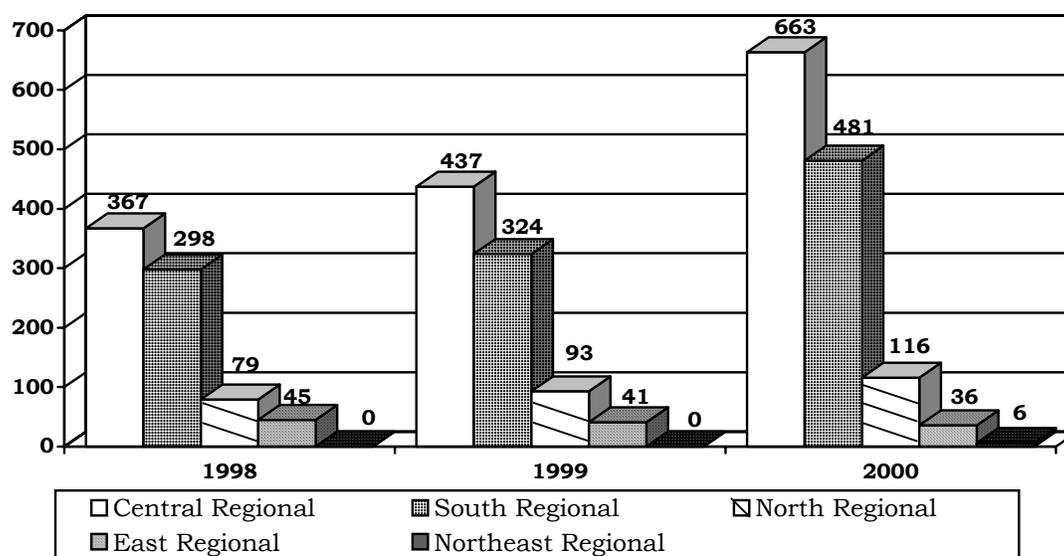
The survey of 113 hotels, convention centers, exhibition centers, 10 PCO's and PEO's, and 87 international convention organizers and coordinators nationwide revealed that there were 1,327 international convention held in the country. Most of them (663 convention) were held in the Central Region. Bangkok was the most popular destination in the region with 624 conventions. The second most popular region was the Southern Region with 481 conventions, with Phuket as the top convention destination with 450 international conventions. The Third most popular region was the Northern Region, with Chiang Mai as the top destination in the region. In 2000, Thailand received 98,895 foreign convention participant and 25,405 Thai participants.

Table 2.7: International conventions in different regions of Thailand in the year 2000

Regions	No. of Events	Number of Convention Participants		
		Total	Foreigners	Thais
Central	663	59,564	45,126	14,438
North	116	19,029	15,277	3,752
South	481	29,675	23,760	5,915
East	36	12,379	11,749	630
Northeast	31	3,653	2,983	670
Total	1,327	124,300	98,895	25,405

* For comparison with the figures for 1997-2000 see Appendix Table 1.1

Figure. 1: International conventions from 1998 to 2000 in different regions

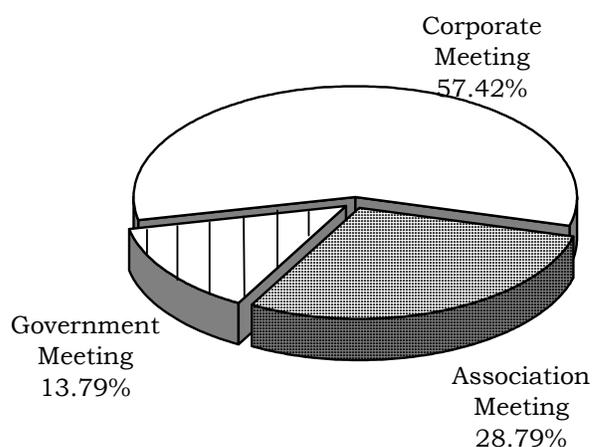


According to Figure. 1, international conventions from 1998 to 2000 followed the same trend, that is, the Central Region was the most popular one, followed by the southern, northern, eastern and northeastern regions, respectively.

Table 2.8: International conventions in Thailand from 1999 to 2000 under different categories

Type of Conventions	1999				2000			
	Total	Inter-national	Regional	National Offshore	Total	Inter-national	Regional	National Offshore
Association	493	214	191	88	382	229	113	39
Corporate	421	118	159	144	762	115	164	483
Government	-	-	-	-	183	56	84	43
Grand Total	914	332	350	232	1,327	401	361	565

Figure 2: Comparison of international conventions in the year 2000 under different categories



In the year 2000, 98,895 foreigners and 25,405 Thais attended international conventions in Thailand. According to Figure 2, 762 corporate meetings (accounted for 57.42%), 382 association meetings (accounted for 28.79%) and 183 government meetings (accounted for 13.79%) took place. More than half of international conventions were corporate meetings.

Figure 3: Association meetings in the year 2000 categorized by types of participants

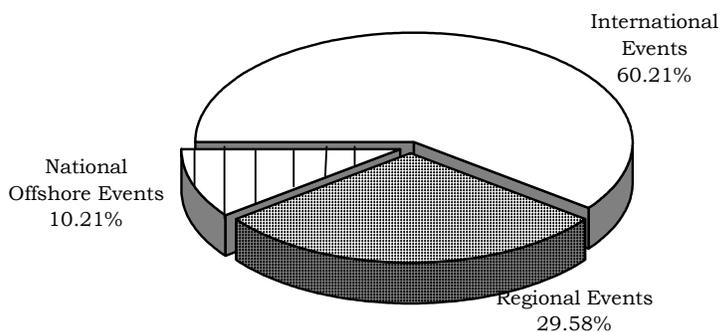


Figure 4: Government meetings in the year 2000 categorized by types of participants

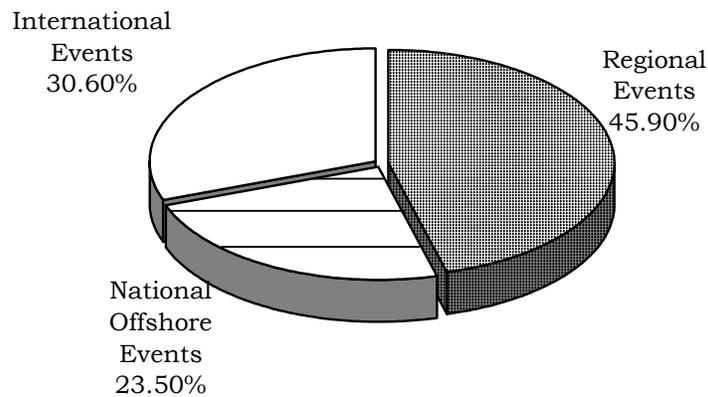
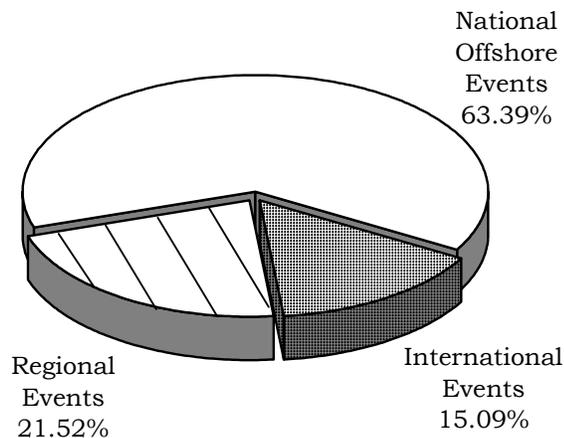


Figure 5: Corporate meetings in the year 2000 categorized by types of participants



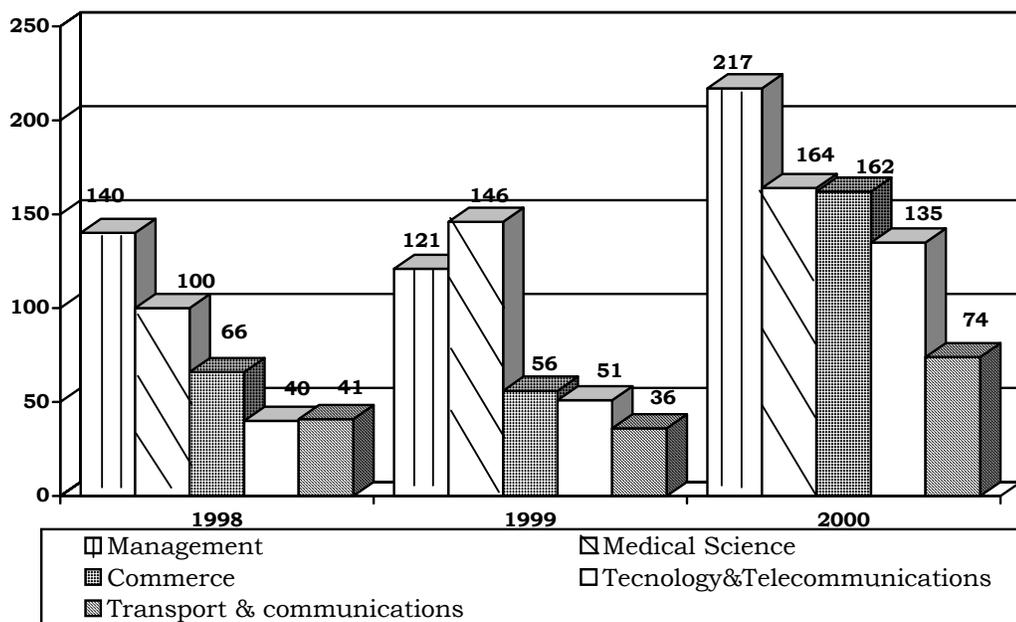
Taking into account the type of meetings in Figure 3-5, it can be seen that out of the association meetings in the year 2000, 230 international events (60.21%), 113 regional events (29.58%) and 39 national offshore events (10.21%) took place.

As for government meetings, nearly half of them (45.90%) were regional events.

As for corporate meetings, 483 of them (more than 60%) were national offshore events.

Each type of meeting and its participants follow the same trend, that is, association meetings are international events; government meetings, requiring regional cooperation for a better economy, were regional events; corporation meetings -- attended by staff members for improvement of business strategies, follow-up, better cooperation in different fields, personnel development or incentive travel -- are national offshore events.

Figure 6: International conventions from 1998 to 2000 categorized by the first 5 items on the agenda



According to Figure 6, most of the items on the agenda were management, medical science, commerce, telecommunications, transport and communications and most of the international conventions were held in October and November. See Appendix 1.

In the year 2000, international conventions increased rapidly in line with fierce global competition. Trading companies and associations had to strive for competitiveness in the world market. They organized meetings for the purpose of personnel development, setting manufacturing and marketing strategies, launching new products and technologies, etc. In the field of telecommunications and technology, new products were quickly developed. Markets were constantly expanding. Meetings were organized with the aims of market entry, personnel development, improvement of product image, and strengthening brand loyalty.

Corporate meetings do not require a great deal of preparations. Short-term plans can be made. Therefore, the new exchange rates can cause the number of corporate meetings in Thailand to increase.

Global competition has led to regional cooperation. Asia Pacific countries have entered into regional and bilateral cooperation, especially the countries having borders with each other, e.g. those on the Mekong River. The increase in political and military cooperation has led to minor meetings of smaller sectors.

At the same time, advances in medical science and the success of international associations in organizing conventions in Thailand led to many international conventions of all sizes in the year 2000. The awareness of biological technology prompted many scientific, research and technological conventions.

Participants' views:

● **Factors contributing to participation**

Meeting participants are of the opinion that the most important factor contributing to participation is the title of convention, and next to that are mission to be accomplished, and venue of the meeting. See Appendix Table 4.3. The survey revealed that 95% of the participants were very pleased to find out that Thailand was the venue of the meeting. See Appendix Table 4.4.

● **Mode of travel and average length of stay**

Out of all participants, 66.7% traveled alone and 25.2% traveled with other persons; each participant had 0.42 person to accompany him or her, stayed for 8.04 days and attended the meeting for 4.44 days. See Appendix Table 4.6-8.

● **Satisfaction of being in Thailand**

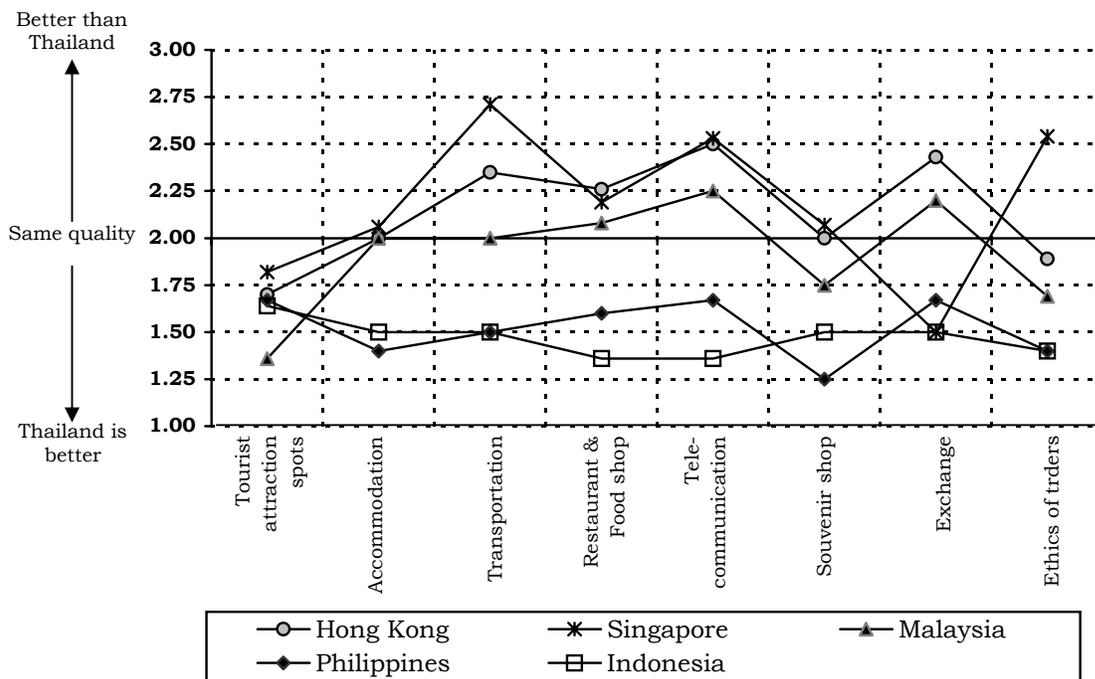
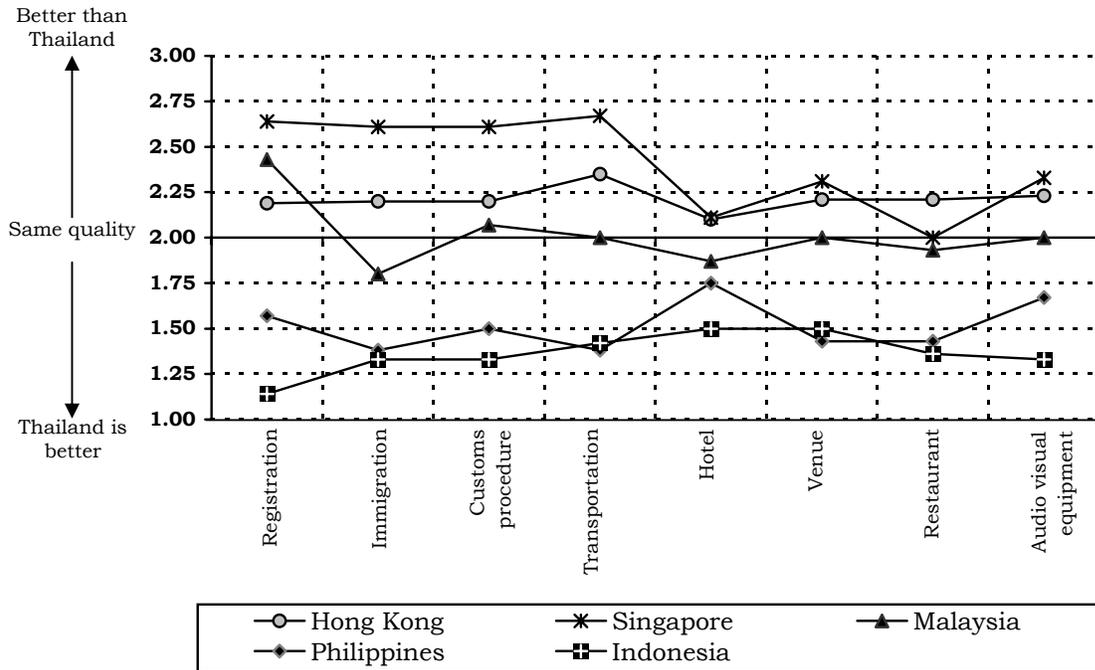
Most participants were highly satisfied with Thailand's services, from the time of registration, entry to the kingdom, immigration procedures, check-in, and meeting participation. In the survey, participants gave 1-5 marks of satisfaction: 1= no satisfaction, 2 = dissatisfied, 3 = rather satisfied, 4 = satisfied, 5 = greatly satisfied. Most of the services got 4. Communications during registration, immigration speed and local journeys got 3.9. It means although the three services are not totally unsatisfactory they still need further improvements to ensure absolute satisfaction that will ultimately yield more visits and a better national image. See Appendix Table 4.9.

● **Post-meeting excursions**

The survey revealed that 28.8% of meeting participants returned home, and 20.7% of them went on excursions according to their own plans – 46.8% to places of cultural interest, 17% took other trips for the purpose of conservation, education, sports and health, and 0.9% went shopping. See Appendix Table 4.10-11.

• **Comparison of service with neighboring countries**

Figure 7: Comparison of service in Thailand with Hong Kong, Singapore, Malaysia, Philippines, and Indonesia



Meeting participants compared the services in Thailand with those in Hong Kong, Singapore, Malaysia, Philippines, and Indonesia and expressed the following views: Thailand's meeting services and post-meeting tours were better than those in the Philippines and Indonesia. See Figure 7.

Thailand's services were slightly better than those of Malaysia.

Thailand's meeting services were not as good as those of Hong Kong and Singapore. Thailand's tours were better than those of Hong Kong and Singapore. See Appendix Table 4.16.

- **Sponsorship**

Nearly half or 45.5% of international convention participants had their costs of attendance paid by their companies or organizations. They were on assigned missions or saw the future benefits of participation. About 18.9% of participants had been invited by and had their costs paid by meeting organizers, because they were qualified to receive financial support, or had exceptional skills or knowledge or they belonged to underdeveloped countries fitting the descriptions of the items on the agenda.

Another 9.9% of the participants met the costs of participation. They were academics, freelance workers, business owners or retired professionals who were keen on improvement of professional skills. See Appendix Table 4.23.

Thailand's incomes from international conventions

In the year 2000, international conventions were attended by 98,895 persons, each of whom stayed 8.04 days, participated in the conventions 4.4 days, spent US\$ 246.10 per day, totaling US\$ 1,978.64 – hence in the year 2000 meeting participants brought into the country US\$ 195.677,998 or 7,848 million baht.

Each participant had 0.42 person to accompany him or her – hence in the year 2000, the number of accompanying persons was 41,536 persons, and they brought US\$ 31,069,597 or 1,246 million baht.

Table 2.9: International Conventions from 1998 to 2000

	1998	1999	2000	% Change (1999 - 2000)
<i>Participants</i>				
Number of Convention Participants (persons)	67,042	77,205	98,895	28.09%
Number of Conventions (events)	803	994	1,327	33.50%
Length of Stay	8.1	8.00	8.04	0.50%
Average expense/person/day (US)	174.56	190.79	246.10	28.99%
Average expense/person (US)	1,413.94	1,526.32	1,978.64	29.63%
<i>Estimated Revenue (US)</i>	<i>94,793,365</i>	<i>117,839,536</i>	<i>195,677,998</i>	66.05%
<i>Accompanying Persons</i>				
Number of Accompanying Persons (persons)	NA	NA	41,536	-
<i>Estimated Revenue (US)</i>	NA	NA	<i>31,069,597</i>	-
<i>Total Estimated Revenue in Convention Industry (Convention Participants and Accompanying Persons)</i>				
<i>Estimated Revenue (US)*</i>	<i>94,793,365</i>	<i>117,839,536</i>	<i>226,747,595</i>	-
<i>Estimated Revenue (Baht)*</i>	<i>3,868,517,225.65</i>	<i>4,453,156,050.32</i>	<i>9,094,846,038.36</i>	-

Notes: *No records of accompanying persons from 1998 to 1999.
Rate of exchange in 1998: 1US\$ = 40.81 baht
Rate of exchange in 1999: 1US\$ = 37.79 baht
Rate of exchange in 2000: 1US\$ = 40.11 baht

2.2 International exhibitions in Thailand

In the past, the number of exhibitions in Thailand did not increase much despite high economic growth. The reason was insufficient trade exhibition centers. At one time, there were only two centers, namely BCC and QSNCC. The first one had only limited space, and it was not built for trade exhibition. The second one was built for the World Bank Convention and therefore is not appropriate for trade exhibition.

As investments increased, private firms built BITEC and Impact Exhibition & Convention Center in Bangkok, and Pattaya Exhibition and Convention Hall (PEACH) in Pattaya. As a result, MICE business is growing every year. Now, Thailand is becoming another destination for trade exhibitions.

2.2.1 Factors contributing to selection of destination for international trade exhibition

Accessibility: Like international convention, international trade exhibition requires easy access and excellent international transportation.

Venue: The place must be purposely built for international exhibitions. It must be of appropriate size, having ceiling of the right height, be properly decorated, having good storage areas, high-tech facilities, convention halls, and sufficient number of rooms. Consumer shows must be accessible by a mass transit system.

Professional skill: Preparation of space, dispatch and delivery of goods, bonded customs areas, decoration, customs formalities, ATA-Carnet, opening ceremony, presentation, light and sound control, reception of many local and overseas visitors, etc., must all be professionally handled. Troubleshooting must also be done immediately and professionally. Coordinators, such as local PEO, exhibition center, contractors and freight forwarders must have excellent management skill.

Target groups: Each exhibition must reach target groups in that region or area as exhibitors want post-event business. Therefore, the target groups that do come to an exhibition is of utmost importance.

Table 2.10: Places having potential for international exhibitions categorized by areas and factors

Province	Factor
<p>Bangkok</p> <p>Capable of accommodating 100,000 square meters of international exhibition</p>	<p><u>Accessibility:</u> Bangkok International Airport has two terminals and 80 international airlines in operation. It is capable of serving 25 million passengers per year. Airport buses, limousine and taxi services are available. Warehouse service with capacity of 870,000 tons is also available.</p>
	<p><u>Professional skill:</u> Trade exhibition centers and PEO's in Bangkok have not been established for a long time, but their staff members have extensive knowledge, long experience and professional skills in management and services.</p>
	<p><u>Venue:</u> There are 4 exhibition centers capable of accommodating 100,000 square meters of international exhibition. See Table 2.2. BITEC is purposely built for international trade exhibitions. It has all the facilities, including bonded warehouse, sufficient number of rooms of the right sizes, ceilings of appropriate heights and many convention rooms.</p>
	<p><u>Target groups:</u> Asia, Asia Pacific and Indo China are the markets with potential demand for technological development, application of technologies to agriculture, etc. Therefore, Bangkok is a good place for technological exhibitions to reach the target groups in these markets.</p>
	<p><u>Others:</u> Bangkok is the center of business. Exhibition participants and visitors can still attend to their business while being in Bangkok. The Skytrain can alleviate traffic congestion. The journeys to and from exhibition centers can be made more easily.</p>

2.2.2 International exhibitions in Thailand

International exhibitions are held in Thailand for marketing and export promotion purposes.

The Department of Export Promotion holds 8-11 international exhibitions per year to assist local manufacturers and exporters in export promotion. Many manufacturers associations also hold exhibitions for the same purpose. The department has a plan to turn Thailand into the exhibition center of the region. The department is inviting many exhibitors to participate in the exhibitions to attract more local and overseas traders.

The department currently holds trade and public exhibitions. Now, there is a plan to reduce the number of public events and increase the number of trade events. This will give manufacturers the opportunity to receive more orders from overseas buyers. Most exhibitions are held concurrently with those in Hong Kong to attract visitors from Europe and America who visit the Hong Kong exhibitions.

Exhibitions are organized in line with the market trends. Certain exhibitions are aimed at visitors and exhibitors in the region, and others are aimed at the promotion of products under joint venture with overseas PEO's.

Present situation

In the year 2000, 74 international exhibitions were held in Thailand, mostly from September to November.

Most exhibitions lasted 4 days with exhibitors staying for 3.3 days and visitors spending 2 days at the exhibition. The two groups tended to stay in Thailand for 7-8 days for each exhibition.

In 1999, 76 international exhibitions were held. The number of exhibitions in 2000 reduced from those in the previous year. As exhibitions are organized in line with the economic situation of the exhibitors and target groups, the decline can be attributed to the economic downturn in Asia.

Figure 8: International Exhibitions from 1998 to 2000 Categorized by Types of Shows

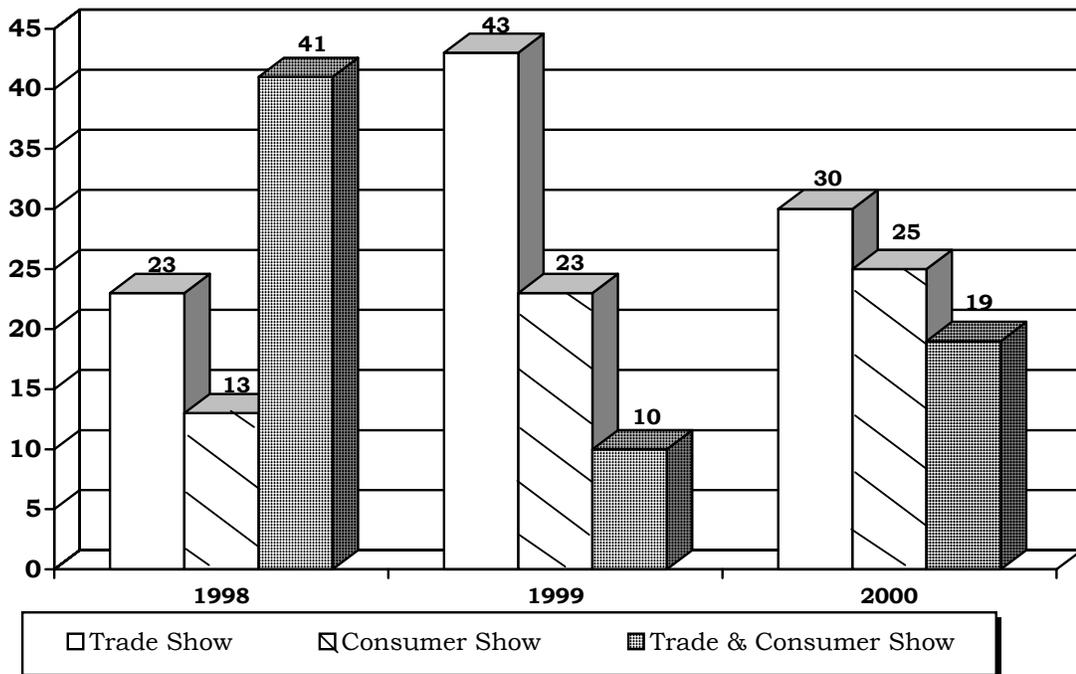
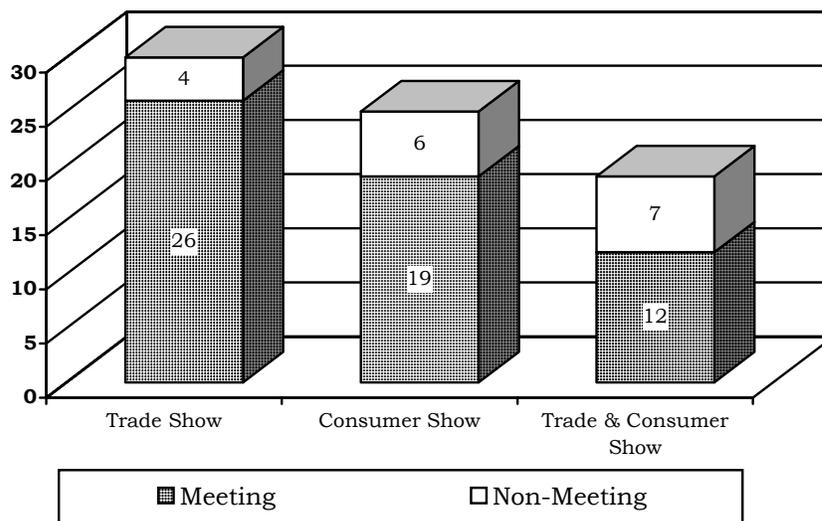


Figure 9: International Exhibitions in 2000 Categorized by Types of Meetings



According to Figure 8 and 9, 30 international exhibitions (40%) were trade shows, 25 of them (34%) were consumer shows and 19 of them (26%) were trade and consumer shows, most of which (77.03%) had meetings run concurrently. Seminars were held by organizers for the purpose of technology transfer in connection with the title of events.

The Department of Export Promotion is the largest organizer of international exhibitions. The department holds 11 exhibitions in a year. More exhibitions are expected to be held in 2001 to meet the increasing demand of local and overseas exhibitors and visitors. Certain exhibitions will be split into two events.

Exhibitors' and visitors' views on international exhibitions

Exhibitors:

- **Factors contributing to participation in exhibition**

Most exhibitors were of the opinion that the most important factor was the title of the event and followed by the assigned mission. They were interested in Thailand for the reason that it has the markets and target groups. See Appendix Table 4.3. Upon finding out that Thailand was the venue for the exhibition, 76% of the exhibitors were satisfied.

- **Mode of travel and average length of stay**

Out of all exhibitors, 44.1% of them traveled alone and 48.6% of them traveled with accompanying persons. The exhibitors stayed in Thailand 8.45 days and attended the meeting 3.31 days. See Appendix Table 4.6-8.

- **Satisfaction of being in Thailand**

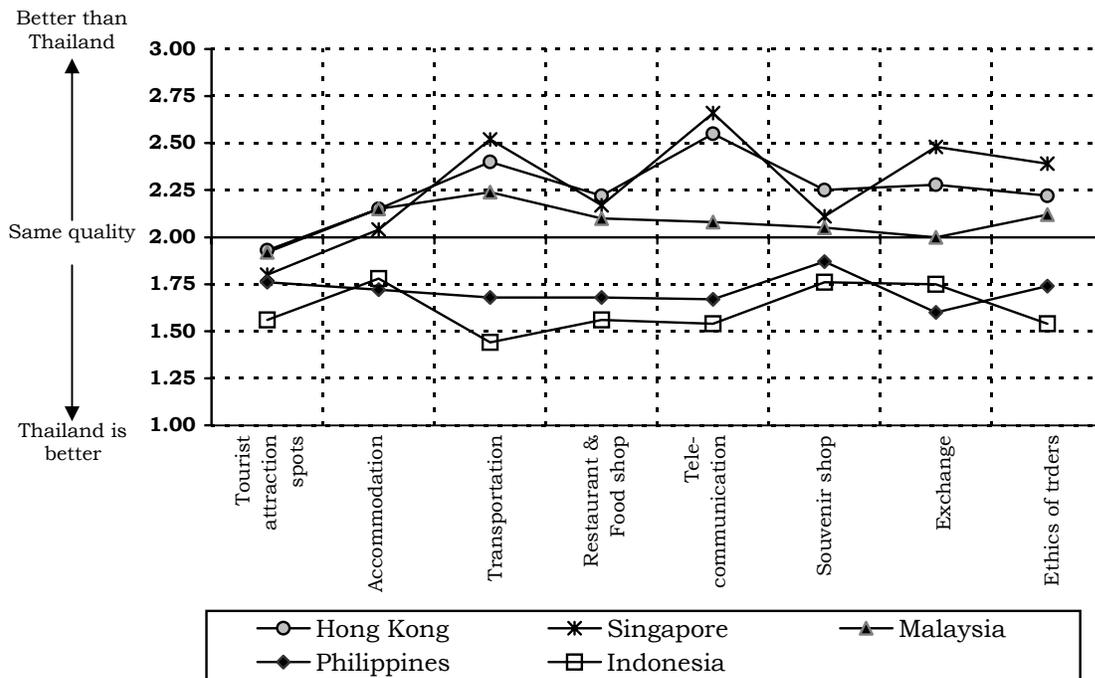
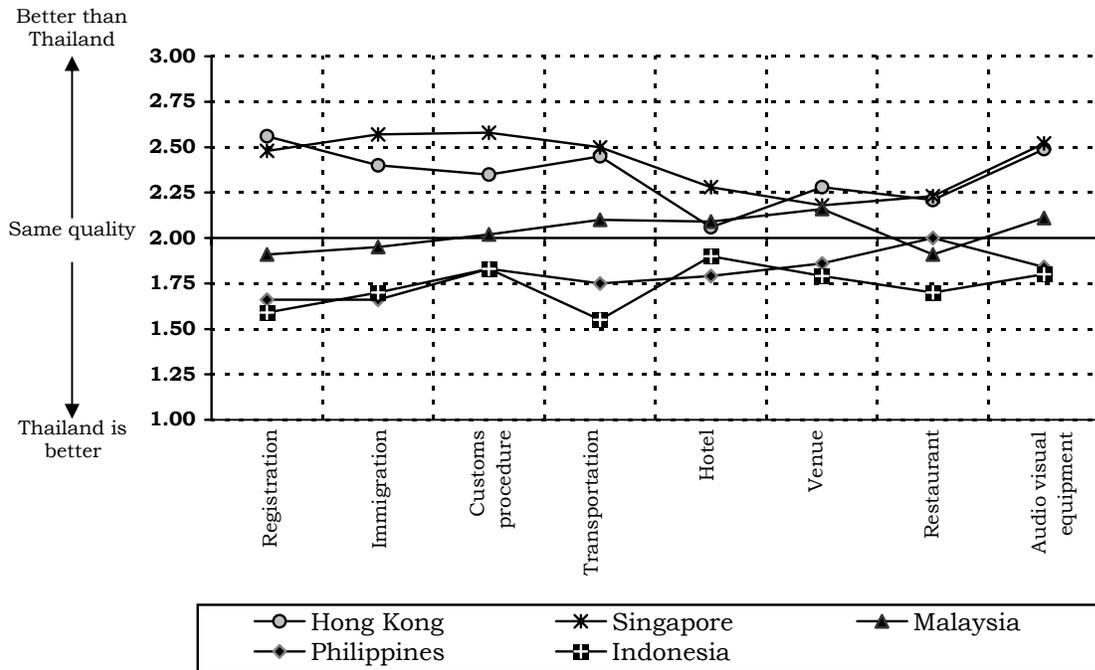
Most exhibitors were rather satisfied with Thailand's services, from the time of registration, entry to the kingdom, immigration procedures, check-in, and meeting participation. In the survey, exhibitors gave 1-5 marks of satisfaction: 1= no satisfaction, 2 = dissatisfied, 3 = rather satisfied, 4 = satisfied, 5 = greatly satisfied. Most of the services got lower than 3. Journey into the country, hotel's reception and venue got higher than 4. It means the exhibitions should be improved further to ensure maximum satisfaction and more visits in the future. See Appendix Table 4.9.

- **Post-exhibition excursions**

The survey revealed that 36% of exhibitors returned home, and 30.6% of them went on excursions according to their own plans – 17.10% to places of cultural interest, 22.5% went shopping, and 15.3% took other trips for the purpose of conservation, education, sports and health. See Appendix Table 4.10-11.

● **Comparison of service with neighboring countries**

Figure 10: Comparison of service in Thailand with Hong Kong, Singapore, Malaysia, Philippines and Indonesia



Exhibitors compared the services in Thailand with those in Hong Kong, Singapore, Malaysia, Philippines, and Indonesia and expressed the following views: Thailand's exhibitions and post-exhibition tours were in all respects better than those in the Philippines and Indonesia. See Figure 10.

Thailand's services were slightly better than those of Malaysia.

Thailand's exhibitions were not as good as those of Hong Kong and Singapore. Thailand's tours were better than those of Hong Kong and Singapore. See Appendix Table 4.16.

- **Sponsorship**

Nearly all or 82.9 % of exhibitors had their costs of exhibitions paid by their companies or organizations. They were on assigned missions. About 0.9% of exhibitors had been invited and had their costs paid by organizers.

Visitors

- **Factors contributing to visit to international exhibitions**

Most visitors were of the opinion that the most important factor was the products to be displayed and that they found Thailand interesting. See Appendix Table 4.3. Upon finding out that Thailand was the venue for the exhibition, 84% of the visitors were satisfied.

- **Mode of travel and average length of stay**

Out of all visitors, 45.8% of them traveled alone and 37.5% of them traveled with accompanying persons. The visitors stayed in Thailand 7.55 days and attended the meeting 2.15 days. See Appendix Table 4.6-8.

- **Satisfaction of being in Thailand**

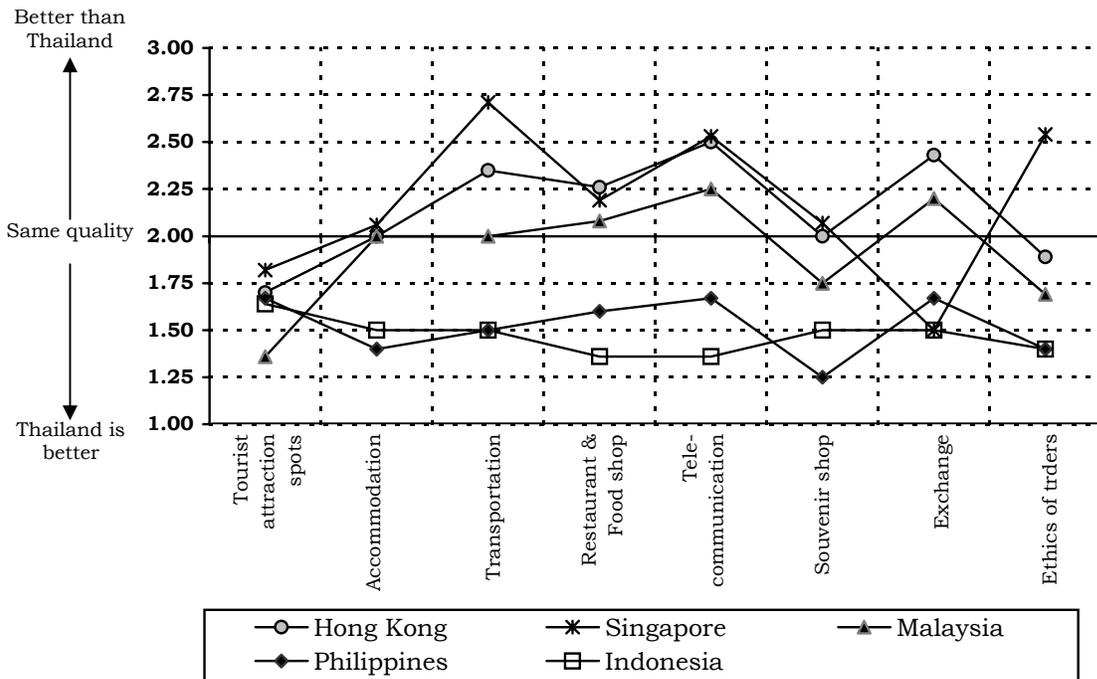
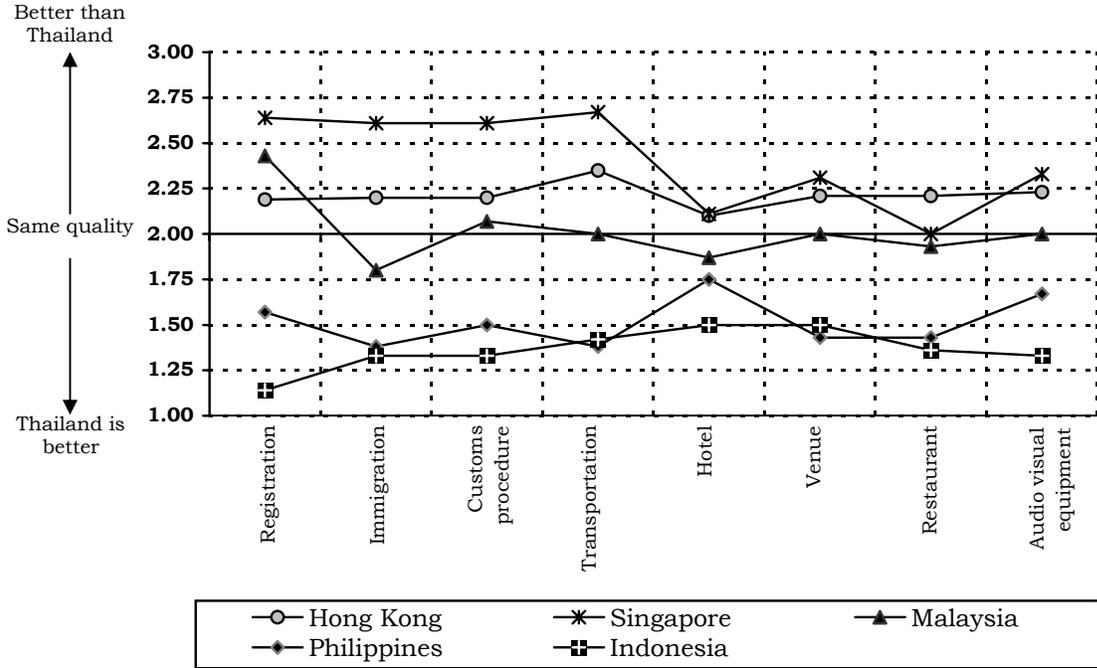
Most visitors were rather satisfied with Thailand's services, from the time of registration, entry to the kingdom, immigration procedures, check-in, and meeting participation. In the survey, visitors gave 1-5 marks of satisfaction: 1= no satisfaction, 2 = dissatisfied, 3 = rather satisfied, 4 = satisfied, 5 = greatly satisfied. Most of the services got lower than 3. Journey to the country, hotel's reception and venue got higher than 3. Many services got 4. Registration fee, immigration procedures, customs formalities, local journeys, and contractor services got 3-4.

- **Post-exhibition excursions**

The survey revealed that 31.9% of visitors returned home, and 33.3% of them went on excursions according to their own plans – 22.2% to places of cultural interest, 8.3% went shopping, and 15.3% took other trips for the purpose of conservation, education, sports and health. See Appendix Table 4.10-11.

• **Comparison of service with neighboring countries**

Figure 11: Comparison of service in Thailand with Hong Kong, Singapore, Malaysia, Philippines, and Indonesia



Visitors compared the services in Thailand with those in Hong Kong, Singapore, Malaysia, Philippines, and Indonesia and expressed the following views: Thailand's exhibitions and post-exhibition tours were in all respects better than those in the Philippines and Indonesia. See Figure 11.

Thailand's services were slightly better than those of Malaysia.

Thailand's exhibitions were not as good as those of Hong Kong and Singapore. Thailand's tours were better than those of Hong Kong and Singapore. See Appendix Table 4.16.

- **Sponsorship**

About 22.2 % of visitors had their costs of visits paid by their companies or organizations. They were on assigned missions. About 2.8% of visitors had been invited and had their costs paid by organizers, especially by the government, as they are important traders or the group which will induce purchases. About 58.3% of them were business owners who met their own costs of visits. See Appendix Table 4.23

Thailand's incomes from international exhibitions

In the year 2000, international exhibitions brought into the country 7,549 exhibitors, 42,502 visitors, totaling 50,051 tourists. These people stayed in Thailand 8.45 days and visited the exhibitions for 3.3 days. Each exhibitor spent US\$311 per day or US\$2,627.95 during the time of stay. Each visitor spent US\$264 per day or US\$1,980 during the time of stay. Therefore, all the tourists participating in international exhibitions brought into Thailand US\$103,992,354.55 or 4,171 million baht in the year 2000.

In the year 2000, exhibitors and visitors traveled with 28,901 accompanying persons which brought into the country approximately US\$21,618,735 or 867 million baht.

Table 2.11: International Exhibitions from 1999 to 2000

	1999	2000	% Change (1999 - 2000)
<i>International Exhibitors</i>			
Number of Exhibitors (Companies)	5,975	2,475	-58.58%
Number of Exhibitors (Persons)	5,975	7,549	26.34%
Length of Stay	7.0	8.45	20.17%
Number of Exhibitions (Events)	76	74	-2.63%
Average expense/person/day (US\$)	287.57	311	8.15%
Average expense/person (US\$)	2,012.99	2,627.95	30.55%
<i>Estimated Revenue (US\$)</i>	12,027,615	19,838,395	64.94%
<i>International Visitors</i>			
Number of Visitors (Persons)	26,092	42,502	62.89%
Length of Stay	7.0	7.50	7.14%
Number of Exhibitions (Events)	76	74	-2.63%
Average expense/person/day (US\$)	168.30	264.00	56.86%
Average expense/person (US\$)	1,178.10	1,980.00	68.07%
<i>Estimated Revenue (US\$)</i>	30,738,985	84,153,960	173.77%
<i>Accompanying Persons</i>			
Number of Accompanying Persons (persons)	NA	28,901	-
<i>Estimated Revenue (US\$)</i>	NA	21,618,735	-
<i>Total Estimated Revenue in Exhibition Industry (Exhibitors, Visitors and Accompanying Persons)</i>			
<i>Estimated Revenue (US\$)</i>	42,766,600*	125,611,089	-
<i>Estimated Revenue (Baht)</i>	1,616,149,823*	5,038,260,786	-

Notes: *No records of accompanying persons in 1999.
Rate of exchange in 1999: 1US\$ = 37.79 baht
Rate of exchange in 2000: 1US\$ = 40.11 baht

Each exhibition generated incomes for many businesses such as the contractors undertaking the decoration of exhibition space, authorized forwarders, PEO's, hotels and organizers of meetings at exhibitions.

Other incomes from international exhibitions

Each international exhibition brings a great deal of money to the country and generates incomes in the following businesses:

PEO's earn money from organization of exhibitions in the form of exhibition space sale and registration fees. Such incomes are to be divided among joint venture companies. The registration fee (space rental) is around 60,000 baht per 9 square meters (for overseas exhibitors).

The contractors leasing standard booths will earn about 5,000 baht per 9 square meters. This opportunity arises when some overseas exhibitors do not wish to spend money on construction.

Shipping firms earn money from goods clearance, ATA Carnet, dispatch and delivery, transportation of goods to the exhibition and back to their origins. The service charge is approximately 5,000 – 10,000 baht per exhibitor.

Hotels earn money from overseas exhibitors and visitors for at least 3-8 days – 4-5 show days, 2 decoration days, 1 post-exhibition day. The hotels are booked by organizers for exhibitors and visitors at special rates.

Providers of services such as electricity installation and supply, plant rental companies and providers of decorative items and other items, e.g. brochure tables.

Many shops earn money from selling a variety of items such as gifts to exhibitors, visitors and their accompanying persons.

International exhibitions attract many traders and local manufacturers can expand the markets.

2.3 Incentive travel in Thailand

An incentive travel is offered by a company as a reward to its employee for good performance or for agents and distributors who achieved set targets. The tour program, including activities and places of visit, must be very special and most memorable.

Thailand has good natural diversity, such as seas, mountains, forests, waterfalls, rivers, beaches, mangrove forests, and islands. It also has unique culture and traditions. Therefore, Thailand is a destination that many types of tour programs can be crafted, including activities based upon the country's diverse culture mixed with creative ideas. A number of 5-star hotels are skillful in organizing theme parties. All these factors contribute to the future success of incentive travel business in the country.

2.3.1 Factors contributing to selection of incentive travel

Accessibility: Like international conventions or exhibitions, incentive travel requires easy access by all kinds of transports. The journeys are short or medium hauls rather than long hauls.

Diversity of choices: Scenic beauty, unique arts and culture can attract incentive travelers. Destination is chosen due to diversity of choices.

Hotels: Luxurious hotels capable of organizing theme parties will attract incentive travel.

Professional skill: Accommodations, transportation, time management, and coordination of programs should be expertly handled by a destination management company (DMC).

Table 2.12: Places having Potential for International Incentive Travel categorized by Areas and Factors

Province	Factor
<p>Bangkok</p>	<p><u>Accessibility:</u> Bangkok International Airport with its 2 terminals and 80 international airlines in operation can provide service to 25 million passengers per year. Airport bus, limousine and taxi services are available. Bangkok has easy access by many types of transports. It can cater for overseas tourists quite well.</p>
	<p><u>Diversity of choices:</u> The Grand Palace, ancient temples, entertainment, department stores, places of cultural interest are quite unique and attractive. The Skytrain can alleviate traffic congestion. Visitors will enjoy all the facilities.</p>
	<p><u>Hotels:</u> There are many 3- and 5-star hotels to accommodate all types of tourists. Programs can be arranged according to individual budget.</p>
	<p><u>Professional skill:</u> Many destination management companies (DMC) can offer professional services to incentive travelers. Having many overseas branches, they understand customers' needs.</p>
<p>Chon Buri-Pattaya</p>	<p><u>Accessibility:</u> Pattaya can be reached by landing at Bangkok International Airport and continuing by bus for 1-2 hours into the city. Alternatively, a plane can be chartered into U-Taphao Airport. The journey is not too difficult, but more organizer co-ordination is required.</p>
	<p><u>Diversity of choices:</u> Beautiful beaches and many tourist spots for incentive travelers.</p>
	<p><u>Hotels:</u> There are many 5-star hotels.</p>
	<p><u>Professional skill:</u> Pattaya has been a tourist attraction for a long time. Some hotels are established especially for overseas visitors and their staff can communicate in English reasonably well.</p>

Table 2.12: Places having potential for international Incentive Travel categorized by areas and factors

Province	Factor
<p>Chiang Mai</p>	<p><u>Accessibility:</u> Chiang Mai International Airport operates air travel service for the northern part of Thailand. Seven international airlines operate flights for 2,000,000 passengers per year. There is a domestic flight every hour.</p>
	<p><u>Diversity of choices:</u> Unique cultures and scenic beauty; exciting activities such as trekking, elephant rides, etc.</p>
	<p><u>Hotels:</u> There are many 5-star hotels and resorts.</p>
	<p><u>Professional skill:</u> Although Chiang Mai is the commercial hub of the northern part of Thailand, the hotels and convention centers there still have to ensure that their staff improves their skills in management, service and English language.</p>
<p>Phuket</p>	<p><u>Accessibility:</u> Phuket International Airport has 11 international airlines which operate flights for 3,000,000 passengers per year. Limousine and taxi services are available – but some taxi drivers may not be able to communicate in English effectively. The airport is quite far from the city and the journey through mountainous areas may take time.</p>
	<p><u>Diversity of choices:</u> Phuket is famous for beautiful beaches, convenient accommodations, varieties of entertainment, and many department stores. Such unique characters can very well attract tourists.</p>
	<p><u>Hotels:</u> There are no convention or exhibition centers, but about 5-star hotels have facilities for government and corporate meetings.</p>
	<p><u>Professional skill:</u> Phuket has been a holiday resort of international renown for quite some time. Hotel staff members are capable of communicating in English and there are often Japanese staff or Thais who can speak Japanese to help Japanese visitors. Many Phuket hotels have foreign managers who use English for communication.</p>

2.3.2 Incentive travel situation in Thailand

Incentive travel has to be planned for at least one year in advance. Therefore, a poor economy in one year can affect the provision of incentives in the following year. On the other hand, a good economy can lead to more incentive programs in the following year. However, such planning is also affected by economic factors in another way in that even though a company plans to provide a number of incentives in one year but an overall economic slump may reduce the sales its employees and agents can achieve. The end result would be fewer incentives given out and that leads to a decline in incentive travel for that particular year.

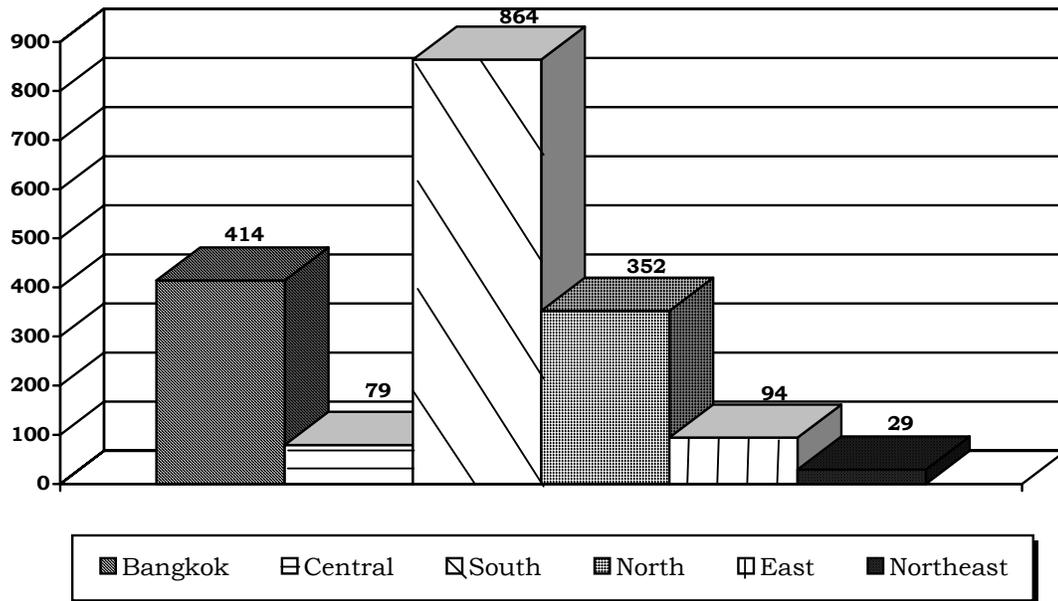
However, a poor economy may sometimes benefit incentive travel, especially when companies offer higher incentives to push sales. Therefore, the incentive travel market is rather stable; there is no rapid fluctuation.

Incentive travel has travelers and groups that remain more or less the same or rise and fall in expected levels. This is due to the tendency for companies to choose different destinations for their incentive programs so as to create interest among target groups. It normally takes 4-5 years before a program returns to the same destination.

Table 2.13: Incentive travel of foreigners and Thais

Region	Incentive Travel (Foreigners)			Incentive Travel (Thais)		Total	Share (%)
	Groups	Travelers	(%)	Groups	Travelers		
Bangkok	414	29,850	18	35	2,392	27,302	16.27
Central	79	6,504	4	17	1,350	6,787	4.04
East	94	8,244	5	46	3,570	10,486	6.25
South	864	75,102	46	123	10,255	72,963	43.48
North	352	41,562	25	101	12,240	46,976	27.99
Northeast	29	2,962	2	9	825	3,302	1.97
Total	1,832	164,224	100	331	30,632	167,816	100.00

Figure 12: Incentive travels from overseas in the year 2000 categorized by regions



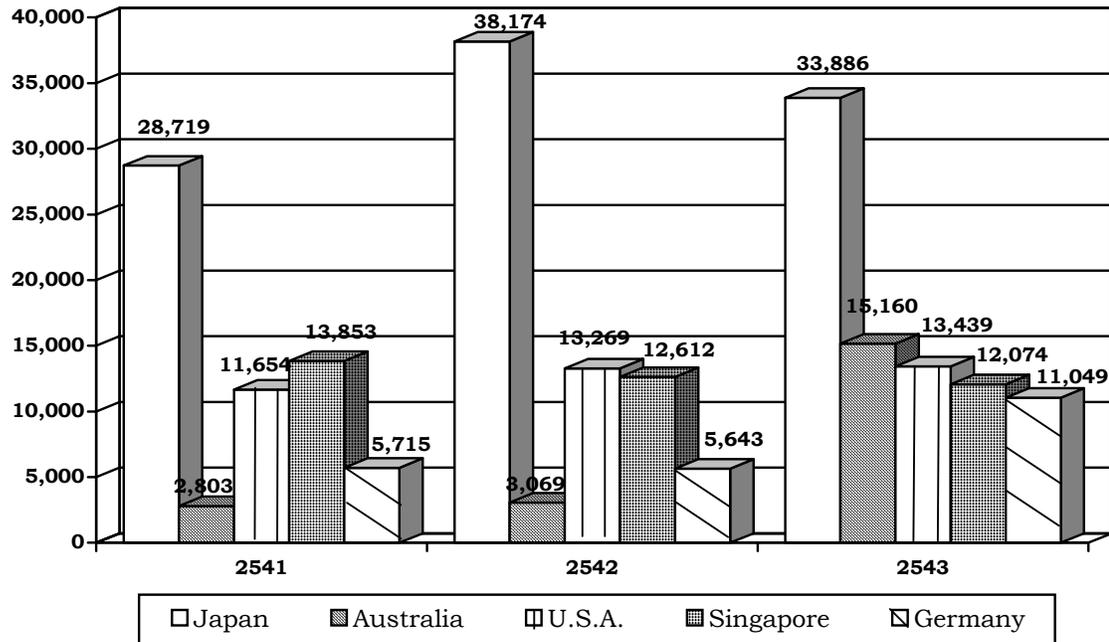
In the year 2000, 1,823 groups of overseas incentive travelers, totaling 164,224 tourists visited Thailand. The most popular destination was the south -- 864 groups went there. The second most popular one was Bangkok and the third one was the north. The northeast is gaining more popularity after sales promotions by overseas tour companies.

The survey of 10 DMC's revealed that each tourist spent 24,000 – 60,000 baht during one visit, depending on the tour programs and specialities offered with the reward. Out of their spending, 45-50% went to the costs of accommodations and 25-35% went to the costs of sightseeing. See Appendix Table 3.8.

Table 2.14: Routes taken by overseas incentive travelers

Route	Destination
City	Bangkok
City - Beach	Bangkok - Phuket Bangkok - Samui Bangkok - Pattaya Bangkok - Cha Am Bangkok - Cha Am - Phuket Bangkok - Rayong
Beach	Phuket, Hua Hin , Pattaya, Cha Am , Rayong, Trang
City - Beach - Culture	Bangkok - Chiang Mai - Hua Hin Bangkok - Chiang Mai - Phuket Bangkok - Pattaya - Ayutthaya
City - Beach - Culture	Bangkok - Ayutthaya Bangkok - Chiang Rai Bangkok - Phitsanulok Bangkok - Nakhon Pathom Bangkok - Tak- Chiang Mai - Chiang Rai
Culture	Chiang Mai, Ayutthaya, Chiang Mai, Chiang Rai, Nakhon Pathom
Others	Bangkok - Nakhon Ratchasima Bangkok - Kanchanaburi Japan - Pattaya Bangkok - Samut Sakhon Khao Yai, Prachin Buri

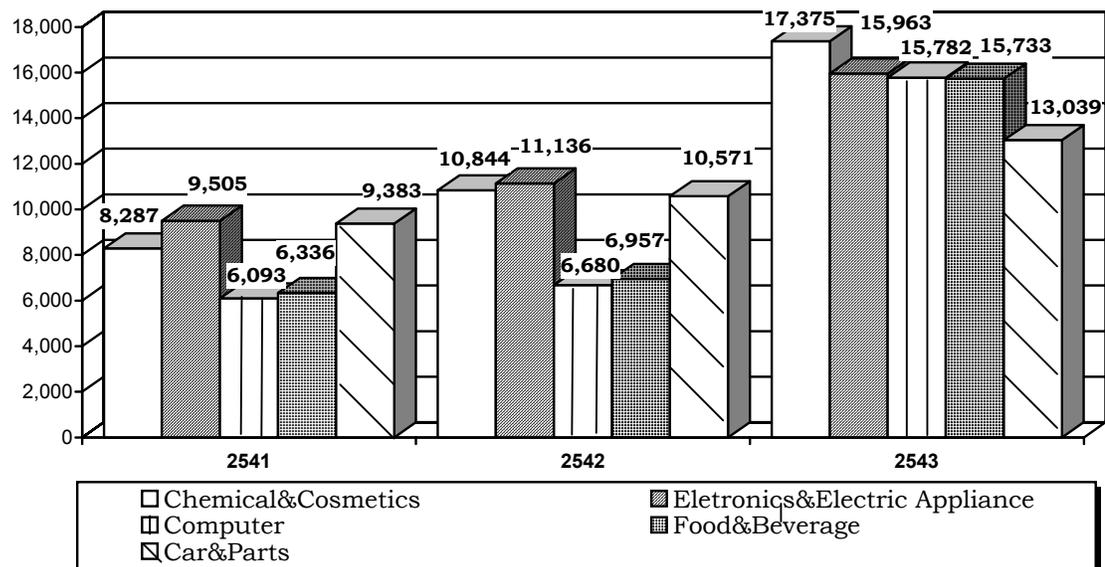
Figure 13: Incentive travel from the top 5 countries from 1998 to 2000 categorized by localities



Japan, Australia and Singapore are the biggest customers of Thailand. From 1998 to 1999, the economic slump in Japan caused the number of incentive travels in the following year to decline. From the end of 1999 to 2000, the Japanese economy improved and incentive travels to Thailand are expected to increase.

Australia has become more stable politically. Its unemployment figure has declined. The number of incentive travels in the year 2000 is expected to increase by 7%. About 3.5 million Australians will travel abroad. This will benefit the tourism industry of Thailand. Bali, Fiji and Singapore are the main competitors, but Australia is a price driven market, and a tour to Thailand is value for money. Moreover, continuous television commercials and publications in 1999 helped improve the prospect of incentive travels.

Figure 14: Incentive travels from the top 5 countries from 1999 to 2000 categorized by types of business



According to Figure 14, incentive travels to Thailand offered to staff members of chemicals and cosmetics firms ranked first and those offered to staff members of electronic and electrical equipment firms ranked second.

Thailand's incomes from incentive travels

In the year 2000, 164,224 incentive travelers entered Thailand, each of whom stayed 6.29 days, spent US\$212.76 per day, totaling US\$1,338.29 per visit. In the year 2000, incentive travelers brought into the country US\$219,779,534 or 8,815 million baht.

Table 2.15: Incentive Travelers from 1998 to 2000

	1998	1999	2000	% Change (1999 - 2000)
Number of Incentive Travelers (Persons)	118,539	134,605	164,224	22.00%
Number of Incentive Groups (Groups)	1,771	2,080	1,832	-11.92%
Length of Stay	7.8	6.80	6.29	-7.50%
Average expense/person/day (US\$)	172.69	219.59	212.76	-3.11%
Average expense/person (US\$)	1,346.98	1,493.21	1,338.29	-10.38%
Estimated Revenue (US\$)	159,669,662	200,993,801	219,779,534	9.35%
Estimated Revenue (Baht)	6,516,118,906.22	7,595,555,749.62	8,815,357,104.64	16.06%

Notes: Rate of exchange in 1998: 1US\$ = 40.81 baht
 Rate of exchange in 1999: 1US\$ = 37.79 baht
 Rate of exchange in 2000: 1US\$ = 40.11 baht

2.4 MICE business trend in Thailand

2.4.1 International Convention

- Positive factor of the business
 - There are over 5,000 international conventions arranged in a year around the world. However, only 5% or 290 conventions have been arranged in the Asia Pacific region even though this region has become an interesting point for international convention organizers around the world. Besides Thailand is a Target country of popularity, ranked number 4 of Asia Pacific region.
 - Thai entrepreneur group and (Thai) international convention promotion association with the support of the Tourism Authority of Thailand have made an attempt to compete and induce more prospective international conventions to be arranged in Thailand.
 - The large international conventions to be held in Thailand are the convention of world scouts and 40th Lion Oseal Forum and the 5th International Convention on Home and Community Care for Personal Living with HIV/AIDS.
 - The Tourism Authority of Thailand has made an attempt to stimulate more international conventions in Thailand through the project “The Place to Meet, Amazing Thailand” with multiple benefit packages available to the International Convention Organizers who could arrange a convention with a large number of attendants.

- Negative factor of the business
 - Several competitive countries in Asia Pacific Region have been aware of the business potential so they have made improvements and development of convention premise and facilities. For example, China and Singapore have expanded their airport to facilitate the tourists.
 - China has hosted several major international conventions in 2001 like APEC Meeting so China will be more attractive even though there is weakness in language and management.
 - The traffic problem in Bangkok has not been solved even though the electric train has been in service but the traffic problem is still in existence.
 - The current economy problem of the world in terms of purchasing power which has affected the budget of convention organizers and attendants around the world.

- Regarding the business competition, the economic problem has intensified the competition in business service on international convention organization. Several countries have tried to support and enhance their service in international convention organization through a number of supporting measures to assist the private sector.

- *Business trend*
 - It is quite clear that the growth in International Convention Management Business in Thailand is encountered with both positive and negative factors. However, the international convention management in Thailand has a tendency to grow consistently in conjunction with the attempt to stimulate the business through the entrepreneur group and the association, as well as the assistance from the Tourism Authority of Thailand. Thus the businessmen in Thailand have anticipated that the international convention management in Thailand in 2001 will be better than that of 2000.

2.4.2 International Exhibition

- Positive factor of the business
 - The Department of Export Promotion, Ministry of Commerce has set a policy to enhance the trade exhibition of the domestic businessmen to cover the international trade exhibition with an aim to promote Thailand as a Trade Exhibition Center for Thailand and neighboring countries and to increase the number of foreign visitors to such trade exhibition through extension of the exhibition period from four days to five days. That is, three days for the businessmen and two days for the public. Besides, the policy includes the increase in frequency of international trade exhibitions during the period of one year.

- Negative factor of the business
 - The world wide and Thailand's neighboring countries economy are still suffered from the downturn, even though the trend is positive but it is still uncertain . In contrast, China is quite attractive and has become an interesting target for exhibition of merchandises and services.
 - Newly-opened countries like China which is a main target for introduction of products or new markets because of the solid economic conditions and the number of population for over one billion. That makes China an interesting target while the exhibition area is modern and the airport is able to facilitate a large number of tourists.

- Business trend
 - It is apparent that the trade exhibition management in Thailand is supported by some positive factors, and deterred by some negative factors for further growth. It is anticipated that the trade exhibition management business in Thailand in 2001 will not grow better than that in 2000.

2.4.3 International Incentive Travel

- Positive factor of the business
 - Selection of tour destination in the management of tour package award is based on not only nature and culture but also distinctive feature of the activities and services as the supporting factor. In Thailand, DMC Companies are proficient in this area and hotel facility to support the activities. Therefore, it has attracted attention from overseas.
 - Selling strategy may include Indochinese countries in the plan while Thailand will coordinate the work and become an attractive center of Contact.

- Negative factor of the business
 - Newly – opened countries such as China which is gaining more attention from the management of tour package award because China is endowed with interesting nature, antiques, ancient places and culture. Thus the award has gained more attention from the target group.
 - DMC Companies in Thailand have intensively competed with each other without business cooperation. The need for customers has driven the service price downwards while it has affected the cost of each company. As a result, the quality will be lower in some areas, so does the customers confidence in the country.

- Business trend
 - It is evident that the management of tour package award in Thailand is coupled with positive and negative factors and that affects the business growth. However, the management of tour package award in Thailand has a tendency to grow continuously. With the support of the Tourism Authority of Thailand, the entrepreneur group in Thailand has anticipated that the business of management of tour package award in Thailand in 2001 will grow better than that of 2000.