



**Assessment of stakeholder's perception of Bhutan as a Meeting and
Incentive Destination**

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**A Thesis submitted in Partial Fulfillment of the Requirement for the Degree of Master of
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2013

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I hereby certify that the work has not already been accepted in substance for any degree, and is not being concurrently submitted in candidature for any degree.

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หัวข้อวิทยานิพนธ์	การพัฒนาฐานสู่การเป็นแหล่งท่องเที่ยวสำหรับการประชุมและการท่องเที่ยวเชิงรางวัลจากมุมมองของผู้มีส่วนได้ส่วนเสีย
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บทคัดย่อ

การจัดการการท่องเที่ยวของประเทศภูฏานได้ยึดหลักการ “High value, Low impact” (ผลตอบแทนสูง ผลกระทบต่ำ) ที่กำหนดให้นักท่องเที่ยวทุกคนที่เดินทางเข้าสู่ประเทศนั้นจะต้องเดินทางพร้อมด้วยบริษัทนำเที่ยวและพักในโรงแรมที่ได้รับใบอนุญาตประกอบการเท่านั้น นอกจากนี้นักท่องเที่ยวทุกคนจะต้องจ่ายค่าธรรมเนียมขั้นต่ำ 250 ดอลลาร์สหรัฐต่อวัน (ช่วงฤดูกาลท่องเที่ยว และ 200 ดอลลาร์สหรัฐ ช่วงนอกฤดูกาลท่องเที่ยว) ประเทศภูฏานมีภาพลักษณ์ที่โดดเด่นในฐานะแหล่งท่องเที่ยวเชิงวัฒนธรรมและธรรมชาติที่สวยงาม อย่างไรก็ตาม ประเทศภูฏานได้ริเริ่มศึกษาและพัฒนาความเป็นไปได้ในการพัฒนาการท่องเที่ยวทางเลือกด้านอื่นๆ เพื่อเพิ่มความหลากหลายของผลิตภัณฑ์การท่องเที่ยว และการท่องเที่ยวเชิงธุรกิจ โดยเฉพาะการท่องเที่ยวเชิง MICE หรือ การประชุม สัมมนา การท่องเที่ยวเชิงรางวัลและการจัดนิทรรศการได้รับความสำคัญมากยิ่งขึ้น

การประชุม สัมมนา การท่องเที่ยวเชิงรางวัลและการจัดนิทรรศการ (Meeting, Incentive, Convention and Exhibition or MICE Tourism) ซึ่งปัจจุบันการท่องเที่ยว MICE หรืออุตสาหกรรมประชุมนั้น (Meeting Industry) สร้างรายได้ประมาณร้อยละ 15 ของรายได้จากอุตสาหกรรมการท่องเที่ยว ดังนั้น MICE Tourism ได้รับการยกย่องให้เป็นการท่องเที่ยวทางเลือกใหม่ที่มีศักยภาพสูงในการสร้างรายได้ให้แก่ประเทศต่างๆ

งานวิจัยครั้งนี้มีวัตถุประสงค์เพื่อประเมินศักยภาพของประเทศภูฏานต่อการพัฒนาการท่องเที่ยวสำหรับการประชุมและการท่องเที่ยวเชิงรางวัล โดยสอบถามความคิดเห็นของทุกภาคที่เกี่ยวข้องที่เป็นผู้มีส่วนได้ส่วนเสียในอุตสาหกรรมการท่องเที่ยว กรอบการวิจัยได้พัฒนาจากกรอบทฤษฎีงานวรรณกรรมที่เกี่ยวข้องซึ่งครอบคลุมหลักการ กระบวนการและค่านิยมของการพัฒนาการท่องเที่ยว ความสำคัญของการมีส่วนร่วมต่อการพัฒนาการท่องเที่ยว และงานวิจัยที่เกี่ยวข้องต่อคุณลักษณะที่สำคัญของสถานที่สำหรับการจัดงานประชุม และภาคีที่สำคัญต่อการพัฒนาการท่องเที่ยวในประเทศภูฏาน

งานวิจัยเป็นงานวิจัยเชิงคุณภาพ เพื่อศึกษาสำรวจข้อมูลเชิงลึกจากผู้มีส่วนได้ส่วนเสียในการพัฒนาการท่องเที่ยวดังกล่าวในประเทศภูฏาน สืบเนื่องจากปัจจุบันงานวิจัยในประเทศดังกล่าวมีค่อนข้างจำกัด ผู้วิจัยได้ดำเนินการสัมภาษณ์เชิงลึกแบบตัวต่อตัวกับผู้มีส่วนได้ส่วนเสียจากทุกภาคส่วน ซึ่งรวมถึงภาครัฐ ผู้ประกอบการในภาคเอกชนต่างๆ เช่น โรงแรม บริษัทนำเที่ยวชั้นนำ (จำนวน 12 แห่ง) สายการบิน และสมาคมการท่องเที่ยวโดยยึดหลักการเลือกกลุ่มตัวอย่างแบบเจาะจง (Purposive Sampling)

ผลการวิจัยชี้ให้เห็นว่าคุณลักษณะที่มีผลต่อการพัฒนาประเทศภูฏานต่อการเป็นแหล่งท่องเที่ยวสำหรับการประชุมและการท่องเที่ยวเชิงรางวัลนั้น คือ สิ่งอำนวยความสะดวกและการเดินทางเข้าสู่ประเทศ โดยเฉพาะด้านราคาและการเชื่อมโยงของระบบขนส่ง งานวิจัยพบว่า ปัจจุบันการท่องเที่ยวในรูปแบบดังกล่าวในประเทศภูฏานยังคงมีขนาดเล็ก สืบเนื่องจากจำนวนเที่ยวบินที่มีจำนวนจำกัดและระบบสาธารณูปโภคที่ยังอยู่ในช่วงการขยายตัว จุดเด่นที่สำคัญของการท่องเที่ยวของประเทศคือ สภาพแวดล้อมทางธรรมชาติที่สวยงาม วัฒนธรรมที่น่าสนใจ ความเป็นมิตรของผู้คน ความมั่นคงของสถานการณ์ทางการเมือง ความปลอดภัยของทรัพย์สินและหลักทฤษฎีความสุขมวลรวมประชาชาติ (Gross National Happiness Philosophy) นอกจากนี้ ทุกภาคีต่างเห็นพ้องว่าประเทศภูฏานมีศักยภาพในการพัฒนาการท่องเที่ยวเพื่อการประชุมและการท่องเที่ยวเชิงรางวัลเป็นอย่างยิ่ง

ข้อเสนอแนะการวิจัยควรมีการทำงานร่วมมือกันระหว่างทุกภาคีเพื่อวางจุดยืนและภาพลักษณ์ของประเทศ รวมทั้งกระตุ้นให้มีการใช้ทรัพยากรทางการท่องเที่ยวให้คุ้มค่า โดยเฉพาะในช่วงนอกฤดูกาลการท่องเที่ยว เช่น ห้องพัก ภาครัฐควรให้แรงจูงใจภาคเอกชนในการดึงดูดนักท่องเที่ยวกลุ่มดังกล่าว ควรมีการฝึกอบรมบุคลากรในอุตสาหกรรมการท่องเที่ยว รวมทั้งพัฒนาระดับระบบขนส่งมวลชน โดยเฉพาะเพิ่มจำนวนเที่ยวบิน และสร้างความยืดหยุ่นให้แก่ภาคเอกชน โดยเฉพาะบริษัทนำเที่ยวในการทำงานเชิงการตลาดให้มากยิ่งขึ้น

คำสำคัญ : การท่องเที่ยวเพื่อการประชุมและการท่องเที่ยวเชิงรางวัลการพัฒนาแหล่งท่องเที่ยว คุณลักษณะของแหล่งการท่องเที่ยว ผู้มีส่วนได้ส่วนเสีย

Thesis Title Assessment of stakeholder’s perception of Bhutan as a Meeting and Incentive Destination
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ABSTRACT

The “High value, Low impact” principle was effectively followed since Bhutan first opened its door to tourism. Tourists in Bhutan have been required to travel with licensed Bhutanese tour operators accompanied by official guides, accommodated in licensed accommodations and paying a minimum daily rate (USD \$ 250) per person per night during high season and (USD \$ 200) during low season. Tourism in Bhutan is dominated by Culture and Nature Tourism and has always been seen as a cultural destination. Now it’s time for a paradigm shift, to grasp the opportunity for tourism. As a result, a product diversification initiative has been undertaken. Therefore, it is essential to identify MICE tourism as a product to add to the image of Bhutan.

Meetings, Incentives, Conventions and Exhibitions (MICE), tourism, because of its’ potential for generating benefit to the host country, has gained immense popularity. The industry is characterized as a new form of tourism that represents 15% of global tourism and is referred to as “Meeting Industry,” with the main purpose of the trip being business or professional (UNWTO).

This research focused on the destination planning element of destination management, to evaluate the potential of Bhutan as a Meeting and Incentive destination. The study assessed the perception of the stakeholders based on the attributes determined from the literature review of both the destination and MICE. In order to ensure that the objectives of this research are achieved, the first step was to determine what this research needed to focus on. Therefore, the literature review focused on the following aspects: a) Tourism destination planning with its definition and process and the importance of involving tourism stakeholders in tourism planning; b) The definition and the typology of MICE; c) Important attributes of a destination to be selected as a

venue for MICE events; d) Stakeholders in general for the MICE industry and in particular, Bhutan.

An exploratory study with a qualitative approach was undertaken. This study is exploratory in nature because very limited information on MICE, particularly Meeting and Incentive tourism, is available pertaining to Bhutan. Face-to face semi-structured interviews were conducted with the tourism stakeholders such as government organizations, hotels, tour operators and associations. The top 12 tour operators were selected based on their tourist arrivals figures of 2011, whereas, for the other three stakeholders, the researcher adopted the purposive sampling method.

The data collected through interviewing the tourism stakeholders in Bhutan indicated that amenities and accessibility, both in terms of price and connectivity, is very important for Bhutan to be positioned as a Meeting and Incentive tourism destination. The findings indicated that Meeting and Incentive tourism is being carried out by few, but at a very small scale predominantly, because of limited infrastructure and airline capacity. Bhutan being rated as one of the best destination with pristine environment, vibrant culture, hospitable people, political stability, safety and security, and most importantly the Gross National Happiness philosophy are the main attributes that attract such events to be held in Bhutan. The findings also provided significant interest from all the stakeholders to develop and promote Meeting and Incentive tourism in Bhutan.

The recommendations provided in order to position Bhutan as a Meeting and Incentive destination were to partner up with all the stakeholders and carry out the promotion jointly. Recommendations would encourage the organizers to host such events during the lean-season. The government would provide incentives to the private sector in order to attract such tourists as well as provide training to enhance the skills of the staff in the hospitality industry. Furthermore, the development of infrastructure and increase in accessibility were some areas for improvement. Finally, streamlining the rules and regulations of the government would encourage the tour operators and hotels to work towards enhancing the image of Bhutan as a Meeting and Incentive destination.

Keywords: Meeting and Incentive tourism, Destination planning, Destination Attributes, Stakeholders

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LIST OF ABBREVIATIONS AND SYMBOLS

ABTO	Association of Bhutanese Tour Operators
BCCI	Bhutan Chamber of Commerce and Industry
BTM	Bhutan Tourism Monitor
CEO	Chief Executive Officer
CIC	Convention Industry Council
EDP	Economic Development Policy
GNH	Gross National Happiness
ICCA	International Congress and Convention Associations
ICIMOD	International Centre for Integrated Mountain Development
IIBM	Indian Institute of Management Bangalore
IRF	Incentive Research Foundation
ISPI	International Society for Performance Improvement
MICE	Meeting, Incentive, Convention and Exhibition
MPI	Meeting Professionals International
NGO	Non-Government Organization
PATA	Pacific Asia Travel Association
SAARC	South Asian Association for Regional Cooperation
SITE	Society of Incentive Travel Executives
TCBS	Tourism Council of Bhutan Secretariat
TRI	Tourism Research Inventory
UFI	The Global Association of the Exhibition Industry
UNEP	United Nation Environment Program
UNIDO	United Nation Industrial Development Organization
UNWTO	United Nations World Tourism Organization
USD	United States Dollar
USP	Unique Selling Proposition
WTTC	World Travel and Tourism Council

CHAPTER 1

INTRODUCTION

This chapter gives an overview of the global situation of the tourism industry and the Meeting, Incentive, Convention and Exhibition (MICE) industry highlighting the importance of this industry. A brief background has also been provided to understand the current situation of tourism in Bhutan, in particular the MICE industry. Further, this chapter also explains in detail the reasons for carrying out this study and what this study would like to achieve.

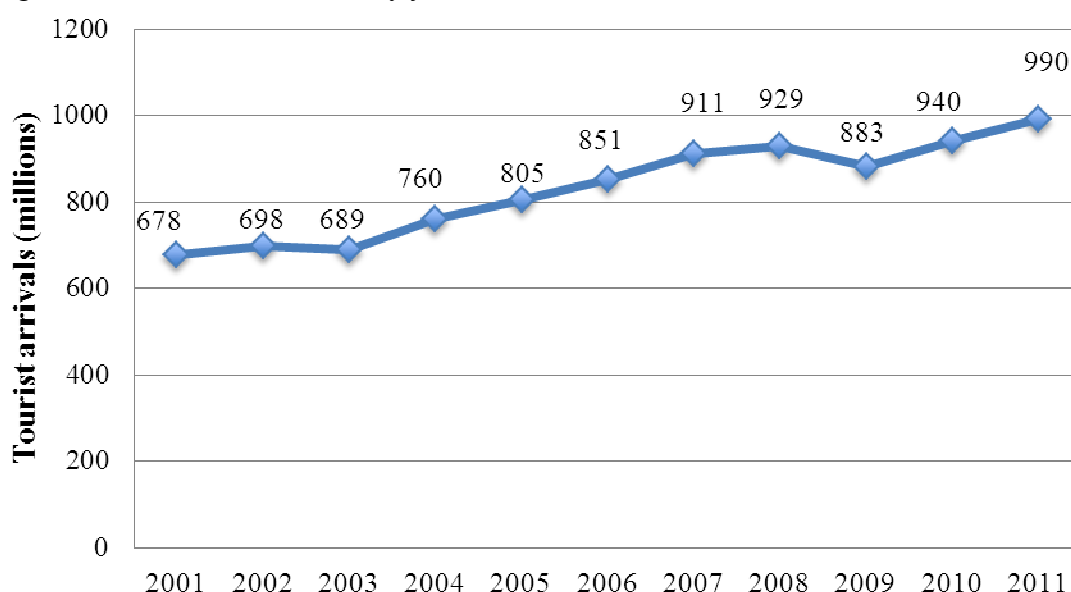
1.1 Introduction to Global Tourism

Globally, Tourism has proven to be an important factor in the development of a nation by effectively utilizing the natural and cultural resources to generate revenue, create employment, thus alleviating poverty (UNWTO, 2012). World Travel & Tourism Council (WTTC) report on the Economic Impact of Tourism 2012, travel and tourism directly contributed USD 1,972.8 billion, 2.8% to GDP in 2011, with a total contribution (direct and indirect) of USD 6,346.1 billion, 9.1% to the GDP. Moreover, WTTC estimates for 2022, the direct contribution to GDP is expected to increase by 4.2 % per annum to USD 3,056.2 billion and the total contribution to GDP is expected to increase by 4.3% per annum to USD 9,939.5 billion. Employment generated, including indirect jobs supported by the industry, was 8.7% of total employment (254,941,000 jobs). This is expected to increase by 2.3% per annum to 327,922,000 jobs in 2022 (9.8% of total).

Because of its contribution, it has gained tremendous popularity and continues to grow, which has also been mentioned in UNWTO Tourism Towards 2030 indicating the total tourist arrival worldwide would increase by an average of 3.3% a year from 2010 to 2030.

UNWTO predicted that international tourism would continue to grow in 2011 and inevitably, the international tourist arrivals grew by 5.3% in 2011 to a total of 990 million from 940 million in 2010, despite the global economic recovery, major political changes in the Middle East and North Africa and natural disasters in Japan. Moreover, during the first eight months of 2012 (January- August), in absolute number, international arrivals worldwide reached 705 million up by 28 million from 677 million the same period last year (UNWTO, 2012).

Figure 1.1 Global Tourist arrival by year



Source: World Tourism Organization (UNWTO), 2012

In 2011, Asia and the Pacific (+6%) recorded an increase of 13 million tourist arrivals in 2011, reaching a total of 217 million. However, there is a dip in the growth when compared to 2010 (+13%), mainly because of the impact of the Tohoku earthquake and tsunami in Japan (UNWTO, 2012).

By sub regions, Southeast Asia recorded the highest growth in international arrivals (+10%), mainly because of the intraregional demand. Many destinations reported positive growth with double-digit figures, where Myanmar (+26%), Cambodia, Thailand (both +20%) and Vietnam (+19%) exhibited the highest growth in arrivals. Similarly, there was a robust growth in tourist arrivals in South Asia with a collective gain of +8%, particularly led by Bhutan (+39%), Sri Lanka (+31%) and Nepal (+22%), followed by Maldives (+18%). Whereas, India reported a 9% increase despite being the largest destination in the sub region (UNWTO, 2012).

The growth in South Asia indicates that these regions are becoming high in demand in the international tourism market, with more tourists visiting these regions therefore, providing more opportunity for tourism to develop.

1.2 Introduction to Tourism in Bhutan

Tourism in Bhutan started in 1974. Since then it has followed a policy of “High Value, Low Impact Tourism” and is one of the countries that place a high value on sustainable development. Bhutan is the only country which has a regulated tariff system where by a tourist has to pay USD \$ 250 per person per night for an all-inclusive package tour.

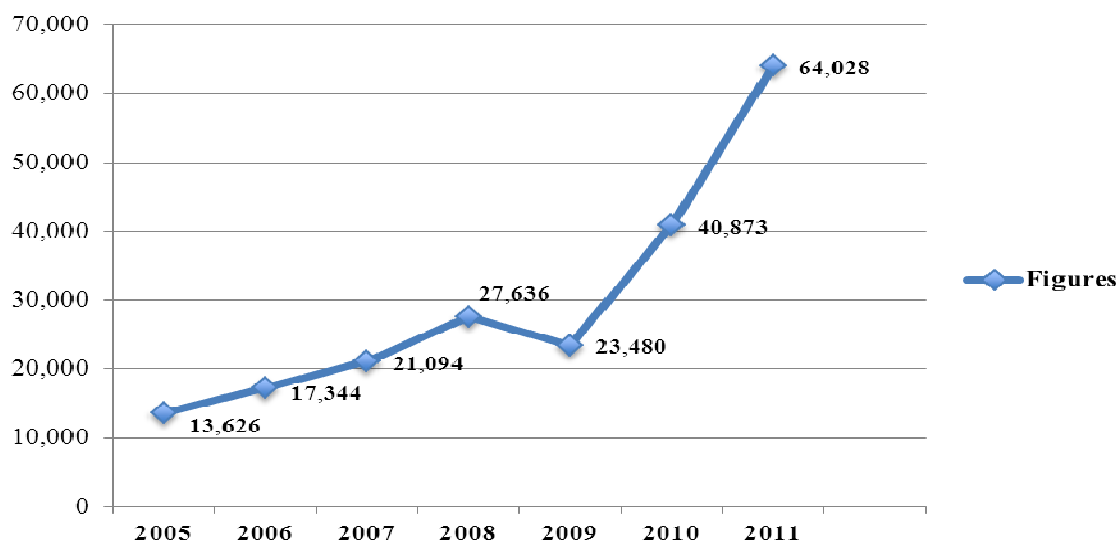
The vision for tourism in Bhutan is: *To foster a vibrant industry as a positive force in the conservation of environment and promotion of cultural heritage that safeguards the sovereign status of the Nation and significantly contributes to Gross National Happiness.* (Tourism Council of Bhutan Secretariat, TCBS)

In 2011, the total tourist arrivals to Bhutan amounted to 64,028; this figure includes international visitors (57.42%), regional high-end visitors (25.64%), MICE (Meetings, Incentives, Conferences, Exhibitions) visitors (15.82%) and Familiarization visitors (1.12%). A total of 36,765 international tariff-paying tourist visited Bhutan in 2011 showing an increase of 35.19%. (BTM, 2011)

Culture and Nature is predominantly the product which the majority of visitors experience in Bhutan. As per the BTM, 2011, 77.09% visitors visited Bhutan to witness the traditional culture and way of life, its religious festivals, historic monuments and its pristine environment.

In addition to the international tourist, Bhutan received 53,223 regional tourists, out of which 16,418 were high-end regional tourist marking a drastic increase of 143.38% as compared to 2010. Regional tourists are people from India, Bangladesh and Maldives. Tourists from these countries do not require a visa and are exempted from paying the tariff, mainly due to the bilateral relations of open border policy between the countries. As compared to 2010, the tourist arrivals increased by 56.65% in 2011 and it is the highest growth rate ever recorded in Bhutan (BTM, 2011). The graph below gives an overview of the arrivals to Bhutan for the past 7 years.

Figure 1.2 Tourist arrivals from 2005 - 2011



Source: Bhutan Tourism Monitor (BTM), 2011

For the past several years, the major source market for Bhutan has been USA, Japan, UK, Germany and China. However, in 2011, arrivals from China increased taking its position to the third place, surpassing UK and Germany. Amongst the Asian markets, the arrivals from Thailand and Singapore showed a significant growth of +155.43% and 71.85% respectively (BTM, 2011)

Tourism in Bhutan continues to grow as one of major industries and therefore has been identified as the main pillar for the overall economic development of the country by generating revenue, creating employment opportunities, and reducing poverty. As per the survey conducted by Tourism Council of Bhutan in 2011, a total of 22,045 people were employed by the tourism industry. To break down the figure, there were 8,818 people employed directly and multiplying the direct employment by 1.5, the universally accepted rule, 13,227 indirect jobs were created.

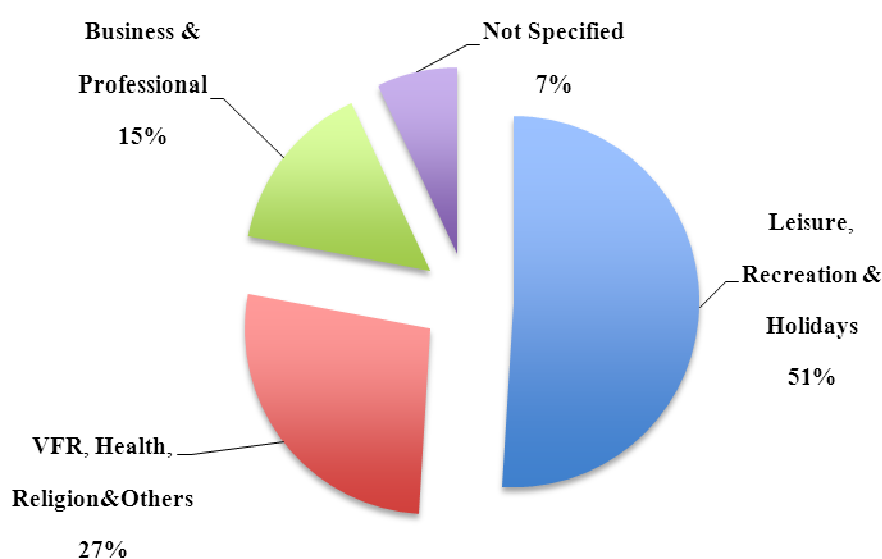
Recognizing the importance of the tourism industry, the government has undertaken many initiatives to enhance the high quality visitor experience, maximize the foreign exchange earnings while minimizing the adverse effects on culture and environment. Besides, it has been affirmed in the EDP that:

The Royal Government will strive to diversify tourism products having comparative advantage and with special emphasis on nature based activities including wellness tourism, MICE, spiritual and promotion of Bhutan as a Buddhist circuit destination.

1.3 Introduction of MICE Industry: Global Overview

The Meetings, Incentives, Conventions and Exhibitions (MICE) industry is a new form of tourism that represents 15% of the global tourism according to the data from UNWTO. Also, it is considered as one of the main drivers for destination development and an important generator of income and employment. MICE tourism is referred to as “Meeting Industry,” according to UNWTO and describes it as the main purpose of the trip being business or professional.

Figure 1.3 Global Tourism by purpose in 2011



Source: World Tourism Organization (UNWTO) 2012

As mentioned by UNWTO, (2012), MICE industry not only brings economic benefits but also provides a platform for knowledge sharing, networking and capacity building, making it an important driver for intellectual development and regional cooperation.

As cited by Cameron (2010), MICE tourism is a global industry providing increasing opportunities for developed and developing countries to host these events. Though, this industry has gained popularity globally, Europe and USA still remains the major market worldwide in respect of number of meetings, conferences and exhibitions and the main reason being the availability of MICE professionals along with better infrastructure (PATA, 2011).

According to the data from International Congress and Convention Association, ICCA (2002-2011), the number of MICE events held in a year has been growing in the past ten years, as shown in the Table 1.1.

Conversely, it is interesting to note that the number of participants per meeting has been decreasing over the years and the trend of international meeting getting smaller still continues. In 2011, 30.2% of all the identified meetings that were organized have received between 50 and 149 participants (ICCA, 2002-2011). This trend not only provides an opportunity but also encourages the emerging destinations with limited infrastructure to participate in hosting such events.

Table 1.1 MICE events held from 2002-2011

YEAR	EVENTS
2002	6,155
2003	6,405
2004	7,642
2005	8,121
2006	8,745
2007	9,536
2008	10,149
2009	10,346
2010	10,406
2011	10,070

Source: ICCA, 2002-2011

Similarly, MICE tourism in Asia and the Pacific is also developing at a very fast pace, with some countries already leading in MICE tourism. Having recognized the impending benefits of this industry for the nation's overall development, many countries in this region have built world-class MICE facilities such as exhibition grounds, accommodation units and entertainment facilities. Therefore, strongly positioning itself as a world leader in the MICE industry (PATA, 2011)

1.3.1 Stakeholders of MICE Industry

Rutherford (1990 cited in McCabe et al., 2000) compares the process of providing a MICE event with the design of a wheel, where, the event is at the center and the other suppliers are at the spokes of the wheel acting as a bridge between the delegates and the main event. Therefore, MICE is a multi sectorial industry where all the stakeholders have an important role to play in order to make the event successful. In addition, the framework of Swarbrooke & Horner, (2001) clearly illustrates that the stakeholders are of three types such as Demand, Supply and Intermediaries, and that the stakeholders of the MICE industry depend highly on each other to provide a successful event.

1.3.2 Contribution of MICE Industry

MICE industry is associated with bringing in positive economic significance to the developed as well as developing countries mainly because of its insensitive nature to seasonality. The benefits not only include employment generation and foreign exchange earning but also the potential to attract investment from the delegates (Rogers, 2008).

As per the study conducted by Department of Investment Services, Ministry of Economic Affairs, Taiwan, the MICE industry is characterized by the “Three Highs—high growth potential, high added-values, and highly beneficial innovations;” the “Three Larges—large output, large opportunities for employment, and large industry associations;” and the “Three Advantages—advantage over other industries in human resources, technological know-how, and the efficient utilization of assets.”

MICE businesses are regarded as highly lucrative because of the high revenue potential, as the participants tend to spend more compared to the average traveler (Leiper, McCabe, Poole & Weeks, 2001;Acolla, 2010). ICCA (2002-2011) stated that the average fee per delegate per meeting in 2011 was USD 561.34 with an average length of stay of 3.78 days. Since MICE tourism relies heavily on other services and resources, it is estimated that for every USD 1 spent on MICE generates as much as USD 7 to USD 10 for other supporting industries. (PATA, 2011). In U.S the total direct spending from meetings in 2009 was estimated over USD 263 billion, out of which USD 113 billion or 43% were on tourism components such as lodging, food services and transportation. Additionally, USD 106 billion was contributed to the GDP and 1.7 million full and part- time jobs were created (PricewaterhouseCoopers, 2011)

All these statistics, therefore indicate that the MICE tourism not only generates revenue and creates job opportunities but also leads to the development of other sectors and industries, thus, leading to the development of the nation as a whole.

1.4 Introduction of MICE Industry in Bhutan

Only a few years back, Bhutan started taking multiple initiatives to boost the tourism sector, one of them being promotion of Bhutan as a MICE destination.

Understanding the characteristics of MICE industry and its benefits for the development of the country, Bhutan took the initiative to develop MICE tourism as a product to counterbalance the issue of seasonality and promote Bhutan as a year round destination. In addition, MICE have been introduced in Bhutan to diversify and develop new products so as to ensure there is equitable regional spread of benefits.

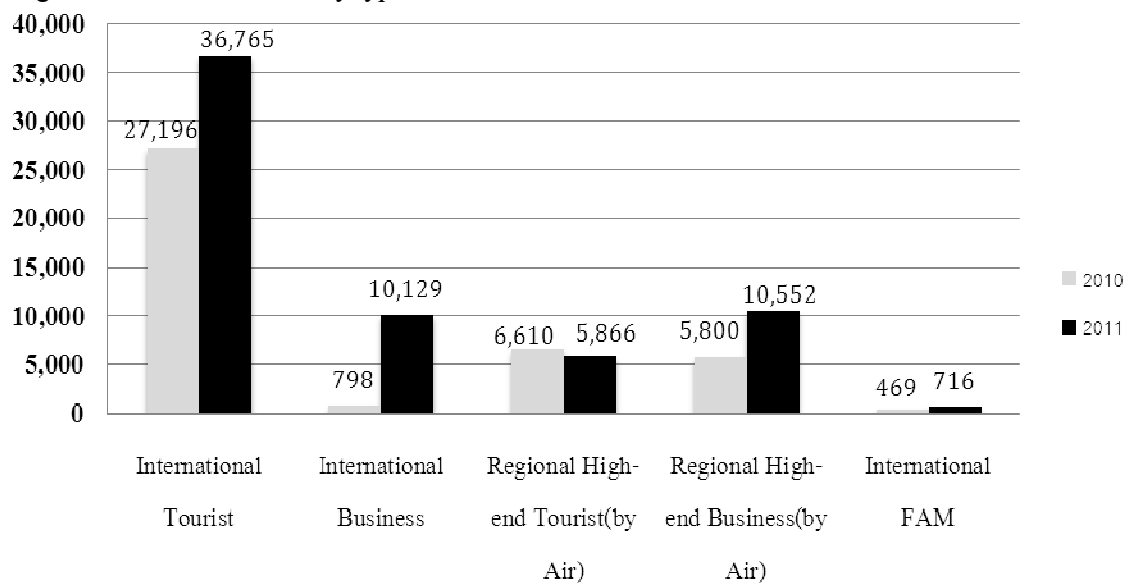
Since MICE tourism was recently implemented in Bhutan, there are few initiatives taken by the government to promote Bhutan as a MICE destination such as waiving off the royalty to the participants coming to attend meetings organized by the government and assisting in arranging the logistics for the event. Additionally, the professional marketing initiative undertaken by TCBS has managed to position Bhutan as a popular destination for tourism including MICE tourism.

Despite these initiatives, several international meetings and conferences such as PATA Adventure Travel and Responsible Tourism Conference and Mart 2012, 6th UNWTO Asia/Pacific Executive Training Programme on Tourism Policy and Strategy, 16th SAARC Summit, International GNH conferences, International Women Conference, First Regional Economic Development Conference, ICIMOD Board Meeting and SAARC Environment Ministers Meeting have been hosted in Bhutan, which were organized and managed by different government organizations. Likewise, industrial CEOs meetings, education fairs and commercial trade fairs have been organized in collaboration with some of the hotels and private industries in Bhutan.

Though there have been numerous meetings held in Bhutan and substantive efforts made to position Bhutan as a MICE destination, it is still in an infant stage and the arrival figure are still not very attractive. The Figure 1.4 below explains the types of visitor arrivals to Bhutan, where the figure of MICE (International Business and Regional High-end Business by air) is relatively

low but has definitely showed a drastic increase of 68.1% in 2011. Further indicating that, MICE related travel is growing but is relatively much smaller in numbers and spread, as compared to leisure travel.

Figure 1.4 Tourist arrivals by types



Source: Bhutan Tourism Monitor (BTM), 2011

1.5 Objective

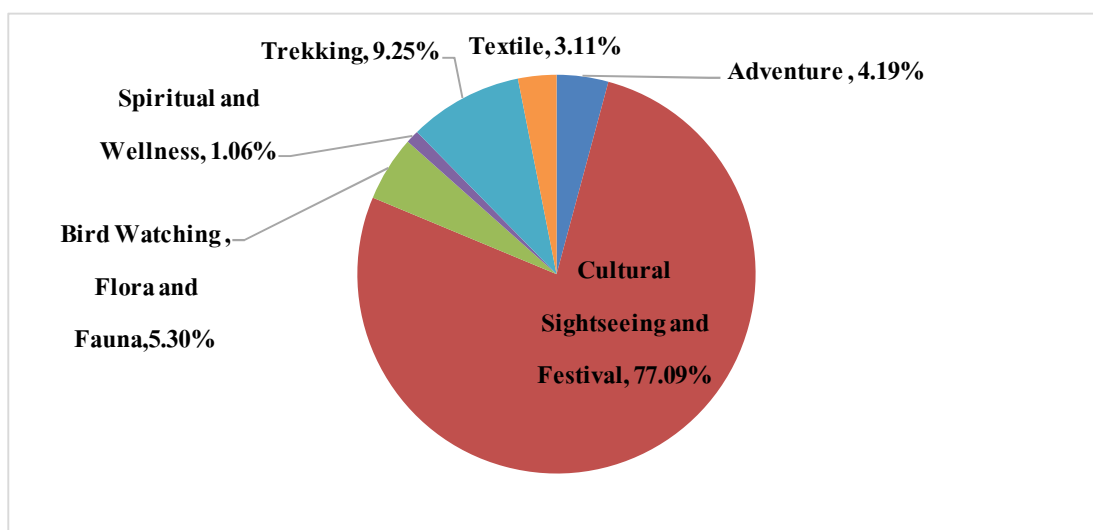
After having conducted this study, it aims to achieve the following objective:

- To assess the current situations of Meeting and Incentive tourism in Bhutan
- To examine the perceptions of stakeholders on Bhutan as a Meeting and Incentive Destination.
- To identify the challenges of developing Meeting and Incentive Tourism in Bhutan.

1.6 Rationale of the Study

Until recently, Bhutan has been focusing only on Culture and Nature as the main product. Though the country has achieved significant growth, the development is limited mainly because of seasonality and limited products – the rich cultural and natural heritage, thus leading to concentrated visitation. The Figure 1.5 below shows the arrivals of visitor by activity and indicates that Bhutan is seen as a Cultural Destination.

Figure 1.5 Tourist arrival by activity



Source: Bhutan Tourism Monitor (BTM), 2011

Although Bhutan has over the years, hosted several international meeting and regional exhibitions, Bhutan still has not been able to attract major demand for MICE travel predominantly because of the lack of appropriate facilities and support services for such travel. There are only few hotels with proper facilities that are suitable for hosting meetings only. As per TCBS, only 33 hotels out of 128 accredited hotel under the hotel classification system has appropriate MICE facilities.

Therefore, it can be said that MICE is not a new concept in Bhutan but requires an in-depth assessment of the existing infrastructure and the stakeholder's perception of Bhutan as a MICE destination prior to positioning itself as a full-fledged MICE destination.

As per the Bhutan Tourism Monitor, 2011 (BTM), visitor perceive Bhutan as a Himalayan Buddhist country with a unique living culture and pristine environment, which provides an opportunity for Bhutan to be promoted as an incentive destination as the incentive travelers would prefer to travel to exclusive destinations since it's an all-expense paid travel to motivate the employees.

1.7 Research Questions

This study will seek to answer the following research questions:

1. What are the current situations of Meeting and Incentive tourism in Bhutan?
2. How do the stakeholders perceive Bhutan as a Meeting and Incentive Destination?

Stakeholders being:

- a) Hotels
- b) Tour Operators
- c) Government Organizations
- d) Associations

3. How does the Government support and encourage Meeting and Incentive tourism in Bhutan?

1.8 Scope of Study

As put forward by UNWTO (2012), MICE tourism is a new form of tourism with the main purpose of the trip being business, constitutes of 15% of the global tourism industry. MICE consists of four different components such as Meeting, Incentive, Convention and Exhibition. Though each component is an event where people meet to share knowledge and build capacity, there is a difference in the size of the participants attending each segment of MICE and the requirement of the facilities (Oppermann, 1996; McCabe et al., 2000; Dwyer et al., 2001; CIC, 2005, Rogers, 2008). For instance, Convention and Exhibition is attended by several thousand people and requires huge infrastructure to host such events. Whereas, Meeting and Incentive usually involves less number of people and the infrastructure required is not that huge. Moreover, the facilities that are required to host leisure tourist are to a certain extent suitable to host such events (Oppermann, 1996; Rogers, 2008).

Based on the requirement of the infrastructure as mentioned by many studies, Bhutan is currently suitable to host Meeting and Incentive tours because currently, there are only few hotels with proper facilities to host meetings only (TCBS, 2013). Therefore, taking this into consideration, this research will be undertaken to primarily assess the Meeting and Incentive Tourism as a product in Bhutan.

The scope of this research is to study the supply side of the destination of Meeting and Incentive tourism focusing on assessing the perception of the stakeholders on Meeting and Incentive tourism as a product for Bhutan based on the attributes that are determined from the literature review. This research is undertaken to understand the destination planning concept of the destination management for developing any new product. With primary reason that tourism is a highly interconnected sector involving diverse stakeholders and requires the expertise and knowledge from all the stakeholders while developing a product for a destination and for it to be successful (Hall,1999).

Due to the insensitive nature of MICE to seasonality and its contribution to the economy of a country, the researcher felt there was a need to conduct a research to understand how the stakeholders perceive Bhutan as a Meeting and Incentive Destination. Also, to find out the potential of Meeting and Incentive tourism in Bhutan as a product to offset seasonality which would further enable the promotion of Bhutan as a year round destination. Additionally, to identify challenges in developing Meeting and Incentive tourism in Bhutan, so that the stakeholders could work together to address these challenges and bring competitive advantage to its Meeting and Incentive sector, thus, positioning itself stronger in the global MICE market.

1.9 Significance of the Study

The main purpose of this study is to provide a clear understanding of the current situation of Meeting and Incentive tourism in Bhutan. Further, identify the possible factors involved in developing and promoting Bhutan as a Meeting and Incentive destination. Finally, this research could be used as a guiding tool while developing the policies and guidelines for development and promotion of Meeting and Incentive tourism in Bhutan.

CHAPTER 2

LITERATURE REVIEW

This chapter demonstrates the literature review conducted to identify important information relevant for this study. In order to achieve the objectives of this research and to have a clear understanding on how a destination can compete in this complex and competitive market, the literature referring to the destination planning and MICE industry were examined. Firstly, a review of tourism destination planning with its definition and process were carried out along with the importance of involving tourism stakeholders in tourism planning. In the second part, the definition of this industry and its typology were studied to understand the term MICE. In the third part, the important attributes associated for a destination to be selected as a MICE venue is reflected. Finally, an examination of the different stakeholders in general for the MICE industry and in particular, Bhutan will be carried out so as to provide a clear insight about the MICE tourism industry in Bhutan.

2.1 Tourism Destination planning: Definition

Though there were studies conducted on tourism, researcher started to study tourism planning only from the 1970s (Alipour, 1996). In Gunn's formulation, planning is, "a multidimensional activity and seeks to be integrative, it embraces social, economic, political, psychological, anthropological, and technological factors; it is concerned with the past, present and future" (Rose, 1984, as cited in Alipour, 1996).

In the words of Dregde et al., (2006), planning is about identifying appropriate steps to achieve some predetermined goal or set of goals and may involve planning for many areas such as infrastructure planning, social planning or business planning with common elements. Planning is:

- Concerned with the future
- About acquiring knowledge, and investigating and identifying the best approaches for problem-solving
- About anticipating or forecasting change under conditions that are often uncertain
- About developing a strategic vision
- About evaluating different courses of action and facilitating political decision-

making and

- Value-laden and political. (Dredge & Jenkins 2006a)

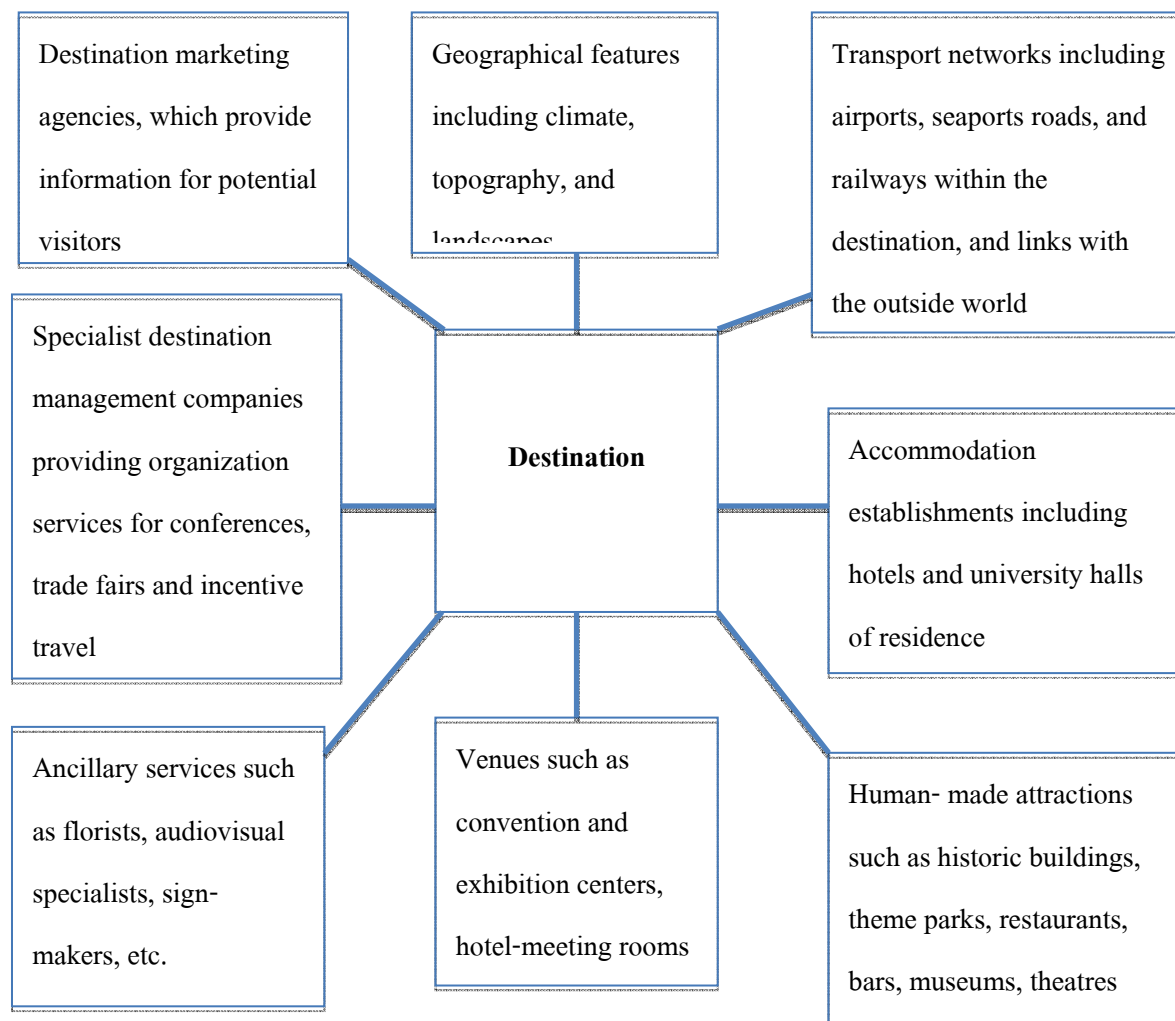
This concept of destination planning transpired because of the gap generated from what the consumer expected from a destination and what they were being offered. A destination from the consumer's point of view is the sum of the products and services offered in a given region in an individual way. Therefore, the most effective solution to fill in this gap is to develop integrated plan and coordination between all stakeholders, at all levels (Risteski et al., 2012).

Additionally, destinations are amalgams of tourism products and services, which are offered to the consumer under the brand name of the destination in order to create a cohesive experience (Buhalis, 2000). Tourism destination can be any geographical region; political jurisdiction or any major attraction provided to satisfy or create a memorable experience for the visitors (Bornhorst et al., 2010). Due to the multifaceted characteristics of tourism industry as illustrated in Figure 2.1 below, planning undoubtedly requires to be applied to tourism development (Gunn, 2002).

Ritchie & Crouch (1999), also suggest that valuable tourism products and services for both, potential or current tourists are developed with tourism planning and development, which generates social and economic benefits for destinations and their communities. A similar concept by Inskeep (1994), states that a comprehensive planning enables tourism to be managed and developed in a controlled, integrated and sustainable manner, thus, generating substantial economic benefits to an area, without hampering the environmental or creating social problems. Likewise, Figueira, (2001), mentions that with planning the negative impacts likely to be caused by tourism will be minimized by the positive aspects and prevents the destination to enter the decline stage.

Planning in general is important because it provides a common vision, direction and commitment and in the case of tourism, a comprehensive approach of planning will not only provide a common direction but also increase the participation of many representatives.

Figure 2.1 The elements of Destination Product



Source: Swarbrooke and Horner (2001)

Enright and Newton (2004 & 2005) supports that the destination planning as a generic business factor determines the competitiveness of a destination that influences the success of the tourism destination in the world. Poon (1993), proposed four key principles, which a destination must adopt in planning so as to gain competitive advantage over the competitors (Wilde & Cox, 2008). The principles are as follows:

- Put environment first
- Make tourism a leading sector
- Strengthen the distribution channels in the market place
- Build a dynamic private sector

Similarly, Hassan (2000) implies that a thorough analysis of the destinations, competitive factors and development strategies should be guiding the process of planning and promotion of tourism destinations (Mohammadi et al., 2010). Risteski et al., (2012) mentions that in the context of destination's competitiveness, or its sustainability, the concept of Destination Management Planning - DMP would be appropriate to discuss and therefore, constructed the definition as:

Destination Management Planning is revealed as an effective mechanism for increasing cooperation and collaboration with the local industry and strengthen the partnerships with the regional economic development agencies / boards and educational and training performers.

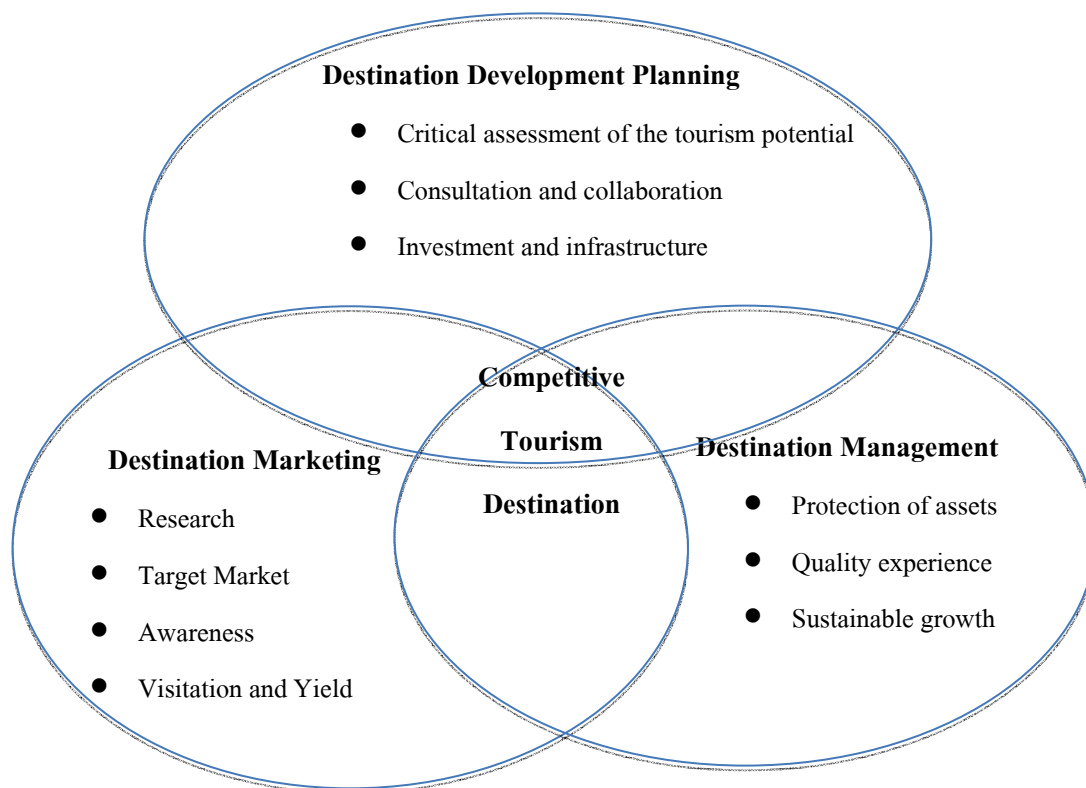
Also Risteski et al. (2012) exerts that Destination Management Planning encompasses all the practices and ideologies of:

- **Destination Development Planning:** which involves assessing the potential of tourism destination and monitoring of progress; constructing effective consultation and collaboration with all stakeholders; emphasizing on attracting investment and infrastructure projects; creating employment opportunities; developing long-term tourism strategies to propagate the industry.

- **Destination Marketing:** which involves research to identify and target suitable markets, including new and emerging markets; building and increasing awareness in the target market(s); increasing visitation and yield.

- **Destination Management:** which involves protecting the unique tourism assets of the destination, ensuring quality visitor experiences, and developing a unique and sustainable tourism industry within the destination. The concept has been shown illustratively in Figure 2.2.

Figure 2.2 Concepts of Destination Management Planning



Source: Risteski et al. (2012)

Similar opinion by DragiĆević et al. (2012) stated that destination management includes all the undertakings of the destination management organizations such as destination marketing, destination policy, planning and development, human resource development and environment management. Where, destination policy, planning, and development consist of philosophy, vision, audit, positioning, development, competitive/collaborative analysis, monitoring, and evaluation.

Therefore, one can conclude that planning is very important in tourism since tourism is a highly interconnected sector which requires expertise from all different fields and moreover, the effects from tourism are significant and have the potential to remain longer (Hall, 1999)

2.2 Tourism Destination planning: Process

Tourism planning is a complicated process that requires taking into consideration the involvement and efforts of all stakeholders to provide a realistic and effective guideline for tourism development and management (Coccosis&Constantoglou, 2006).

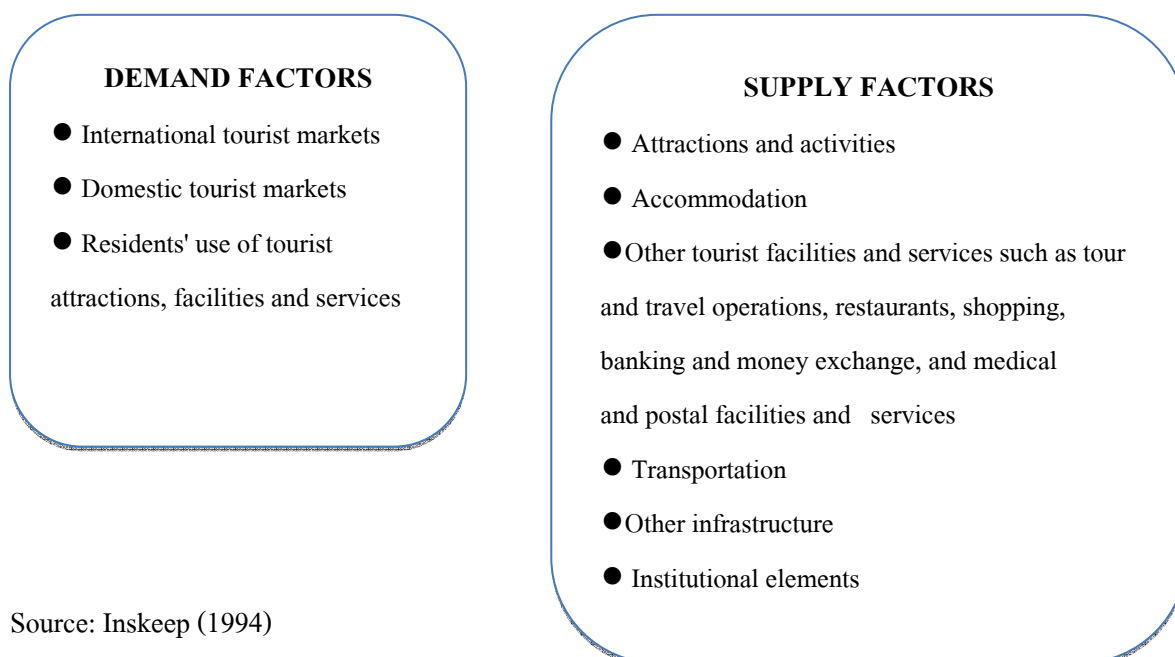
Tourism planning is a sophisticated and varied process, which requires incorporating different ideas from different fields. It also needs to conduct a variety of planning activities such as feasibility studies, product development, promotion, forecasting, marketing planning, and strategic marketing programs (Yoon, 2002).

As per Dregde et al. (2006) planning has to be transparent. The contribution from the diverse stakeholders should be taken into consideration and while planning the processes should bear the following characteristic in order to be considered useful:

- Clear planning and management processes;
- Reliable information;
- Adaptive management approaches;
- Information management and accessibility;
- Encouraging collaboration;
- Sharing information and experiences; and
- Good communication strategies.

Since tourism is a complicated activity that involves many different sectors of the society and economy, tourism planning process should inter-relate the demand and supply factors (Inskeep, 1994) as illustrated in Figure 2.3 below.

Figure 2.3 The Tourism System



Source: Inskeep (1994)

This integrated planning process ensures coordination between all the components of tourism and further, allows tourism to perform much more effectively and generate the desired benefits (Inskip, 1994) and therefore, can be referred to as interactive or collaborative approach within the planning process (Hall, 1999)

However, Yoon (2002) postulates tourism planning as a process to set goals and develop alternative methods to assist in the decision- making process by evaluating and analyzing issues related to tourism and therefore, contributing to the competitiveness of the destination.

While it has been shown that planning is a complicated process, which involves the entire stakeholder, it would also be useful to understand the levels of planning. Inskip (1994) gives a detail of different levels of tourism planning, implemented for development. The planning can be at the international, national, regional and for specific areas and sites. It lays the foundation for tourism development of a country and its regions to be managed effectively throughout, which is essential for the long-term success of tourism. Each level involves different deliberations as follows (Singh et al., 2003):

1. International level - planning at the international level involves governments of two more country working towards achieving a common goal. This level of planning usually includes areas such as transportation services, joint tourism marketing and promotion, regional tourism polices and standards, cooperation between sectors of member countries, and other cooperative concerns.

2. National level - planning at the national level is at the conceptual or strategic level which involves the national tourism policy, structure planning, transportation networks within the country, major tourism attractions, national level facility and service standards, investment policy, tourism education and training, and marketing of tourism.

3. Regional level – planning at the regional level are generally carried out by provinces, states, or prefectures involving regional policy and infrastructure planning, regional access and transportation network, and other related functions at the regional level.

4. Local or community level- planning at the local level are usually carried out by the sub regions, cities, towns, villages and some tourist attractions focusing on tourism area plans, land use planning for resorts, and planning for other tourism facilities and attractions.

5. Site planning level – planning at this level are carried out for specific purposes and

are related to physical enhancement such as location of buildings and structures, recreational facilities, conservation and landscape areas and tourism resorts.

Gunn (1988) affirms in a study conducted by Figueira (2001), that due to the limited knowledge on what tourism product is and the extreme fragmentation of stakeholders it has become very difficult to come to a common agreement, thus, making planning a difficult task to be carried out. However, besides these difficulties many researchers have established many procedures of tourism planning.

Tourism development planning process as Tosun and Jenkins (1998) sums up, can be undertaken in five stages as explained below:

Unplanned tourism development era: at this stage the importance of tourism planning is not recognized. It is perceived as ‘uncommon, unpopular and an unwanted notion’, and therefore, unplanned tourism is developed.

Beginning of partly supply-oriented tourism planning stage: at this stage basic tourism infrastructure starts to be constructed, such as hotels, restaurants, transportation etc.

Entirely supply-oriented tourism planning stage: at this stage, the main focus of planning is to meet and satisfy the increasing tourism demand by creating facilities and does not acknowledge the stemming problems caused by this type of tourism activity.

Market or demand-oriented tourism development planning stage: at this stage, the main focus of tourism planning is on how to attract more numbers of tourists and how to meet and satisfy their demands.

Contemporary planning approach stage: this stage attracts the attention of the planners and the main focus of tourism planning will be directed towards the environmental, socio-cultural and economic problems, which resulted from the visitation of increasing number of tourist in the destination.

According to Inskeep(1991), the basic steps of tourism planning as mentioned in a study carried out by Coccossis & Constantoglou, (2006)

1. Study preparation
2. Determination of objectives
3. Surveys
4. Analysis and synthesis

5. Policy and plan formulation
6. Recommendations
7. Implementation and monitoring

Coccosis & Constantoglou(2006) has explained these processes in detail as follows:

1.Study preparation: this is initial stage when the government together with the private sector decides and plans to develop or expand or improve tourism. The processes of identification of issues regarding the development of tourism based on the current trends and constraints will be carried out.

2.Determination of objectives: the formation of the goals and objectives of the plan will be carried out in this stage as it specifies the desired results of developing tourism. Goals and objectives are essential elements of the tourism policy and plan and should be determined carefully.

3.Surveys: in this stage all the significant data's will be collected using different types of survey instrument. In order to get quality information this step has to be planned very carefully taking into consideration all aspects of tourism development. A map or aerial photograph is mostly used as it can help on the observation of spatial relationships that are not obvious in any other way. Moreover, new technological and methodological tools have been developed to make the survey process more easy and accurate.

4.Analysis and synthesis. In this step data gathered are combined, analyzed and identifies the current trends, the problems and conflicts together with the opportunities of development.

5.Policy and plan formulation. In this stage the formulation of tourism policy and preparation of the physical structure of the plan is carried out based on the findings and result of the survey. Main aim in this process is to assist tourism planning and decision support process.

6.Recommendations. Based on all above steps alternative recommendations or solutions will be provided in the plan.

7.Implementation and monitoring. This is the final stage where the plan prepared is implemented. Here, monitoring of the tourism development has to be carried so as to assess whether the desired goals and objectives defined are accomplished.

It is important to note that, planning provides appropriate information to the decision-makers and if the desired objective cannot be accomplished with the process and decisions made, then the objective as well as the process can be refurbished (Coccosis & Constantoglou, 2006). Further, Alipour (1996) exerts that the Inskip's model, which was adopted in his study, highlights the 'implementation' stage as being the most important and, therefore, should be deliberated throughout the plan preparation and recommendation stages, in order to have a realistic plan that is achievable and implementable.

s indicated by many studies that tourism planning is a complex process involving all the components and resources of a destination, therefore, it is crucial to be carried out on the basis of a systematic process (Coccosis & Constantoglou, 2006). Moreover, having gone through the steps of tourism planning, it can be concluded that the process of tourism planning includes:

1. *Assessing the possible impacts of development and the resource problems which will be faced*
2. *Analyzing the competitive status of a destination and its ability to respond to changes in the travel market*
3. *Providing a level of stability and predictability in the progress of the overall development of tourism in a given area*

2.3 Importance of Stakeholders in Tourism Destination Planning

As Hall (1999) claims from his literature review that involving stakeholders in the planning process by the government gained importance mainly because of the developments in management theory such as, strategic planning emphasizing on relations with stakeholders as part of the planning process while the collaboration and network development emphasis that the links between the stakeholders should be developed in processes of facilitation, promotion and regional development.

However, many studies have recognized the importance of involving varied stakeholders in tourism destination planning (Araujo & Bramwell, 1999; Ritchie & Sheehan, 2005; Wilde & Cox 2008; Bornhorst, Ritchie & Sheehan, 2010; Haugland et al., 2011). As Edgell, (1990) asserts that 'there is no other industry in the economy that is linked to so many diverse and different kinds of products and services as is the tourism industry' (Wilde & Cox 2008). Pinto &

Kastenholz, (2011) provides a description of the major stakeholders in a tourism destination, which has been explained in Table 2.1 below therefore, drawing attention to the fact that tourism destination involves many diverse stakeholders delivering different product and services with their own goals and objectives.

Table 2.1 Major Stakeholders in Tourism Destination

Economic tourism agents: sometimes referred to as the tourism industry, producing the services offered directly to tourists, like accommodation, transportation, attractions, food

Economic agents from other sectors: indirectly affected by tourism activities, like retailers or generic service provider

Non-profit organizations: providing tourism related or non-related services, like health, cultural or recreational activities

Public entities: providing infrastructures and facilities, heritage and nature preservation, information and education, and some activities coordination within a more or less formal structure

Local population: who condition the tourist experience directly, can benefit from touristic development, but also can suffer some social impacts from it

Tourists: to whom the offer is directed and that ultimately seek unique experiences and activate the destination network

Source: Pinto & Kastenholz (2011)

With these diverse characteristics, for a destination to be successful in the market, requires coordination and agreement among the varied stakeholders on a set of common strategic goals and willingness to actively participate in an integrated manner (Haugland et al., 2011). In terms of measuring the destination success, a study conducted by Bornhorst et al. (2010), verified that even if the destination has a very strong mix of tourism products and services, success would not be achieved if there are no support from the local population, thus, emphasizing on collaboration of internal stakeholders as an important factor for a destination to be successful.

Therefore, it is very important to develop a tourism plan taking into account the views and ideas of all stakeholders and ensuring that the development is among all levels. This would not only encourage participation from the stakeholders but it would also avoid duplication of efforts and policies. This statement has been supported by Healey (1996), as mentioned in a study

conducted by Angella & Go (2009) that an integrated and collaborative planning create three kinds of shared capital: social capital – trust, flows of communication and willingness to exchange ideas, intellectual capital – mutual understanding, and political capital – formal or informal agreements and implementation of projects.

Araujo & Bramwell (1999) points out that, involving all the stakeholders in the planning process would bring significant sustainable benefits though it is very difficult and time-consuming to get all the stakeholders to come to an agreement. For example, as mentioned by Warner (1997), by involving all stakeholders, they become more self-reliant and are more aware of the issues and therefore, being in a better position to actively participate and create a sense of shared ownership (Araujo & Bramwell, 1999).

Angella & Go (2009) affirmed that there is a consensus on this assertion in their study where they have mentioned that stakeholders and the government work together to obtain mutual benefits and moreover, stakeholders recognize that the benefits gained from working together will definitely outdo the potential risk.

As per the diverse studies conducted, it can be mentioned that tourism stakeholders are important key players that has the ability to determine the success or failure of tourism and therefore, their participation and involvement is necessary in tourism planning and development.

2.4 Terminology of MICE

The acronym ‘MICE’ (Meetings, Incentives, Conferences, and Exhibitions or Events) is commonly used worldwide, whereas, ‘Business tourism’ is widely used in Europe and in Australia the industry prefers to refer to it as ‘business events’. While in Canada, the industry refers to it as MC & IT: meetings, conventions and incentive travel. (Rogers, 2008).

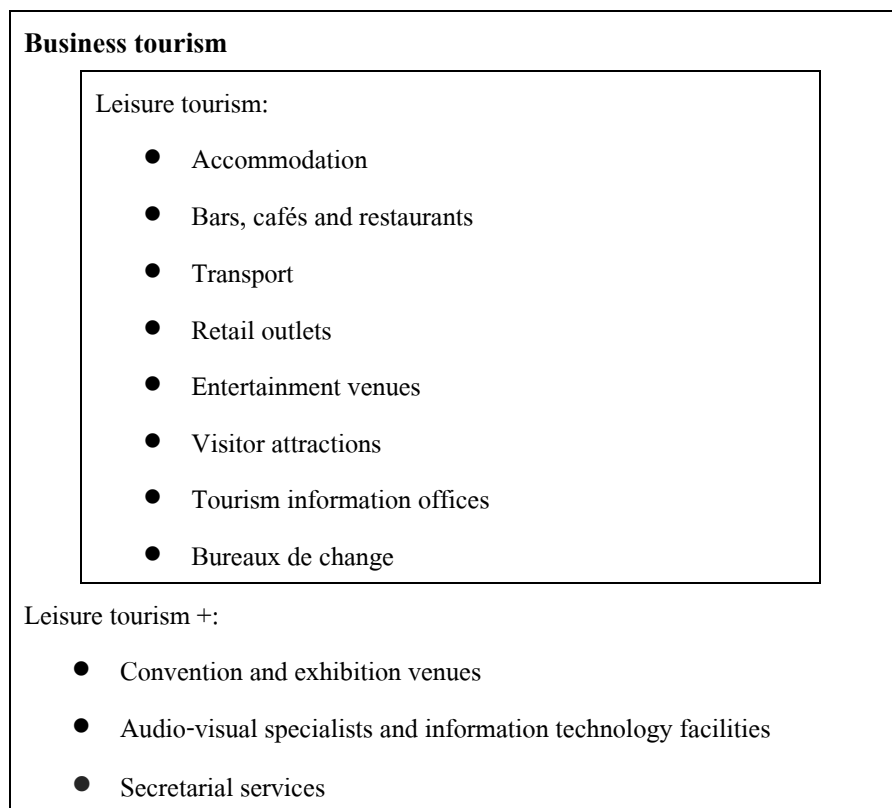
According to UNWTO (online), International Congress and Convention Association (ICCA), Meeting Professionals International (MPI) and Reed Travel prefer the term “*meetings industry*” to MICE. Therefore, defines it as a trip’s main purpose being business/professional that can be further subdivided into “attending meetings, conferences or congresses, trade fairs and exhibitions” and “other business and professional purposes”

The MICE industry is considered as a part of tourism industry with the principal activity being business and not leisure (McCabe et al., 2000). Similarly, business travel, which is often referred to as MICE, is mainly driven by business prospects for the traveler and normally, in association with an organization at the destination (Buhalis, 2000). Furthermore, Davidson has defined business tourism as cited in (Swarbrooke and Horner, 2001) as follows:

Business tourism is concerned with people travelling for purposes, which are related to their work. As such it represents one of the oldest forms of tourism, man having travelled for this purpose of trade since very early times.

Business tourism and Leisure Tourism are two different types of tourism in global industry requiring similar types of infrastructure from the suppliers in terms of accommodations, transports and communications, entertainment, information and services. The only difference is as shown in Figure 2.4, that business tourist though use most of the components of leisure tourism, there are other additional services required by business tourist such as convention and meeting venues, audio- visual facilities and secretariat services (Rogers, 2008; Swarbrooke and Horner, 2001).

Figure 2.4 The Supply side business tourism and leisure tourism



Source: Swarbrooke and Horner, 2001

However, Swarbrooke and Horner (2001) also states that business tourism and leisure tourism are interrelated as nowadays leisure activities are being included in conference programmes and business travelers participate in leisure activities after their work is over, thus becoming a leisure traveler. In addition, spouse and children accompany the business traveler and their travel is mainly for leisure activities.

Given the similarities between business tourism and leisure tourism from the supply side; there are fundamental differences from the demand side. The difference being such as the trips for business traveler is mostly borne by the organization, whereas the leisure travelers pay for their trips. Also, leisure trips takes place during the holidays and peak season, while business trips can happen all year round (Davidson as cited in Swarbooke and Horner, 2001).

2.5 Definition of MICE

MICE tourism is a special niche market that is continuously growing and consists of different components such as Convention, Conferences, Meetings, Seminars, Trade shows, Exhibition and Incentive travel (Dwyer et al., 2001).

Bearing in mind the different terminology for MICE, it has become evident that there is no standard definition and the term 'MICE' and 'Convention and Meetings' are being used interchangeably (McCabe et al., 2000). Nevertheless, the term MICE will be applied in this research, as it has been widely used in Bhutan. The definition provided by Convention Industry Council (2005) will be adopted, as the organization states that MICE is an international term used for events industry. Therefore, in order to understand this complex industry better, each component of the MICE sector will be defined as follows:

A) Meeting

An event where participants mainly come to attend educational sessions, social functions, participate in discussions, or attend other organized events. There is no exhibit component.

B) Incentive Travel

A travel reward provided by companies to motivate employees to increase productivity and to achieve the company targets.

C) Convention

An event where the participants mainly come to attend educational sessions, participate in meetings/discussions, socialize, or attend other organized events. There is a secondary exhibit component. Also referred to as:

- **Conference:** An event intended for discussion, fact-finding, problem solving, consultation, convey a message, open a debate or give publicity to some area of opinion on a specific issue. Conferences are of short duration with specific objectives though there is no time limit. Moreover, no continuity and regular recurrence is required to convene a conference. Conferences are generally on a smaller scale than congresses.

- **Congress:** The regular meeting of large groups of individuals, or association of delegates or representatives from organizations generally to discuss a particular

subject. A congress will have several sessions taking place at the same time and often last several days. The length of time between congresses is usually established in advance of the implementation stage, and can be either pluri-annual or annual. Most international or world congresses are of the former type while national congresses are more frequently held annually. Convention is referred to as Congress in Europe.

Further, Oppermann (1996 and 1996) states that Convention tourism is an event attended by several thousand people for business purposes only where the leisure, educational or other aspects are not included.

D) Exhibition

An event where the participants mainly come to exhibit the products and services on the show floor for the purposes of public relations, sales and/or marketing. The participants also focus on developing business- to-business (B2B) relationships and can be of the following types:

- *Trade show*: An exhibition of products and/or services held for members of a common or related industry. Not open to the general public.

- *Consumer show, Gate show and Public show*: Exhibition that is open to the public, usually requiring an entrance fee.

In addition to the definition above, it would be useful to mention the definition of MICE postulated by Rogers, (2008) since it provides further insight on the term MICE and therefore, would help in understanding the term better. Table 2.2 illustrated in the next page provides the definition of each component and highlights the key characteristics that form MICE tourism.

Table 2.2 MICE Matrix

Segment	Corporate organization	National association	International association/ inter-government	Public sector/ government
Meetings	An out-of-office meeting of at least 4 hours' duration involving a minimum of 8 people. Includes sales meetings, training, board meetings and retreats, AGMs.	Board meetings, regional meetings, training events, and information events.	Limited number of board-level meetings, typically lasting 1–2 days maximum. Also international meetings hosted by national associations.	Mainly organizing non-residential meetings of up to 1 day's duration. Also training courses which may last for several days, and information events.
Incentive Travel	A business tourism trip to motivate and reward employees and dealers, usually containing a conference element.	Not applicable.	Not applicable.	Not applicable.
Conferences	Typically of 1 or 2 days' duration with a formal programme that has been promoted in advance. Delegates are often compelled to attend.	Usually an annual conference/congress/convention for members lasting 2–3 days.	An annual (or less frequent) congress or convention rotating around different countries or continents, with selection based on bids received from individual cities. Typically of 3–5 days' duration.	Mostly 1-day conferences (occasionally 2 days) attracting delegates from the local area or region.

Table 2.2(Continued)

Segment	Corporate organization	National association	International association/ inter-government	Public sector/ government
Exhibitions	Product launches, attendance as an exhibitor at trade and consumer shows organized by specialist exhibition organizers or trade associations. Also attendance as a corporate visitor ('buyer') at trade shows.	May include the organization of an exhibition to run alongside its own conference; also participation in other industry trade shows as an exhibitor. Trade associations are also primary exhibition organizers.	May include the organization of an exhibition to run alongside its own conference; occasional participation in other industry trade shows as an exhibitor.	Information/ regional trade events.

Source: Rogers, 2008

2.6 Meeting and Incentive Tourism

Meeting and Incentive tourism is the main focus of this research; therefore, a detailed reading regarding each segment is further elaborated in the following section.

2.6.1 Meeting Tourism

Meeting tourism as described by Wootton & Stevens, (1995) is the most significant sector of the tourism industry and more sustainable than leisure tourism.

The ICCA (2000-2011), further segments meeting into association meeting and corporate meeting. Association meetings are organized for scientific or professional purposes by Government and non-government organizations such as academic, trade organizations, professional bodies and social groupings. Whereas, corporate meetings, are internal or external meetings organized by the company to communicate with their staff and distributors.

Several researches have indicated that there are differences in the characteristics of these two meetings. The number of delegates attending association meetings is usually larger and their participation is on voluntary basis as the expenses are borne by the delegates themselves. This sector is very sensitive to price and has a great influence on the choice of the venue. Whereas, for the corporate meetings it is mandatory for the delegates to attend, as it is demanded by their work and the expenses for the delegates to attend these meetings are covered by the organization. Corporate meeting are usually of smaller size (Oppermann & Chon, 1997, Leask & Hood, 2001, Toh, Peterson & Foster, 2007).

Further, Rogers(2008), alleges that there are significant differences between corporate and association meetings and to grasp the key differences Table 2.3 below summarizes the characteristics of Corporate and Association meeting, thus providing a clear distinction.

Table 2.3 Characteristics of Corporate and Association Meeting

Corporate Meeting	Association Meeting
<ul style="list-style-type: none"> ● Work for 'for profit' organizations. ● Event decision-making process is ● Often straightforward and rapid. ● Events have a relatively short lead-in time. ● Buyers may organize a wide variety of events. ● Events often have fewer than a hundred delegates. ● Per head costs are usually relatively ● High as the company is paying. ● Events are organized year round. ● Most events last two days or less. ● Delegates' partners rarely attend. 	<ul style="list-style-type: none"> ● Usually employed by 'not for profit' Organizations. ● Event decision-making process is complex and prolonged. ● Events often have a relatively long lead-in time. ● Buyers often organize a limited number of events. ● Events often have hundreds, if not thousands, of delegates. ● Per head costs are usually relatively low as delegates are often paying themselves. ● Most events take place in spring and Autumn. ● Major events last three or four days. ● Delegates' partners frequently attend.

Source: Rogers (2008) and Swarbrooke & Horner (2001)

In addition, Toh, Peterson & Foster, (2007) in their study mentioned that due to the major differences, meetings are now managed by Corporate Meeting Planners (CMP) and Association Meeting Planners (AMP). Similarly, their responsibilities also differ. The responsibilities of the each planner are further described below:

Table 2.4 Contrasts between Corporate Meeting Planners and Association Meeting Planners

	Corporate Meeting Planner	Association Meeting Planner
Objective of meetings	Meetings incur necessary costs that must be minimized within reason	Meetings represent revenue generating opportunity
Nature of meetings	Formal and business-like	Informal and family oriented
Evaluation	Evaluated essentially on cost savings	Evaluated essentially on the success of the conference
Outsourcing	More outsourcing to independents	Less outsourcing to association management companies
Attrition	Less concerned because corporations can absorb the unexpected charges	More concerned because associations cannot absorb the unexpected charges
Booking outside the room block	Less of a problem because they can control employees	More of a problem because they cannot control conventioners
Hot dates and pop-up meetings	Greater use of hot dates because of shorter lead times and more frequent pop-up meetings	Lesser use of hot dates because of longer lead times and less frequent pop-up meetings
Cost reduction	Reduce meeting costs	Reduce conference fees
Perks	Less likely to accept	More likely to accept
Hotel choice	Choose hotels on the basis of facilities, services and costs	May choose not to use non-union hotels even at a higher cost
Use of technology in planning meetings	Widespread use of technology	Limited use of technology

Source: Toh, Peterson & Foster, 2007

2.6.2 Incentive Tourism

Xiang & Formica, (2006) states that Incentive travel is a useful tool to motivate employees to improve their performance. The memory of the trip strengthens the participants feeling and loyalty towards the employer (Backman & Shinew, 1995). Similarly, in the words of Severt & Breiter, (2010) incentive travel is:

A motivational tool to enhance productivity or achieve business objectives in which participants earn the reward based on a specific level of achievement set forth by management. Earners are rewarded with a trip and the program is designed to recognize earners for their achievements.

Incentive travel has been implemented by many businesses because it has proved to increase productivity, sales, company loyalty, retain employees and stimulate teamwork (SITE, 2013). Likewise, an incentive travel reward also assists in changing the behavior and attitude of the employees because it can be educational in nature. (Seebaluck, Naidoo & Munhurrun, 2013). From a research conducted by SITE, (2013), it was revealed that the incentive travel reward has huge positive impact on the performance of the employees, thus, leading to achieving other goals of the company as well. The study conducted by Severt & Breiter, (2010) illustrates the impact as shown in Figure 2.5 below.

In support of this statement a study carried out by ISPI & IRF, (2002) points out that tangible incentive like cash and rewards increases the work performance on an average of 22%.

According to Jeffrey, (2003), there are four psychological processes that can increase the participants' perception of value of tangible rewards such as an incentive travel program. These are:

1) **Evaluability**: how the participant evaluates the non-cash rewards such as incentive travel program as a considerable experience.

2) **Separability**: the incentive travel program is not considered as a part of the compensation, thus, viewing it as a reward for performance.

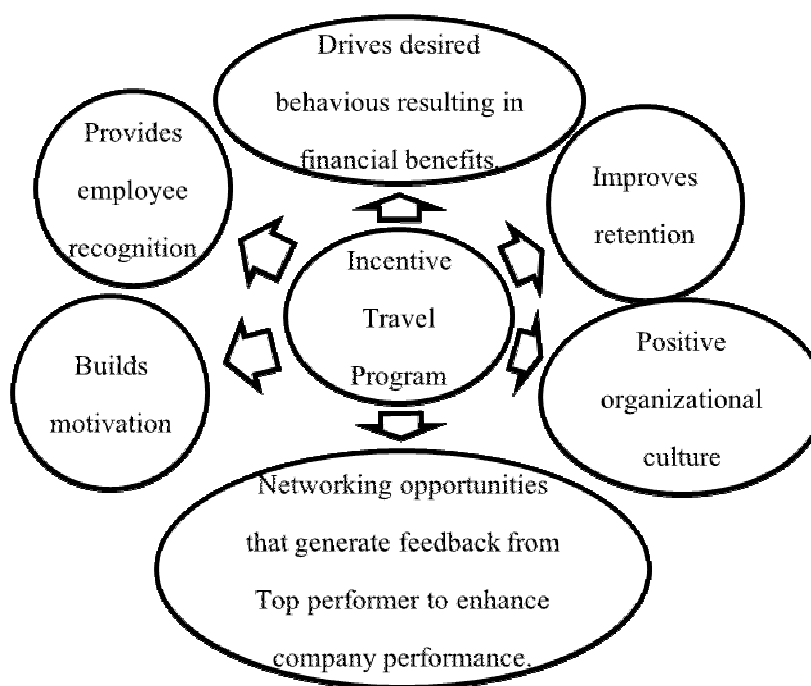
3) **Justifiability**: the incentive travel reward has been earned because of the employee's efficiency; it justifies the effort and motivates them to work even harder.

4) **Social reinforcement**: an incentive travel trip has trophy value for the earner.

Further, Incentive travel not only benefits the company or the employees but there is also

a significant benefit generated for the destination through the use of accommodation, consumption of food and beverage and many other services (Severt&Breiter, 2010)

Figure 2.5 Benefits of Incentive Program



Source: Severt & Breiter, 2010

2.7 Important attributes of Destination for MICE Tourism

With the continued growth in this market segment, the competitions between destinations are increasingly becoming intensive in order to be selected as the location for MICE and as a result of this high competitions, many countries worldwide are continuously developing various meeting venues and facilities (Oppermann, 1996;McCabe et al., 2000;DiPietro et al., 2008; Ananzeh& Chiu, 2012; Draicevic et al., 2012;). Because of the growing intensity of competition, it is necessary for those competing for business to understand the fundamental factors affecting the site selection process for hosting MICE (Chen, 2006).

Many researchers have identified diverse attributes that are important for a destination competing in the MICE market. These attributes have been explained in detail, however, a summarized description have been presented in the following Table 2.5.

Table 2.5 Summarized description of the key destination attributes of MICE destination

Authors	Key Attributes of Destination of MICE
Oppermann (1996)	<ul style="list-style-type: none"> Accessibility Availability of facility Quality of service Affordability Destination image Safety/security
Buhalis, (2000)	<ul style="list-style-type: none"> Amenities Accessibility Accountability Affordability Attractions Activities Destinations providing high-level of efficiency Safety Elegance and leisure opportunities Destination image
Swarbrooke and Horner (2001)	<ul style="list-style-type: none"> Suitable venue for the meeting Sufficient accommodation (if a venue is non- residential) Attractions Good accessibility Efficient transport system within the destination Certain level of safety and security
Romero, (2007)	<ul style="list-style-type: none"> Accessibility Venues closer to the airport
DiPietro et al., (2008)	<ul style="list-style-type: none"> Support services Quality hotels Meeting spaces

Table 2.5 (Continued)

Authors	Key Attributes of Destination of MICE
Ananzeh and Chiu (2012)	Amenities Accessibility Accountability Affordability Attractions Activities
Chiappa (2012)	Good accessibility Appropriate hospitality and meeting facilities, Good tourist attractions Unique destination brand Overall affordability, Quality and efficiency of industry personnel Convention Bureau assistance Physical and socio-cultural settings Safety and security Local transportation costs and time

Meeting destinations, despite the venue where the meeting is being organized requires a lot of peripheral services such as good accessibility, appropriate hospitality and meeting facilities, good tourist attractions and broadly, a unique destination brand which directly or indirectly contributes to the organization of meeting (Chiappa, 2012). Therefore, Chiappa, (2012), in addition to the peripheral services identifies six more attributes that are equally important in all types of meetings, that is: overall affordability, quality and efficiency of industry personnel, Convention Bureau assistance, physical and socio-cultural settings, safety and security and, finally, local transportation costs and time

A business tourism destination has to offer a suitable venue for the meeting, sufficient accommodation (if a venue is non- residential), attractions, good accessibility to the generating markets, efficient transport system within the destination and a certain level of safety and security (Swarbrooke and Horner, 2001). On the contrary, Romero, (2007), explains that most of the

planners choose smaller cities and destinations, known as the “Second-Tier Cities” mainly because of accessibility and prefer venues closer to the airport which will reduce the cost. Similarly, Chiappa, (2012), stresses that the numbers of accommodations available near the airport or the convention center is significant for conferences and conventions because of the cost incurred in logistic transfers, as all the participants cannot be accommodated in a single hotel.

Numerous studies have identified many yet similar attributes that guide the selection of a destination to host MICE tourism. For a destination to be selected as the venue for MICE, seven factors such as accessibility, availability of facility, quality of service, affordability, destination image, attractions/entertainment and safety/security have been identified (Oppermann, 1996; Oppermann & Chon, 1997; Crouch & Ritchie, 1998; Chacko & Fenich, 2000; Taylor & Shortland-Webb, 2003; Comas & Mocardo, 2005 as cited in DiPietro et al., 2008). Nonetheless, DiPietro, et al., (2008) argues that more than the entertainment facilities, importance should be given to the development and promotion of support services, quality hotels and meeting spaces in order to be selected as a destination to host MICE events.

Likewise, Buhalis, (2000); Ananzeh and Chiu, (2012), grouped these components into six factors and states that a destination could globally compete in hosting MICE events when it has the following attributes:

1. **Amenities** - sufficient facilities for conventions and exhibitions, and meeting room facilities as well as its ability to have certain basic services such as fire, police, water, etc.
2. **Accessibility** - refers to the level of ease with which attendees can travel to and from the event site taking into consideration the time and effort.
3. **Accountability** - refers to the ability of the host destination to provide overall quality to MICE tourism participants in terms of customs, telecommunications, health care, and qualified employees.
4. **Affordability** - refers to the overall price or cost of participating in an event.
5. **Attractions** - refers to the ability of the host destination to provide meeting attendees with attractions and places of interest.
6. **Activities** - refers to recreational activities before, during and after the meeting event.

In addition to these six attributes, “destinations providing high-levels of efficiency and safety, along with elegance and leisure opportunities tend to be preferred for conferences and incentive travel” (Buhalis, 2000).

On the other hand, though all these attributes such as meeting and hotel rooms and accessibility are vital, the destination image also plays a major role for a destination to be selected as a MICE venue (Oppermann, 1996; Buhalis, 2000). While making travel decisions, destination image is considered a critical factor (Ananzeh and Chiu, 2012). Buhalis, (2000), defines destination image, as what the traveler anticipates the destination to be and their perception of how a destination actually is.

With regard to incentive travel, along with accommodation and good entertainment facilities, destination brand (image and awareness), is imperative for incentive travel as it has the ability to create a unique atmosphere thus, providing a memorable experience for participants (Chiappa, 2012). Moreover, Buhalis, (2000), asserts that destinations branded as unique exotic-exclusive such as Bhutan, Mauritius and Seychelles are regarded to offer a unique and precious experience. They package and price special prestigious product and are promoted as “one-in-a-lifetime” experience, which represents the characteristics of incentive travel. Also, destination accessibility is considered not as important for incentive travelers as it is for all types of meetings because a certain degree of difficulty in the accessibility of a destination provides the participant with an exclusive experience that helps to influence and motivate the participants (Chiappa, 2012).

Furthermore, it is essential to underscore that some destinations though they are technically and logistically disadvantaged, can be a perfect destination for certain incentive travelers mainly because of the appealing destinations brand which helps the organizers to motivate the participants to join the event, gain the desired objectives (Clark &McClaeary, 1995 as cited in Chiappa, 2012).

In a highly competitive environment, it is important for a destination to assess their strengths and weakness based on these attributes. This assessment would further assist in developing or refining the positioning strategy or product development strategy, which is required to increase a destination’s competitiveness to attract travelers from this segment (Baloglu& Love, 2005)

2.8 Stakeholders of MICE tourism in general

A brief introduction of important stakeholders in MICE has already been mentioned in chapter 1. This section will provide a wider view of the different stakeholders involved in MICE tourism. The functions or responsibilities of each stakeholder based on the review conducted on different studies will be detailed out in this section.

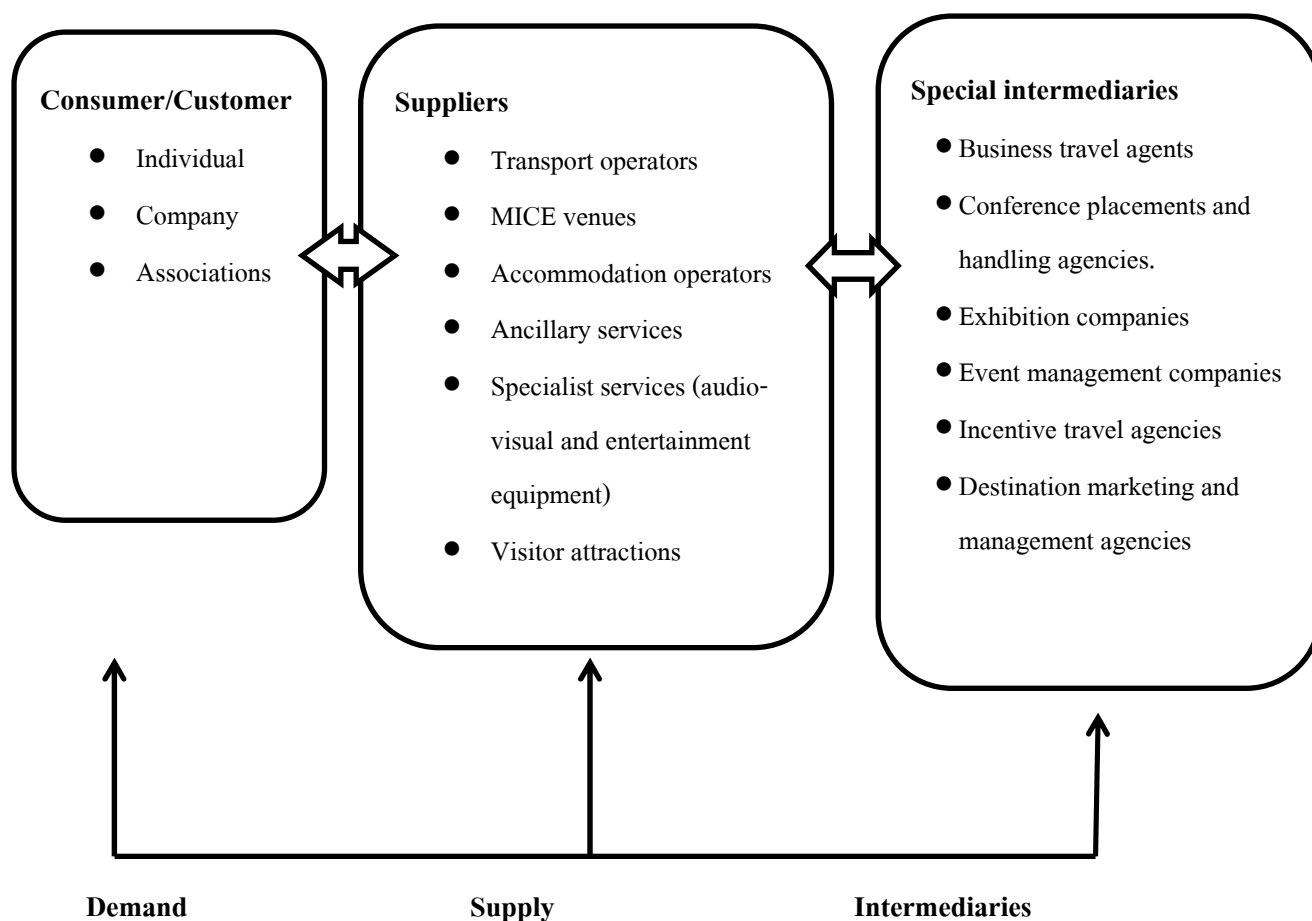
For a MICE event to be successful, the involvement of the vast range of stakeholders is the key factor. By mentioning stakeholders, it can be any individual or organization working towards the coordination and management of the MICE event such as government organizations, industry organizations, venues providing different facilities, convention and visitor bureau, professional conference organizers, transport providers, caterers and other support services (McCabe et al., 2000).

Conversely, the review of the study conducted by Oppermann, (1996) reveals that there are only three main players in the MICE industry such as the association meeting sector, the association conferences organizers referred to as tour operators and conference participants. The association meeting sector and the tour operators or the conference organizers work towards selling and attracting as many attendees or conference participants to their destination as the potential attendees have the option to choose from different conferences at different locations with varying cost and time.

In addition, Lau, (2009) attempts a slight detail explanation of the key main players as:

- **Clients:** the main decision making organizations and can be further divided into Associations, Corporations and Event planners.
- **Suppliers:** any organization or enterprise providing services and facilities for MICE such as convention visitor bureau, venues, accommodation, entertainment, transport and technical specialist and intermediaries.
- **Other players:** government organizations, convention industry association and the commercial sponsors (in order to promote the company brand, some company provide funds for MICE events).

Figure 2.6 The structure of Business and Travel Tourism



Source: Swarbrooke and Horner, 2001

However, for the benefit of this study the framework of Swarbrooke & Horner, (2001), as shown above in Figure 2.6, will be examined. Their study involves all the stakeholders mentioned above and has developed a clear distinction of the different types of stakeholders in the MICE industry, as illustrated in the above Figure 2.6. Their study also clearly points out that there is an interdependent relationship between the stakeholders. The stakeholders have been distinguished into three types such as Demand, Intermediaries and Suppliers. A further detailed review of the three types of stakeholder will be examined in the following paragraph.

I. The Demand side of MICE Industry

The demand side of MICE industry includes any individual, company or associations and has been framed under customer or consumer. Moreover, the study emphasizes that there is a wide difference between customer and consumer. Customers are any organizations or employers who decides or allows their employee to travel and bears the entire travel cost, whereas, consumers are employees travelling on the cost of the customers. However, the study also points out that a customer or consumer occasionally can be a same person or organization. For example, certain international association committees decide the venue for the conference, bear the cost to attend the conference, and undertakes the travel, thus, making them consumer and customer.

Swarbrooke & Horner, (2001), also mentions that the high level of economic development, political stability, lower cost of living in the destination, and high exchange rates of generating regions against the destination influence the demand side. In addition, other factors such as stronger historical and cultural links, common interest in particular industries, products and services, and government support in free trade policy in both the generating region and destination stimulates the demand side of MICE industry.

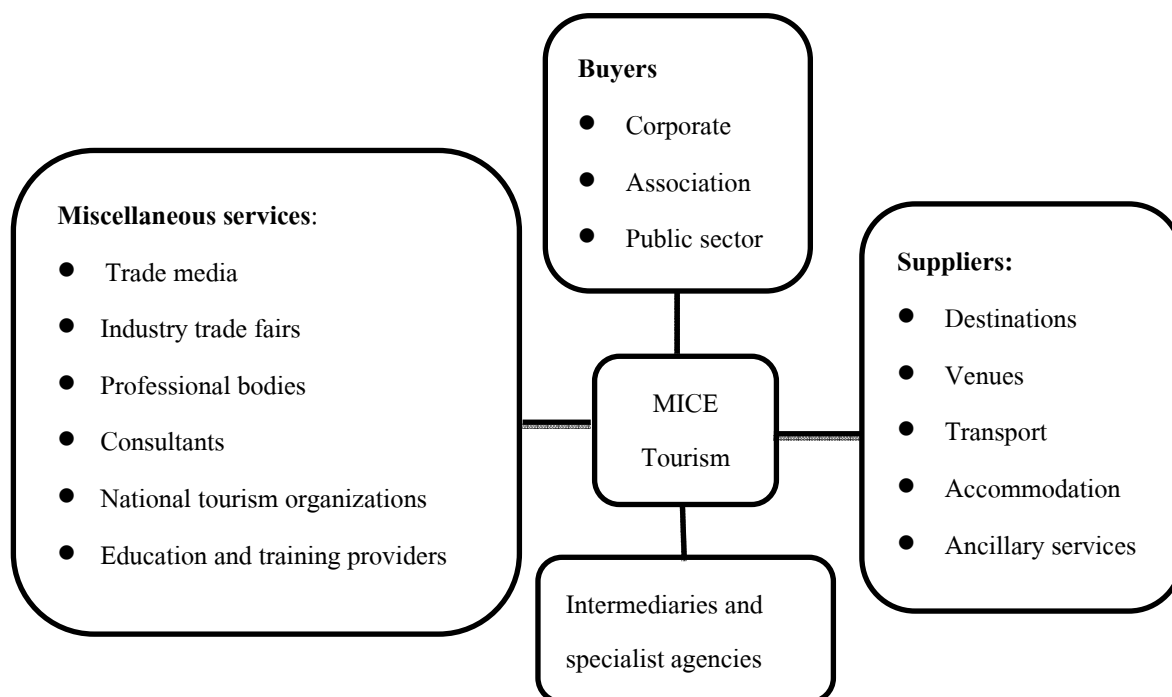
II. The Supply side of MICE industry

The supply side of MICE industry is considered multifaceted mainly because of the different types of MICE events and each of the components has their own specific requirements. Moreover, in their study, Swarbrooke & Horner, (2001), states that suppliers can also be classified into three types:

- **Compulsory supplies** - those services which are a fundamental part and required by all the components of MICE tourism, namely transport
- **Sectoral supplies** - those services which are specifically required by a particular component of MICE tourism, such as exhibition venues for the exhibition sector
- **Optional supplies** - those services which are not very important such as bars and entertainment but could be used to enhance the experiences of the delegates

However, Swarbrooke & Horner, (2001), has provided a generalized classification of suppliers into four different types as illustrated in Figure 2.7, and is further elaborated in the following section.

Figure 2.7 Four types of MICE tourism Suppliers



Source: Swarbrooke & Horner, 2001

a) Buyers

As shown in Figure 2.7, buyers consist of corporate, association and public sector. Swarbrooke & Horner, (2001), define corporate buyers as an employee of a private sector whose main responsibility can be organizing MICE events or an additional task. Further reference has been made to the research conducted by Rogers, (2008), since it has been mentioned widely in the study of Swarbrooke & Horner, (2001). Buyers in MICE industry as defined by Rogers, (2008), are conference organizers or meeting planners who buy or hire the venue or services to host their events. Consequently, Rogers, (2008) defines corporate buyers as conference organizers often referred to as meeting planners in North America working for corporate organizations and are found mostly in industry sectors such as manufacturing or service companies. The main types of events organized by corporate buyers are Annual General Meeting (AGM), Board Meeting/Retreat, corporate hospitality/entertainment, exhibition/expositon, incentive travel, roadshows, product launch, sales conference, training course/seminar, technical conference, team building event and symposiums.

Rogers, (2008) also points out that the corporate buyer takes weeks to a few months to plan the event and takes place throughout the year mostly in hotels with less than 200 delegates. The expenditure per delegate is much higher as compared to the association conference since the expenditure is totally borne by the organization.

In contrast to corporate buyers, association buyers are those who organize large conferences with or more than 10,000 delegates and involves a lot of different organizations such as professional or trade associations/institutions (whose members join because of their employment), voluntary associations and societies (whose members join primarily to further an interest or hobby), charities, religious organizations, political parties and trade unions (Swarbrooke& Horner, 2001 & Rogers, 2008).

Unlike the corporate buyers, the public sector buyers are employees of government organizations for whom organizing MICE events are just a small part of their job descriptions and operate with a very tight budget. The public sector buyers are similar to association buyers since they are both employed by non-profit organizations. However, the difference lies in the fact that the public sector buyers cover the cost of attending the event for the participants and therefore, uses venues that are not so expensive such as government facilities, universities, colleges and hotels up to 3 star standard (Rogers 2008, Swarbrooke& Horner, 2001).

b) Suppliers

According to Rogers, (2008), suppliers are those who provide the facilities required for hosting a MICE event. Rogers, (2008), points out that suppliers have increased in number and only few of them are dedicated in providing the required facilities for MICE tourism.

However, Rogers, (2008) and Swarbrooke & Horner (2001) classifies suppliers into five types such as Destination, Venues, Transport, Accommodation and Ancillary services, also indicated in Figure 2.7. Since the suppliers provide the required facilities without which a MICE event cannot take place, it would be useful to look in detail the description of each supplier to understand their roles in making the MICE event happen and be successful. Each supplier is described in the following section

i. Destination

As per Rogers, (2008) destination is also referred to as location and can be defined as ‘town’, ‘city’ or ‘region of the country’. It is the most important criteria MICE organizers consider significant when selecting the sites for MICE events. However, these destinations in order to be able to host MICE events should have appropriate venues, facilities and attractions as illustrated in Table 2.6 below:

Table 2.6 Factors that determine successful MICE destination

Hard Factors	Soft Factors
Infrastructure	Living standards
Meeting rooms	Culture
Accessibility	MICE professionals
Security	Flexibility
City team	Hospitality
Costs	Tourism attractions
Good services	
Economic and social stability	

Source: ICCA Presentation, IT&CM China 2011 as cited in PATA, 2011

Destination, in order to be successful in the MICE market, has to offer an amalgamation of products and in the words of Swarbrooke & Horner, (2001) “If one element fails the whole product collapses.” This as per Swarbrooke & Horner, (2001) means that the factors mentioned above are highly dependent on each other and both tangible and intangible services are very crucial for the success of a destination. Similarly, Bornhorst et al., (2010) reinforces that though the visitor ultimately defines the success of destination in tourism, there are diverse factors or elements which should be developed prior to the arrival of the visitor in order to offer a memorable and successful experience. These factors or attributes that determine a successful MICE destination have been explored more in detail in the earlier section so as to understand the influence of these attributes on a destination.

Furthermore, Swarbrooke & Horner, (2001) mentions that marketing of these destinations is usually carried out by public sector alone or together with the private sector, though most of the components of destination are owned by the private sector.

ii. Venue

As defined by Swarbrooke & Horner, (2001), venue is a place where the MICE event takes place and Rogers, (2008) mentions that any type of building can be promoted to host MICE events. In a report of UFI, Global Association of the Exhibition Industry, (2012), the space available globally for exhibition alone in 2011 is 1,197 as compared to 57 in 2006.

Rogers, (2008), Swarbrooke & Horner, (2001), points out that hotels of the venues have increased in popularity among the MICE organizers in hosting MICE events. However, there are different types of hotels that are actively involved in hosting such events:

- City centre hotels
- Hotels, especially those adjacent to airports, motorways and highways
- Rural or country house hotels

The study of Romero, (2007) and Rogers, (2008) explains that besides the multinational hotel chains that have invested huge budgets to renovate and upgrade their hotels to provide facilities to meet the requirements of meeting and convention groups, other types of facilities have also been developed such as:

- **Purpose built centres** - can be convention centres or conference centres with residential or non-residential facilities designed particularly for hosting MICE events and can accommodate hundreds or even thousands of delegates (Romero 2007), Rogers 2008). However, Rogers (2008) remarks that the term convention center in USA is described as a building with exhibition halls and meeting rooms but no residential facilities, whereas, conference centres are buildings with meeting rooms and residential facilities but not exhibition halls.
- **College, university and other academic venues** - these facilities are new and affordable alternatives especially for those groups who

meet during the summer when the venues are closed for vacation and offer large meeting space such as classroom, rooms (student housing), function space (student dining space) and offer lower group rates than hotels (Romero 2007). However, Rogers (2008) also points out that many academic venues are investing in building conference centres and making it available throughout the year by hosting meetings with residential facilities during the vacation period and non-residential events during the term period.

- **Civic venues** - these are public facilities available for hire for hosting MICE events and can be municipal or town halls (Swarbrooke & Horner, 2001).
- **Unusual venues** - these are facilities that are different and cannot be classified in any of the above-mentioned venues. These facilities are not designed to host MICE events but are becoming popular among the MICE organizers, as it tends to provide a special experience for the delegates. These may include sporting venues (golf courses, football grounds, and racecourses which offer high profile venues), historic buildings (castles and stately homes), theme parks, transport venues (cruise ships, ferries and trains) and museums. (Rogers, 2008; Swarbrooke & Horner, 2001).

In addition, it has also been identified in the study carried out by Leask and Hood, (1999) as cited in Swarbrooke & Horner, (2001) that these unusual venues meet the needs of buyers demanding 'something different.' They offer a unique, memorable experience by pricing them competitively and offering facilities particularly suitable for small meetings and provide a quality and friendly service. However, the main drawbacks identified in their study are that the facilities available are limited and small in size, the lack of accommodation on site, limited technical and audiovisual equipment, poor industry knowledge and trained staff and once the unique experience is not required then these venues are not often preferred.

iii. Transport

Swarbrooke & Horner, (2001) points out that transport is a significant part of MICE tourism as it helps the delegates to reach the MICE destination and move around in the destination. The MICE tourism uses all types of scheduled and chartered transport such as air, rail, road and water transport.

iv. Accommodation

Similar to transport, accommodations are very crucial for MICE tourism especially, those involving the residential type events. Accommodation can also act as a venue, where the delegates meet for the event as well as utilize staying overnight one or two nights. Besides the hotel, accommodations are also provided by the following types (Swarbrooke& Horner, 2001):

- Timeshare developments
- Self-catering complexes
- University halls of residence
- Youth hostels
- Cruise ships

v. Ancillary services

The MICE industry, in order to offer a complete service to their clients, requires the services of many other different service providers and these services are called as ancillary services and includes the following (Rogers 2008; Swarbrooke& Horner, 2001):

- Audio-visual contractors for supply and operation of specialist audio-visual equipment
- Telecommunications companies for video conferencing, teleconferencing and satellite conferencing
- Transport operators such as airlines, coach and rail companies, car hire, taxi firms, ferry companies
- Interpreters and translators required for international conferences
- After-dinner speakers, entertainers, corporate events companies (e.g. companies running ‘Murder Mystery’ events, sporting and outdoor

activities)

- Specialty caterers for banquets, receptions, buffets
- Floral contractors for decorating the conference stage, podiums, registration areas, exhibition/exposition stands
- Exhibition/exposition contractors.

c) Intermediaries and Specialist Agencies

Though the buyers organize most of the events, the use of intermediaries and specialist agencies to plan and manage the event has increasingly become predominant. The clients often pay commission or a fixed fee to agencies that do all the planning to host an event on behalf of them.

With increasing competition there are many agencies that have entered the market offering the best price to carry out all the work for the clients providing many options to the clients to choose from. (Swarbrooke & Horner, 2001) Therefore, the different types of intermediaries and specialist agencies with different job responsibilities in MICE industry are listed in Table 2.7 below:

Table 2.7 Types of Intermediaries and Specialist Agencies in MICE Tourism

Type of agency	Role	Types of business tourism
Professional conference organizer	Organizing a whole meeting/ conference or aspects of it such as venue funding, financial arrangements or social program organization	Conferences and meetings training courses
Venue-finding service	Finding rooms for conferences and meetings	Conferences, meetings, training courses, product launches.
Conference production service	Specialize in actual staging of the event including lighting, special effects, and sound systems.	Conferences, meetings, training courses, exhibitions, product launches.

Table 2.7 (Continued)

Type of agency	Role	Types of business tourism
Incentive travel agency	Organizing incentive travel packages for clients.	Incentive travel.
Destination management company	Specialist ground handlers who handle practical arrangements in destinations.	Conferences, meetings, incentive travel, exhibitions, product launches.
Corporate hospitality company	Focus on organizing corporate hospitality and entertainment events either as stand-alone events or as part of other events.	Conferences, meetings, exhibitions, product launches, incentive travel.
Business travel agency	Providing travel agency services for business travelers including transport bookings and accommodation services.	Individual business trips.
Exhibition organizer	Organizing exhibitions/reservations.	Exhibitions.

Source: Rogers 2008, Swarbrooke & Horner, 2001

d) Miscellaneous services for MICE tourism industry

Besides the ancillary services, the MICE industry also requires the services of many miscellaneous service organizations for additional information, assistance to function professionally and to set certain code of practices/standards (Rogers 2008; Swarbrooke & Horner, 2001).

Within the MICE industry, Swarbrooke & Horner, (2001) in their study has identified six organizations that provide different services in their capacity. Brief explanations of the six different organizations are as follows:

- **Trade Media** - magazines and e-newsletters published monthly, bi-monthly or quarterly basis to keep the buyers, suppliers and intermediaries informed of the changes and development taking place in the MICE industry. Due to its wide circulation, it provides an important platform for the suppliers to advertise and promote their services and facilities (Rogers

2008; Swarbrooke& Horner, 2001).

- **Industry Trade Fairs** – play a very important role in marketing the services, products and facilities in MICE industry as it involves huge number of buyers. It is a business-to-business trade fair, where the buyers are solely business people. In this type of trade fair, exhibitors launch new products and services and announce new developments in their companies. Along with the exhibition, seminars are also conducted covering topics of interest to the professionals such as risk management, the role of the internet in conference management, chartering award, planning global meetings and public and press relations (Swarbrooke& Horner, 2001). Though, Swarbrooke& Horner, (2001), has pointed out that attending or exhibiting in these trade fairs are very expensive, it has proved to be the most effective way to sell and market the products

- **Professional Bodies** - associations that carry out the marketing and promotion activities, represent the members and carry out research and provide information to the members. In addition, these bodies are also responsible for provide training to their members and establishing standards or codes of practices. Some of the leading professional bodies are as mentioned below (Rogers 2008; Swarbrooke& Horner, 2001):

- 1) Association Internationale des Palais de Congrès (AIPC)
- 2) European Federation of Conference Towns (EFCT)
- 3) International Association of Convention and Visitor Bureaux (IACVB)
- 4) International Association of Professional Congress Organizers (IAPCO)
- 5) International Conference and Convention Association (ICCA)
- 6) Meeting Professionals International (MPI)
- 7) Society of Incentive Travel Executives (SITE).

Given the examples of professional bodies and their responsibilities, it has become clear that all these associations are working towards gaining recognition in MICE industry (Rogers, 2008).

- **Consultants** - resorting to the need of consultant's assistance in MICE tourism has become very popular (Rogers 2008; Swarbrooke& Horner, 2001). Rogers, (2008),

mentions that mainly clients of the supply side use services of consultants. Consultants offer variety of services on a fixed fee such as carrying out study to identify potential market for new conference and exhibition facilities, carrying out feasibility study to build new conference center, providing advices on marketing the destinations and venues, providing advices on human resource management and training courses (Rogers 2008; Swarbrooke& Horner, 2001).

- **National Tourism Organizations** - government organizations, representing the country in general and with government funding undertakes the marketing and promotion activities to attract MICE tourism in the country. However, with the increase in MICE industry, many countries have established a National Convention Bureau whose sole responsibility is to market this sector through the medium of providing advices, advertisement and research (Rogers 2008; Swarbrooke & Horner, 2001).

- **Education and Training Providers** - Rogers, (2008); Swarbrooke & Horner, (2001), explains that these institutions, in order to ensure that there is continued growth in MICE tourism industry has started offering courses and training programs. College and University's provide dedicated courses on MICE, provide research assistance to the industry and provide opportunities for students to work with MICE organization in order to gain first-hand experience. Moreover, Rogers, (2008) also points out that some trade organizations offer certified course on MICE for members and sometimes to non-members too. Additionally, other tourism-training programmes in general are provided to enhance the skills and expertise of those who are already working in this industry.

Having examined the different types of stakeholders, it can be concluded that MICE tourism industry is a multi-stakeholder industry, and all the stakeholders have different roles to play. One most important point to be noted is that all the stakeholders are dependent on each other and have to work together to make the MICE event successful.

2.9 Stakeholders of MICE tourism in Bhutan

Having studied the stakeholders of global MICE industry, this section will examine the stakeholders involved in MICE tourism in Bhutan. Since MICE is a new form of tourism implemented in Bhutan, currently, there are no separate or dedicated stakeholders for this particular segment. The most important stakeholders are:

a) Government

Over the decades, most of the meetings held in Bhutan were organized by government organizations and to name few: Tourism Council of Bhutan Secretariat, Ministry of Agriculture, Ministry of Health, National Environment Commission and Center for Bhutan Studies. Since, Bhutan gained popularity as the pioneers of Gross National Happiness, a lot of interest has been generated from different parts of the world to visit Bhutan both for leisure and MICE.

In Bhutan, Tourism Council of Bhutan Secretariat (TCBS) functions similar to National Tourism Organizations (NTO) or Destination Management Organizations (DMO) as mentioned by Rogers, (2008) and Buhalis, (2000). In the words of Buhalis, (2000), “DMOs tend to be part of the local, regional or national government and have political and legislative power as well as the financial means to manage resources rationally and to ensure that all stakeholders can benefit in the long term.” Similar to the DMOs as explained by Buhalis, (2000), TCBS is a government organization with the responsibility to plan, formulate and implement tourism policies in consultation with the stakeholders, regulate and monitor tourism development activities, promote Bhutan as a unique and exotic destination, target new source markets by diversifying and developing new tourism products and maximizing the use of resources and capacities to ensure equal spread of benefits throughout the country, improve the quality of services by developing and upgrading tourism human resources, promote and facilitate private sector investment and increase community participation.(10th Five Year Plan, 2008-2013).

As an initiative to encourage MICE tourism, TCBS offers subsidies such as waiver of royalty to the delegates who have come to attend meetings organized by other government organizations. In addition, TCBS also works as Convention Visitor Bureau that promotes Bhutan in the MICE market to attract buyers and intermediaries.

b) Hotels

In Bhutan, hotels are the most important stakeholders in MICE industry as they provide venue for meeting as well as the accommodation for the delegates. The majority of MICE events held in Bhutan are organized in hotels though most of the hotels lack the required facilities. Hotels in Bhutan are rated on the scale of 1-5 star based on the national star classification system called as “Hotel Star System.” It is mandatory for the tour operators to provide minimum of 3 star accommodations to the guest. As of 2011, there are 128 accredited hotels in Bhutan, out of which 8 hotels fall under the 5 star category, 7 hotels under 4 star category and 40 hotels under 3 star category (BTM, 2011). As per the recent survey carried out by Tourism Council of Bhutan Secretariat, 33 hotels have conference facilities and are able to host meetings with less than 300 participants. The list of hotels in Bhutan with MICE facilities is provided in Table 2.8

Table 2.8 Hotels with MICE facilities in Bhutan

Sl no	Name of the hotel	Capacity
1	Wangchuk Resort, Thimphu	100 participants
2	Dragon Roots, Thimphu	60 participants
3	Hotel Migmar(Thimphu	120 participants
4	The Raven Inn (Thimphu	25 participants
5	Namgay Heritage, Thimphu	200 participants
6	Hotel PhuntshoPelri, Thimphu	200 participants
7	Bhutan Centennial Tavern, Thimphu	50 participants
8	Bhutan Suites, Thimphu	20 participants
9	Druk Hotel, Thimphu	Hall A- 40 participants, Hall B- 60 participants
10	Hotel Kisa, Thimphu	30 participants
11	Hotel River View, Thimphu	50 participants

Table 2.8 (Continued)

Sl no	Name of the hotel	Capacity
12	Jambayang Resort, Thimphu	80 participants
13	Hotel Ro ChogPel, Thimphu	60 participants
14	Termalinca Resort, Thimphu	Linca A- 200 participants, Linca B- 80 participants
15	TajTashi, Thimphu	Hall A- 180 participants and Hall B- 40 participants
16	Haven Resort, Paro	60 participants
17	Hotel Olathang, Paro	200 participants
18	Khangkhu Resort, Paro	50 participants
19	Naktsel Hotel, Paro	60 participants
20	Zhiwa Ling Hotel, Paro	200 participants
21	Tiger Nest Resort, Paro	250 participants
22	NamsayChholing Resort, Paro	350 participants
23	DheyKyed Resort, Paro	50 participants
24	Kichu Resort, Paro	80 participants
25	Hotel kk, Paro	50 participants
26	Hotel Galingkha, Paro	25 participants
27	Yu-Gharling Resort and Spa, Bumthang	Two conference hall can accommodate 100 participants
28	Hotel Peling, Bumthng	40 participants
29	Centennial Hotel 2008, Phuntsholing	55 participants
30	Lhaki Hotel, Phuntsholing	60 participants
31	MeriPuensum Resort, Punakha	50 participants
32	Damchen Resort, Punakha	40 participants
33	Wangchuk Hotel, Monggar	200 participants

Source: Tourism Council of Bhutan Secretariat (TCBS), 2013

Further, besides the hotel, the Royal Banquet Hall and the NazhoenPelri conference hall are the two biggest venues that can host more than 300 participants at one time. The NazhoenPelri conference hall maintained by NazhoenPelri (Youth Development Fund) has a large multi-purpose hall with the capacity of 800 participants but lacks the equipment and furniture required to host MICE event. Whereas, the Royal Banquet hall has one large and two small conference halls and can accommodate 300 participants. This is the only conference hall that meets the standard of hosting MICE events. The National Property Bureau, a government organization, maintains this hall. (TCBS, 2009).

c) Tour Operators

In Bhutan besides the hotels, tour operators are also important stakeholders, because tourism in Bhutan follows the tour operator led model, where any tourist coming to Bhutan has to come via a tour operator. A visa is required to enter Bhutan and no foreign mission or embassies issue visas. Visas are applied for in advance and the travel, be it leisure or MICE, has to be booked through a local tour operator or an international partner. As transport is a significant part of MICE tourism, more than 200 luxury buses or transport facilities are owned by the tour operators therefore providing the required facilities suitable for MICE tourism. Moreover, whenever there is an MICE event held in Bhutan, these transport facilities are supplied by the tour operators.

d) Associations

Besides the government, some association such as Association of Bhutanese Tour Operators (ABTO) and Bhutan Chamber of Commerce and Industries (BCCI) also organize MICE events.

Association of Bhutanese Tour Operators (ABTO), a non-profit organization, was founded in 2000 is the official representative of the tour operators in Bhutan. ABTO works closely with TCBS in implementing any changes that are good for the tourism industry. ABTO has hosted several meetings and training programs for its members (Sustainable Tourism Development Strategy, 2005; ABTO, 2013).

Bhutan Chamber of Commerce and Industries (BCCI), is also a non-profit organization comprising of business communities for the development of private sector. BCCI has so far hosted only trade fairs and exhibitions such as Bhutan International Trade Fair, Bhutan

Construction Expo and has also assisted the private business sector of Bhutan to participate in exhibitions outside Bhutan. However, it should be noted that trade fairs and exhibition organized and participated by BCCI are all in the regional market (BCCI, 2013).

e) DrukAir Corporation

With regard to air transport, Bhutan has only one airline operating in Bhutan and is a government owned company managed by Druk Holding Investment. As per the BTM, (2011), 85.98%visitors in 2011 use it to enter Bhutan. The Table below illustrates that the air continues to be the most preferred choice for tourists to enter and exit Bhutan.

Table 2.9 Entry and Exit by Air

Access Points	Entry Sector	Proportion of Entry Sector	Exit Sector	Proportion of Exit Sector
Bangkok	14,473	39.37%	15,006	40.27%
Kathmandu	9,152	24.89%	8,569	23.04%
Delhi	5,293	14.40%	6,476	17.34%
Kolkata	1,977	5.38%	2,654	6.95%
Bagdogra	374	1.02%	373	1.01%
Guwahati	36	0.10%	78	0.20%
Bodh Gaya	6	0.02%	71	0.18%
Dhaka	301	0.82%	326	0.88%

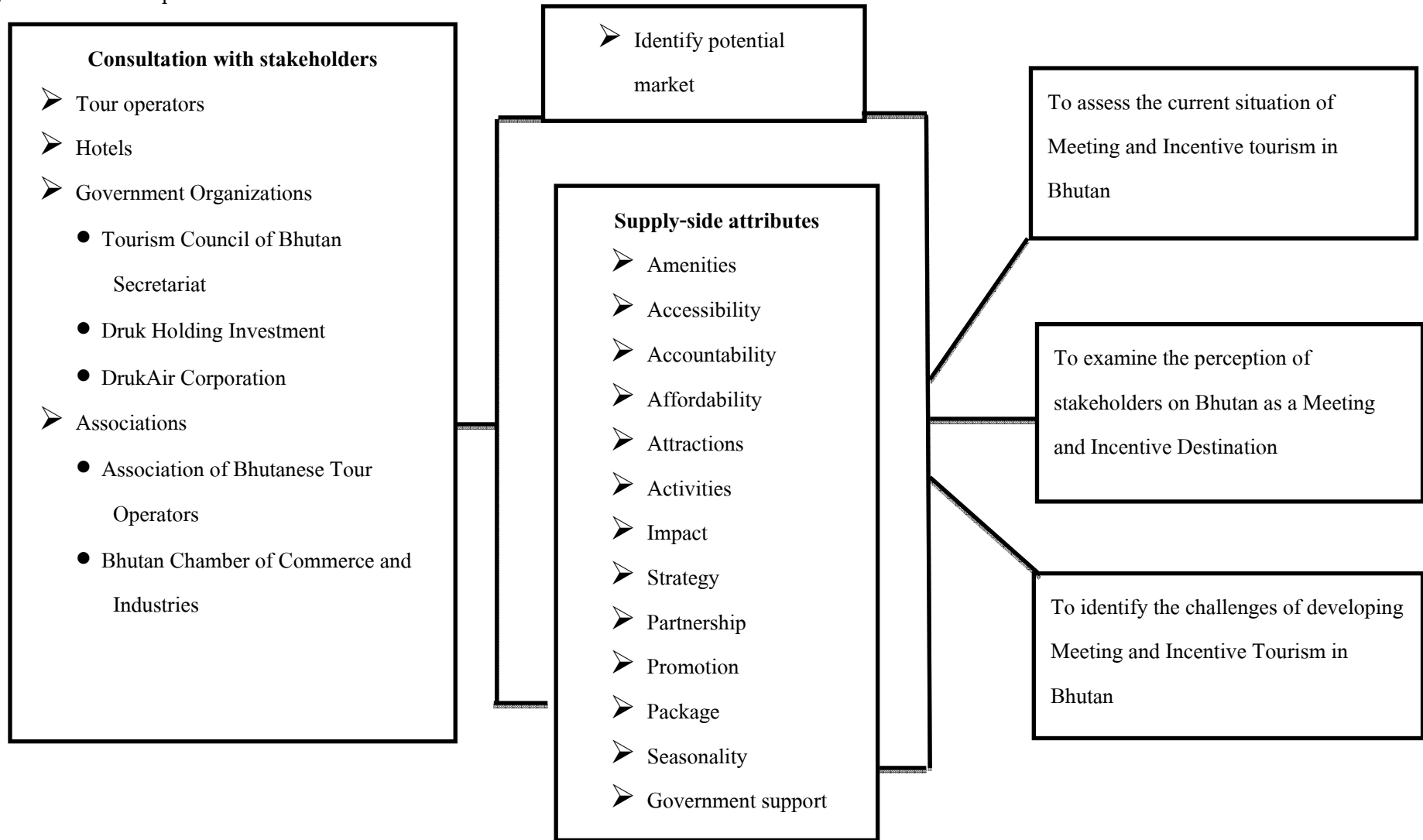
Source: BTM, 2011

As Bhutan is gearing up to attract more tourist, leisure and MICE, Drukair, has now upgraded with two airbuses 319 and one ATR 42-500. DurkAir will soon start its operation from Singapore, therefore, connecting 9 major cities in South Asia. The national airline also started operating as domestic flights, making it possible to host MICE events not only in the Western part but also in Eastern and Central part of Bhutan, thus, distributing the benefits from tourism. (Sustainable Tourism Development Strategy 2005;Druk Air, 2013)

2.10 Conceptual Framework

This study focuses on the destination planning element of the destination management that involves assessing the potential of developing Bhutan as a MICE destination by effectively consulting relevant stakeholders in tourism industry in Bhutan. These stakeholders will be asked to assess the attributes relating to developing MICE in Bhutan. These attributes are identified from the relevant literature carried out for both destination management and MICE. List of stakeholders included for assessment are derived from the study of Swarbrooke & Horner, (2001) which has relevance to the tourism industry in Bhutan.

Figure 2.8 The Conceptual Framework



CHAPTER 3

METHODOLOGY

This chapter explains in detail how the research will be carried out and how the data will be analyzed to answer the research questions and to achieve the research objective mentioned. Following this section, description of data collection process and data analysis techniques will be discussed.

3.1 Research Design

An exploratory study will be undertaken since MICE- particularly Meeting and Incentive is a new form of tourism that is being initiated in Bhutan with limited information available. This is in line with the explanation provided by Sekaran & Bougie, (2009) indicating that exploratory study is undertaken to understand the problems better since very little information is available, or few studies have been conducted in this particular area.

Further, to better understand the potential of Meeting and Incentive Tourism in Bhutan, the assessment of the stakeholder's perception will be carried out using qualitative methodology along with desk research.

3.2 Data Collection

The following explains the process of how the data were collected and which population will be sampled for data collection:

3.2.1 Secondary Data

Secondary data as defined by Sekaran & Bougie, (2009) are any type of information or data such as published or unpublished information available from website, organization reports, from previous studies and library. Accordingly, the secondary data for this research were examined and referred to from the following sources:

- Industry Reports from International Congress and Convention Association (ICCA), UNWTO and World Travel and Tourism Council (WTTC). These reports provided information on global trends in tourism and MICE industry.

- Journal Articles from “Science Direct” on MICE industry, tourism destination planning, stakeholder’s involvement in tourism planning, destination attributes, stakeholders perception and collaboration in the development of MICE industry. These articles provided insights from academic research, which had been earlier carried out to assess the MICE tourism industry.

- Publications from Convention Industry Council (CIC) and PATA along with books on conference and conventions. These publications provided an in-depth explanation of the overall MICE industry.

- Documents and data on tourism from Tourism Council of Bhutan Secretariat and the consultants involved in the Tourism Research Inventory (TRI) along with the exit survey of Bhutan Tourism Monitor.

- Websites of tourism related organizations such as International Congress and Convention Association (ICCA), Meeting Professionals International (MPI), DrukAir Corporation, BCCI and ABTO. These websites provided some important information and were capitalized for more additional information.

3.2.2 Primary Data

As primary data are new data collected specifically for the purpose of the study (Sekaran & Bougie 2009), the primary data for this particular study will be gathered through face-to face in-depth interviews with semi-structured questions from the stakeholders such as hotels, local tour operators, government organizations and associations. Further, face-to-face interview techniques are used as they allow the researcher to clarify doubts, if there are any, and can confirm that the responses are well understood by the interviewer (Sekaran & Bougie, 2009). Eventually, research by actual field visit of operations, situations, challenges and requirements will also be carried out. In order to ensure that the data collected are worthwhile and valuable, the data will be collected till it reaches a saturation point.

3.3 Population

The following stakeholders will be sampled out using appropriate sampling methods to ensure validity of the research:

- Tour operators

- Hotels in Bhutan (3 star and above)
- Tourism Council of Bhutan
- Druk Holding Investment
- Associations of Bhutanese Tour Operators
- Bhutan Chamber of Commerce and Industries
- DrukAir Corporation

The reason for interviewing this population in this research is based on the argument put forward by Enright & Newton, (2005), where it has been mentioned that these tourism industry participants are well aware of the overall situation of tourism industry and know what is appropriate for the development of the tourism industry. Therefore, they are equipped to comment on what factors are required for the development of the tourism industry and hence may produce more accurate and rich responses.

3.4 Sampling

3.4.1 Sampling method for Tour Operators

In order to achieve insightful perception of the tour operators on meeting and incentive tourism the top 12 tour operators based on the number of tourist arrivals will be sampled out for this research. The intention of selecting these 12 top tour operators is mainly because they not only account for 41.46 % of the total tourist arrival in 2011 (BTM, 2011), but also have the capacity and resources to host big groups, which is usually the case for MICE tourism.

3.4.2 Sample size

The sample size for tour operators based on tourist arrivals is as follows:

Table 3. 1 Top 12 Tour Operators based on tourist arrivals

Sl.no	Tour Operators	Number of tourist arrivals
1	Norbu Bhutan Travels	4,159
2	Bhutan Tourism Corp Ltd (Including Luxury Division)	2,413
3	All Bhutan Connection	1,420
4	International Treks and Tours	1,151
5	EthoMetho Tours and Treks	1,138
6	Yangphel Tours and Travels	1,075
7	Himalayan Kingdom Tours	970
8	Bhutan Mandala Tours and Treks	697
9	Rainbow Tours and Treks	658
10	Kingyal Tours and Treks	637
11	Druk Travel Services Pvt. Ltd	624
12	Windhorse Tours, Treks and Expeditions	596

Source: BTM, 2011

3.4.3 Sampling method for Government Organizations, Associations and Hotels

Whereas, the informants for 3 star and above Hotels in Bhutan, the Government organizations such as Tourism Council of Bhutan Secretariat, Druk Holding Investment, DrukAir Corporation and Associations such as Association of Bhutanese Tour Operators, Hotel Association of Bhutan and Bhutan Chamber of Commerce Industries would be sampled out using the purposive sampling technique. The researcher uses purposive sampling because it allows the researcher to select informants who will provide the required information, which would benefit the study and achieve the objective of the study (Sekaran&Bougie, 2009).

3.4.4 Sample size

Based on purposive sampling technique, the following informants have been sampled out in order to gather qualitative answers:

Table 3. 2 List of potential informants

Sl. No	Stakeholders	Potential informants
1	Tourism Council of Bhutan	Director General or the dealing officer
2	Association of Bhutanese Tour Operators	Executive Director and a member
3	Hotel Association of Bhutan	General Secretary and a member
4	Druk Holding Investment	Dealing officer
5	Bhutan Chamber of Commerce and Industries	President and a dealing officer
6	Hotels	General Managers
7	Drukair Corporation Ltd.	Chief Executive Manager

3.5 Data Analysis

As explained by Sekaran & Bougie, (2009), qualitative data are data in words instead of numbers and the analysis of qualitative data involves interpreting extremely huge data so that a valid implications or conclusion can be developed.

The data collected will be analyzed using content analysis as it is a method to analyze recordings of interviews (Sekaran&Bougie 2009). The responses will be coded into categories derived from the review of the literature so as to ensure that the data are reliable and valid. The codes adopted from the literature review are as follows:

1.Amenities - sufficient facilities for conventions and exhibitions, and meeting room facilities as well as its ability to have certain basic services such as fire, police, water, etc.

2.Accessibility - refers to the level of ease with which attendees can travel to and from the event site taking into consideration the time and effort

3.Accountability - refers to the ability of the host destination to provide overall quality to MICE tourism participants in terms of customs, telecommunications, health care, and qualified employees

4.Affordability - refers to the overall price or cost of participating in an event

5.Attractions - refers to the ability of the host destination to provide meeting attendees with attractions and places of interest

6.Activities - refers to recreational activities before, during and after the meeting event.

CHAPTER 4

RESULTS

In this chapter the results and the main findings from the primary data collected through semi-structured in-depth interviews with the important players of Meeting and Incentive tourism of Bhutan will be discussed. The interviews were conducted during the month of May-June 2013. Before going ahead with the interview, a pilot interview was conducted to see if the respondent understood the principal objective of the interview.

Before presenting the findings, brief information on the profile of the informants will be provided in order to enable the readers to understand that the interviews were well spread. The findings will be presented according to the objectives of this research. Firstly, the current situations of Meeting and Incentive tourism will be discussed. Secondly, the perception of stakeholders on Bhutan as a Meeting and Incentive destination will be assessed. Finally, the challenges to develop Meeting and Incentive tourism in Bhutan will be identified so as to provide an understanding of the whole situation of Bhutan as a Meeting and Incentive destination.

4.1 Profile of the informants

Table 4.1 Number of informants interviewed along with their designation in the organization

No	Stakeholders	No of Informants	Designation
1	Hotels	13	General manager/manager
2	Tour operators	7	Proprietor/ manager
3	Government organization	3	Director/Senior officer
4	Associations	2	Executive director/Senior officer

The informants from Tour Operators were selected based on the tourist arrival in 2011 and Top 12 Tour operators were selected. However, out of the 12, only 7 tour operators were interviewed because 4 of them did not handle any Meeting or Incentive tours and 1 was not available. The informants interviewed were either the proprietor or manager of the company.

Since the informants from hotels, government organizations and associations were selected using purposive sampling, it was important to have informants at a managerial position. From the hotels, 13 general managers or managers were interviewed.

From the government organizations and associations, those responsible and working towards the development of tourism and in particular Meeting and Incentive tourism in Bhutan were selected. From the government organization 2 directors and 1 senior officer with more than 5 years of working experience were interviewed and 2 executive directors from the associations were interviewed. After the 25th interview, no further interviews were conducted because the responses given were all similar, thus, indicating that the data had reached saturation point.

4.2 Main Findings

During the interview informants were asked to be explicit regarding their perception of demand side and supply side attributes. Based on the demand side attributes the respondents were asked to identify target markets for Bhutan and on the supply side the informants were asked to give their views on the 6 A's which were derived from the literature review and as described below:

1. Amenities - sufficient facilities for conventions and exhibitions, and meeting room facilities as well as its ability to have certain basic services such as fire, police, water, etc.

2. Accessibility - level of ease with which attendees can travel to and from the event site taking into consideration the time and effort

3. Accountability - ability of the host destination to provide overall quality to MICE tourism participants in terms of visa, customs, telecommunications, health care, and qualified employees

4. Affordability - overall price or cost of participating in an event

5. Attractions - ability of the host destination to provide meeting attendees with attractions and places of interest

6. Activities - recreational activities before, during, and after the meeting event

The interview response on the 6 A's are as summarized below:

Table 4. 2 Summary of key findings on the 6A's of a destination

Stakeholders	Amenities	Accessibility	Accountability	Affordability	Attractions	Activities
Hotels	<ul style="list-style-type: none"> ● Not up to the standard ● Lack of well-equipped facilities ● Convention center to be built ● Better facilities with the new developments ● New facilities add value to the existing hotels 	<ul style="list-style-type: none"> ● Limited capacity of airline ● Limited connectivity ● Expensive airfare ● Only one airline ● No car rental company 	<ul style="list-style-type: none"> ● No professional event management firms. ● Accountability is an issue when organized by private sector. ● Lack of professionalism ● English widely spoken ● Government procedures to be simplified 	<ul style="list-style-type: none"> ● Bhutan is not expensive ● The tariff system and the airline cost makes Bhutan an expensive destination 	<ul style="list-style-type: none"> ● Peaceful Country ● Environment ● Nature ● GNH ● Less pollution ● Less tariff ● Safe and Secure ● Vibrant culture ● Hospitable people ● Unique Country ● Exotic destination 	<ul style="list-style-type: none"> ● Limited recreational products ● Needs improvement

Table 4. 2 (Continue)

Stakeholders	Amenities	Accessibility	Accountability	Affordability	Attractions	Activities
Tour Operators	<ul style="list-style-type: none"> ● Establishment of 5 star hotels ● Unavailability of hotels ● Lacks infrastructure ● Few hotels with facilities 	<ul style="list-style-type: none"> ● Limited capacity of Airline ● Expensive airfare ● High standard vehicles ● Additional aircraft 	<ul style="list-style-type: none"> ● Lack of professionalism ● Unavailability of resource person ● Set up specialized facilities ● Government procedures to be simplified ● Other service are developed. ● English speaking guides ● Improvement in service and standard of hotels 	<ul style="list-style-type: none"> ● Not an issue since it is a high-end market. ● Bhutan is affordable 	<ul style="list-style-type: none"> ● Peaceful ● Beautiful ● GNH ● Smooth process of obtaining visa and other permits 	<ul style="list-style-type: none"> ● Enough activities ● More options to be provided

Table 4.2 (Continue)

Stakeholders	Amenities	Accessibility	Accountability	Affordability	Attractions	Activities
Government		<ul style="list-style-type: none"> ● Limited connectivity ● Expensive airfare ● Additional frequencies and flights. ● Agreement signed with charter companies in India. ● Operation of a private company Bhutan airline. ● Accessibility to improve 	<ul style="list-style-type: none"> ● Lack of professionalism. ● Services need improvement ● Require professional MICE management services. ● Improve Human resource capacity to cater to such events 	<ul style="list-style-type: none"> ● Bhutan is affordable ● The tariff policy is an issue 	<ul style="list-style-type: none"> ● Clean and green image ● GNH ● Culture ● New destination ● For Indians it is Weather. ● Political stability ● Hospitable people ● Branded as one of the most sought after destination of the world 	

Table 4.2 (Continue)

Stakeholders	Amenities	Accessibility	Accountability	Affordability	Attractions	Activities
Associations	<ul style="list-style-type: none"> ● Lack of infrastructure ● Develop infrastructures ● Infrastructure in Bhutan improved by new convention center ● Possibility of hosting small scale meeting. ● Different venue with different culture 	<ul style="list-style-type: none"> ● Limited flight connectivity ● Well connected with regional market and few international markets 	<ul style="list-style-type: none"> ● Lack of professionalism in the services ● Associated services are developed ● Improvement in the services with new convention center and hotels ● Improve human resource capacity ● English widely spoken ● No specific tour operators promoting such events 		<ul style="list-style-type: none"> ● Natural Environment ● Culture ● Less pollution ● Less traffic congestion ● Exotic destination 	<ul style="list-style-type: none"> ● Enough activities. ● The post-pre meeting tours available

However, after reading and analyzing the interview transcripts few more codes emerged in addition to the existing pre-set codes (Center for Evaluation and Research, 2012). The emergent codes are described as follows:

1. Impact - the benefits and drawbacks of developing Meeting and Incentive tourism

2. Strategy - the existing and new policies, regulations and strategy supporting the development of Meeting and Incentive tourism

3. Partnership - working together to develop and promote Meeting and Incentive tourism

4. Promotion - promotional activities for Meeting and Incentive tourism

5. Package - existing packages offered for Meeting and Incentive delegate and what new packages could be developed

6. Seasonality - tourism activities carried out only on certain seasons

7. Government support - support required and offered by the government for the development of Meeting and Incentive tourism

The responses on these emergent codes from the interview are as summarized in the following Table 4.3. Further explanation on the findings will be provided according to the objectives of this research in the following section.

Table 4. 3 Summary of key findings on the emergent codes

Stakeholders	Impact	Strategy	Partnership	Promotion	Package	Seasonality	Government Support
Hotels	<ul style="list-style-type: none"> ● Increase in the economy ● Increase in tourist arrival ● Benefit the hotel and other tourism businesses ● Increase in revenue ● Increase in employment 	<ul style="list-style-type: none"> ● Strategy required keeping in mind the tourism policy 	<ul style="list-style-type: none"> ● Additional flights ● Hotel are counterparts ● All stakeholders to work together 	<ul style="list-style-type: none"> ● No promoting ● Promotion for domestic market only ● Aggressive promotion ● Promote it during the off-season ● Responds to queries ● Tie up with MICE handlers and PR agents 	<ul style="list-style-type: none"> ● Different price and meal packages offered ● Develop more attractive packages 	<ul style="list-style-type: none"> ● Availability of infrastructure in low season ● Highly seasonal tourism 	<ul style="list-style-type: none"> ● Provide Incentive ● Promotion by Hotels ● Provide training ● Continuous monitoring by TCBS ● Attend MICE travel fairs ● Provide incentives to MICE handlers

Table 4.3 (Continue)

Stakeholders	Impact	Strategy	Partnership	Promotion	Package	Seasonality	Government Support
Tour Operators	<ul style="list-style-type: none"> ● Increase in tourist arrivals ● Promotion of other products. ● Revenue is generated ● Enhancement of knowledge and skills 	<ul style="list-style-type: none"> ● Rules and regulation to be streamlined 	<ul style="list-style-type: none"> ● Work in collaboration with the interested private sector ● Joint promotion ● Tie up with agencies ● Lack of coordination 	<ul style="list-style-type: none"> ● Lack of promotion ● Attend MICE travel fairs ● Promotion by overseas agents, travel fairs and direct marketing ● Extensive marketing ● Promoting at small scale 	<ul style="list-style-type: none"> ● Develop packages ● Provide special price packages 	<ul style="list-style-type: none"> ● Promote during the lean season 	<ul style="list-style-type: none"> ● Provide incentive ● Identify travel fairs ● Incentives like royalty waive off and visa concessions provided ● Support the hotels and tour operators ● Provide training

Table 4.3 (Continue)

Stakeholders	Impact	Strategy	Partnership	Promotion	Package	Seasonality	Government Support
Government	<ul style="list-style-type: none"> ● Revenue generation ● Different market segment ● Creates employment. ● Good marketing ● Increase in tourist arrival ● Business development ● Diplomatic relations 	<ul style="list-style-type: none"> ● Criteria to waive off royalty to MICE participants 	<ul style="list-style-type: none"> ● Promotion in collaboration with the private sector ● All stakeholders to work together 	<ul style="list-style-type: none"> ● Promotion by hotels ● No promotion on Bhutan's capability 	<ul style="list-style-type: none"> ● Develop package by airline during the lean season ● Package fare 	<ul style="list-style-type: none"> ● Promote it for the lean season ● Unavailability of facilities in the high season 	<ul style="list-style-type: none"> ● Provides tax exemption ● Tourism Council of Bhutan Secretariat render support ● Accessible government ● Common positioning of Bhutan

Table 4.3 (Continue)

Stakeholders	Impact	Strategy	Partnership	Promotion	Package	Seasonality	Government Support
Associations	<ul style="list-style-type: none"> ● Revenue generation ● Enhance knowledge ● Builds relationship ● Creates employment. ● Popular brand of a destination ● The negative impact on environment 	<ul style="list-style-type: none"> ● Clear and specific criteria. ● Lack of strategy 	<ul style="list-style-type: none"> ● Involve all stakeholders ● Facilitate by informing and creating link ● Lack of coordination ● Provide technical support 	<ul style="list-style-type: none"> ● Promotion to be carried out jointly ● No promotion 	<ul style="list-style-type: none"> ● Available network to create incentive package 		<ul style="list-style-type: none"> ● Provide specialized training ● Develop Tour Operator classification system.

4.3 The Current situation of Meeting and Incentive Tourism in Bhutan

From the interviews conducted it was clearly stated that Meeting and Incentive tourism is being carried out but at a very small scale mainly because of the limited infrastructure and the limited capacity of the airline.

The informants pointed out that organizing or hosting meeting and incentive tours is not a problem as long as the numbers are limited because presently, the highest number of rooms a hotel has is only 65. The facilities offered at the moment for Meeting and Incentive tourism are very straightforward and simple. Despite these constraints, several meetings have been held in Bhutan and the delegates are all accommodated in many different hotels.

For small-scale meeting and incentive tourism with 25-50 participants is fine but for big events with more than 100 participants then it is a big challenge.

To host large meetings we lack the infrastructure at the moment but we are in a position to host board meetings.

Further, we do not have hotels that can accommodate more than 30 people. Hotel capacity is an issue. We do not have proper meeting facilities. There are no specific hotels built to cater to such tours.

As far as the infrastructure is concerned, we have good properties for smaller groups but if it is a larger group with their families then it is a challenge in terms of getting the right size hall and rooms.

Further, Incentive Tourism is being hosted in Bhutan but so far majority of the groups were from companies from India such as Vodafone, Mckinsey & Co. and TATA group of companies. Other than India, LG Company based in Australia and Audi Company has visited Bhutan on an incentive tour but the figures of these tourist are not being recorded separately and are recorded as Leisure Tourist mainly because of the tourism tariff policy. For meetings, besides India, there were few instances when other countries have organized their meetings in Bhutan such as the Netherlands, United States and Australia.

Presently, organizations within Bhutan are the most important clients seeking meeting venues at hotels. As mentioned by the majority of the informants, they have hosted meetings for government organizations, international organizations working in Bhutan, and other development partners of Bhutan.

We have our Government organizations more for meetings.

We have lot of meetings being held for big companies like World Bank, Asian Development Bank (ADB,) and International Monetary Fund (IMF,) because they are the most important development partners of Bhutan.

However, they do not have fixed clients or a specific target market for such events. It is clear from the interviews conducted that the meetings organized so far have all been hosted by the government organization either by assisting as the counterpart of other organizations outside Bhutan.

If you look at it from a promoter's point of view, it would be a nightmare for them to get everything in place, unless they have a counterpart in Bhutan who can get everything done.

Very few organizations or companies of other countries contact the hoteliers or tour operators directly to organize such meetings. The Meetings and Incentive tours organized for companies outside Bhutan are mostly from India.

When we talk about Meeting and Incentive tourism, we are talking in the context of India.

We handled about 90 people from India for incentive tours. The companies in India find Bhutan very convenient and as of now it is only India organizing such tours to Bhutan, whereas for European market it is very far and then becomes very expensive.

India is the only country for such events to be materialized in Bhutan.

With regard to promotion, the majority of the informants from hotels mentioned that besides the hotel website, currently they do not carry out any promotion for such tours. They participate whenever there are queries coming in. However, they do work closely with the tour operators. There are few hotels, however, promoting Meeting and Incentive tourism through their sales office in various parts of the world. Besides, a lot of businesses for such events are generated through personal relations.

We do not go out in the market promoting our hotel as a Meeting and Incentive hotel but whenever there are queries we respond to them that we can handle it.

Further, we work closely with our local tour operator particularly for Indian market for Meeting and Incentive tourism.

We do our promotion with some of our offshore agents and in conjunction we do direct marketing with corporate companies.

There are companies who know that we will give them a good offer so they come to us. Whenever the request comes we are ready to serve.

Similarly, tour operators do not seem to be promoting such tours aggressively mainly because of the lack of facilities and accessibility. Until now, the tour operators were focused on leisure tourist only but this seems to be changing. Having realized the benefits of such events, a majority of the informants mentioned that promotion of such tours is being initiated on a small scale along with packages for leisure tourists by the overseas agent while attending travel fairs. Also, few of them are carrying out direct marketing with the companies.

At the moment we are not promoting Bhutan as a MICE destination due to the lack of infrastructure, airline and hotel capacity.

We haven't promoted Bhutan as Meeting and Incentive destination as of now but we can handle Meeting and Incentive travelers. Recently, we have been looking at different hotels for such facilities to organize meeting and conference tours mainly from the regional market. We have started promoting it at a very small scale and not looking at a larger scale mainly due to the limited capacity of airline and hotels.

We also attend the travel fairs to market leisure as well as MICE tourism.

We have not promoted meeting and incentive tourism but we do work with some corporate companies and it is on a very small scale.

Likewise, the government organizations also mentioned that Meeting and Incentive tourism is not being promoted as of now but they are definitely working towards developing the private sector to host such events. There is incentive provided to the hotel such as tax exemption for importing furniture for conference halls.

When classifying hotels under the hotel classification system, the hotel gets a point if the hotel has very good conference facilities. The hotel is also given tax exemption for importing furniture for the conference hall.

4.4 Perception of stakeholders on Bhutan as a Meeting and Incentive Destination

The stakeholders were asked to express what they think about Bhutan as Meeting and Incentive destination based on the key attributes, which has been explained earlier in this chapter. The perception of each stakeholder will be presented in detail in the following section.

4.4.1 Perception of Government Organizations

The following section will present in detail on how the government organization perceive Bhutan as a Meeting and Incentive destination based on the attributes derived from the literature review as well as some attributes that emerged at the time of interview.

4.4.1.1 Perception on the 6 attributes of a destination

The informants pointed out that amenities are one of the most important factors for the development of Meeting and Incentive tourism and there is a lot of improvement required for Bhutan in this context.

It has been already mentioned that infrastructure in Bhutan is very limited and is suitable for non-residential meetings. Though there are few facilities that can cater to meetings and Incentive tourism, the informants expressed the need to improve these infrastructures. Further, the informants mentioned that the biggest limitations as of now are the limited capacity of hotels and lack of facilities required for such events.

One of the biggest constraints we see is space in terms of capacity of the hotels and lack of convention facilities.

Informants mentioned, however, that continuous improvement is being initiated because the infrastructure is inadequate as of now. Therefore, the new development of the convention center will enhance the tourism sector particularly for this market segment.

Besides the lack of facilities, informants also mentioned that accessibility is a huge bottleneck for the development of Meeting and Incentive tourism. Here, the respondents mostly refer accessibility to the airline. Informants feel that the limited capacity of the airline and price of the air tickets impede bringing in huge groups, which is usually the case in such events. Moreover, the limited connectivity does not allow convenient and easy travel for the delegates.

Right now our weakness is lack of proper convention facilities, the capacity of the hotels, accessibility both in terms of price and connectivity.

The infrastructure needs to be improved such as the accessibility since it is one of the main factors that will determine the development of a destination for Meeting and Incentive tourism.

However, the airline recognizing its importance has initiated measures to minimize the capacity and connectivity issues by purchasing additional aircraft and by supporting the private sector and, when request are made, to add additional flight or increase the frequencies in order to facilitate such events. In addition, the initiative to sign agreements by the airline with the charter companies in India would definitely facilitate easy access to anyone who wants to come from places where the airline does not operate.

All we can do is facilitate getting people who are willing to do this; we can also put in additional flight, frequencies and also look at the timing so that we can connect them on to other airlines.

We have signed agreements with charter companies in India, so we can facilitate anyone who wants to come from places DrukAir is not connected with. We are already in discussion with companies in Mumbai and Pune.

Along with accessibility and amenities, the ability to provide quality services to the delegates is the utmost requirement. Therefore, with regard to accountability in terms of other services such as visa, customs and health care, Bhutan has the ability to provide quality experience to the delegates. The only drawback is that the hotels in Bhutan seem to be lacking professionalism. The informants collectively expressed the need for developing the human resource capacity of the hotels and professional event management organization.

With regard to accountability, Bhutan can provide quality experience to the delegates.

Bhutan needs to have professionalized MICE management services.

An expert could be invited to teach our ground handlers on how to organize such events.

The quality of services provided is elementary. The informants mentioned that the quality of services provided presently may be appropriate but once Bhutan is positioned for such events, the guest would demand the assurance of quality. This would be possible through

established brands. Therefore, the management of the convention center which is being built, is therefore, being outsourced to an international operator.

We are bringing in an international operator mainly to set international standards and be able to market and promote globally.

The informants mentioned that affordability is not an issue and think Bhutan is not at all an expensive destination to travel.

Bhutan is affordable.

Though Bhutan lacks the infrastructure, the informants mentioned that there are several other factors which could attract these tourists. The factors are political stability, hospitable people, culture, environment, Gross National Happiness (GNH) philosophy, and most importantly, the brand of Bhutan as a new destination and one of the most sought after destinations in the world. The informants feel that with these factors it would definitely assist in the development of Bhutan as a Meeting and Incentive destination.

Political stability, hospitable people, Bhutan branded as one of the most sought-after destinations of the world and also the Gross National Happiness are the attracting factors.

Brand Bhutan (GNH, environment and culture), a new destination especially for Incentive tourism; it is all about providing a new destination.

With regard to the activities, informants state that it is definitely enough since the activities are all based on the culture and environment, which has been promoted for tourism purposes. Moreover, in order to provide an authentic experience to the tourist, none of the activities are created for tourism purposes. They can witness and enjoy the age-old traditional festivals, which are a part of the life of Bhutanese people.

The activities are not created for tourism. Whatever we have from culture, heritage and environment has been promoted for tourism purposes.

There are enough attractions and activities provided for the delegates.

4.4.1.2 Perceived impact of Meeting and Incentive tourism

As revealed by the findings, informants associated Meeting and Incentive tourism with good impact. None of the informants mentioned that there would be any negative impacts. The informants mentioned that the development of Meeting and Incentive tourism would have a

direct impact on tourism growth. Besides generating revenue and creating employment opportunities; it would also enhance tourism entrepreneurship and lead to development of businesses. Further, such events lead to the strengthening of diplomatic relations and strong word of mouth marketing.

If Bhutan could be marketed as a successful Meeting and Incentive destination, there will be a lot of positive impact, first of all revenue generation for the industry, provide opportunity to explore a different market segment, boost tourism entrepreneurship among the event management firms in Bhutan, create employment and lastly, it would have a multiplier impact on the overall tourism business.

Moreover, it is not just tourism; it is related to business development, diplomatic relations and NGO for their specific causes.

When such events are held the impact is definitely good. When such events are hosted in Bhutan, after the delegates leave imagine the impact of the marketing we would get out of these delegates.

4.4.1.3 Partnership in developing and promoting Meeting and Incentive Tourism

From the findings, it is clear that the informants are willing to work together with all the relevant stakeholders to develop Meeting and Incentive tourism in Bhutan and further, promote it in collaboration with them. The informants mentioned that there is not much awareness about Bhutan. Therefore, along with the tour operators, hotel should also be encouraged to participate in travel fairs and events that are related to Meeting and Incentive tourism.

However, in future promotion will definitely be carried out in collaboration with the private sector. Promotion would be led by the public-private sector. The hotels would be encouraged to participate in fairs and events that are related to MICE.

As far as the airline is concerned, we are eager to work with any tour operators who are willing to tap this type of market.

4.4.1.4 Seasonality

Though the promotion should be carried out in collaboration with the stakeholders, the informants stated that such events should be held during the lean season. During the peak season it would be a challenge to host or organize such events because the facilities will not be sufficient. Informants mentioned that fare packages by the airline could be developed to encourage such events to be hosted in the lean season.

During the lean season, come up with best package fare.

4.4.1.5 Development of packages

Besides the airline packages, Bhutan should be cost competitive and packages for Meeting and Incentive tourism should be developed. Bhutan should be able to provide an experience, which is worth the money the tourist pay for coming to Bhutan.

We have to be cost competitive and be able to provide value for the money they pay.

We need all the stakeholders to work together and develop a package for Meeting and Incentive tourism.

4.4.1.5 Strategy

In order to encourage the tour operators to promote and bring in Meeting and Incentive tourist, the TCBS is in the process of developing criteria for which type of MICE events the government could provide support and assistance.

TCBS has earmarked to develop criteria for the MICE participants so that the royalty could be waived off for the delegates, which would also address the issue of tariff system.

4.4.1.6 Government Support

Informants pointed out that the government provides support to those private sectors approaching the government when they bring in tourist for these kinds of events by waiving royalty and assisting the organizers in arranging the logistics for the entire event. The fact that this initiative has been mentioned in the EDP, clearly states that the government is working towards developing Bhutan as a Meeting and Incentive destination. Moreover, the strategy of

waiving royalty was also initiated to attract other countries besides India for such kind of events to Bhutan.

Further, when big MICE events are held, TCBS render support in terms of logistics arrangements to the organizers.

It was also stated that the airline renders support to the tour operators and hotels approaching them by putting in additional flight or by increasing the frequencies of the flight.

Whenever we receive request for about 100 people for such events, what we normally do is request the DrukAir to put in additional flights because it is not at all possible to accommodate them in the daily scheduled flights.

4.4.2 Perception of hotels

The perception of hotels on Bhutan as a Meeting and Incentive tourism destination is explained in detail based on the attributes derived from the literature review as well as some attributes that emerged at the time of interview.

4.4.2.1 Perception on the 6 attributes of a destination

The informants from hotels expressed that Bhutan is an interesting destination for Meeting and Incentive tourism, however, there are a lot of factors as far as tourism is concerned that Bhutan currently lacks. First, the facilities required for Meeting and Incentive tourism are very limited and there are only few hotels that can accommodate such events. Further, the conference facilities available are not well equipped and definitely need improvement. Second, there is no convention center.

Our infrastructure needs to be improved. We should build convention centers.

Just few hotels have developed facilities that are required for such events and there are many hotels which need to be developed in order to host Meeting and Incentive groups.

Hotels in Bhutan need to improve our facilities especially for such segments. Most of the hotels do not have a conference hall, even if they have a conference hall the facilities are very basic. Even for us, the oldest hotel in Bhutan, though we have very good conference hall, our facilities are very rudimentary.

One informant stated a slight different response that though Bhutan is ideal for meeting tourism, for incentive tourism it is a challenge because of the lack of conspicuous

infrastructure. Bhutan, besides its natural and cultural attractions, does not have those factors which would provide a memorable experience for the guest.

The country has a lot of appeal to people coming for meetings but it is more challenging for Incentive tourism because we don't have the infrastructure to give that big WOW factors such as the helicopter rides.

Besides, the informants pointed out that the initiative by the government to build a convention center would definitely be good in terms of the facilities, as Bhutan would then have good amenities. Moreover, this facility being built would add value to the existing hotels.

Convention Center in Thimphu is not a problem. A multipurpose venue that is well planned and well executed will be a success. It will help other hotels in that area and encourage more growth.

These developments would definitely add value to what we already have.

Further, the other factor in which Bhutan needs development is accessibility. The majority of the informants mentioned that accessibility both in terms of airline and land transportation is a major issue for the development of Meeting and Incentive tourism. In terms of the airline, they do not have the capacity to bring in a huge number of people at one time. Besides the capacity issue, being the only operator is also another factor which affects the development of such events, as it does not fit in the company's rules to use the same airline by more than two executives.

When we talk about such events, we talk in numbers. There are people coming in huge groups of 50-100 people and they have serious problems getting tickets on DrukAir on the same day. Besides the capacity, our biggest challenge is also the airline, being the only airline operating in Bhutan and now it has become a global concern that more than two executives travelling for Meeting or Incentive purposes do not travel in the same flight and they do not use the same flight to travel back their destination.

Since DrukAir is the only airline operating in and out of the country, it is very difficult to bring in such tourists. We have to improve the accessibility. Many companies from India have expressed their interest in hosting their meetings here in Bhutan but then due to the unavailability of air tickets they have second thoughts.

Accountability in terms of quality of food and professionalism were pointed out as an important aspect for the development of such tourism. Informants mentioned that the quality of food provided as of now needs to be improved. Since India has been the major client, the quality of Indian food needs to be developed. Further, the lack of professionalism is another factor, which hinders the development of such tourism. Currently, the services provided by hotels are not very satisfying and need further improvement.

We promote Meeting and Incentive tours in India but we really need to improve the quality of Indian food. Incentive tours are normally given to dealers of companies and they always want what they have been eating.

Firstly, they don't have the experience and secondly, they need to be trained to expedite such requests.

With regard to hiring of vehicles for such events, informants mentioned that it is very difficult because there is no car rental company. Whenever such events are held vehicles are being hired from many different car owners and this provides huge administrative burden.

Transportation is another challenge for Bhutan because there is no single consolidator for a car company. When such events are being held, then we have to hire it from different owners and it is so much hassle. I think it's time now to have such companies.

Another bottleneck is the local transport service since we do not have a specific car rental company from whom we can hire more than 2 cars. When such events take place we have to hire cars from many different owners and this becomes very difficult.

However, the informants were confident that with the improvement of the above-mentioned factors, Bhutan will be able to provide quality experience to the delegates since other services, such as telecommunication and health care facilities are being developed and the procedure to issue visa has been simplified by making it online.

Pertaining to other services than hotel, Bhutan can provide quality experience to the delegates because we have to work hand in hand with these services. When we had meetings hosted here, we did have a good medical team on standby or in other occasions we were able to find doctors willing to stay at the property. Telecommunications are not a problem either.

Further, with regard to the other services such as the accountability, attractions and activities we can provide a satisfying experience to delegates coming for such events

From the interviews conducted, it is very clear that the informants do not view Bhutan as an expensive destination but to get to Bhutan definitely becomes expensive. This is mainly because of the tariff policy of USD 250 per day and the high cost of the air tickets. It was mentioned that though there are people interested in coming to Bhutan, when they add up the tariff of USD 250 per day with the cost of the air tickets, their desire to visit Bhutan is outweighed.

I feel that Bhutan is not at all expensive. However, many people say that to get to Bhutan is expensive.

It gets very expensive for them because they have to pay the daily tariff of USD 250/day along with the air tickets. This makes the meeting package very expensive for them but interest is there.

Besides this response, the findings revealed that though Bhutan lacks infrastructure it has the attractions to attract visitors for such events. The attractions identified by the informants were the image of the country as being an exotic destination, peaceful, safe and secure with less pollution, less traffic, hospitable people, pristine environment, vibrant and unique culture. The GNH philosophy was also identified as one of the key factors as it generates curiosity in many visitors to see how this philosophy has been implemented in Bhutan. Additionally, an informant also mentioned that the fact that Bhutan has been branded as an expensive destination creates an interest to visit and when such events are held in Bhutan it provides an opportunity for them to participate.

People come to Bhutan because it is an exotic destination and not that we are efficient.

The friendless of the people, the clean environment by and large, the GNH philosophy, so many different things within the infrastructure of the country makes it very interesting for people to visit Bhutan to learn about a new culture.

One is because Bhutan is branded as an expensive destination and many people would like to take chance when there are such opportunities. Other than that, it is because of our environment, nature and GNH. Facility-wise we cannot compete.

With regard to activities, informants pointed out that activities related to nature and culture are definitely enough and are being widely provided but other recreational activities such as shopping and entertainment need to be developed.

Nature and culture related attractions and activities are enough, whereas, there are very minimum recreational activities, which needs to be developed.

The attractions and activities for the dollar paying tourist is enough because they prefer natural attractions, but for regional tourist they look for more manmade attractions such as recreational facilities and therefore, we need to develop those.

However, an informant pointed out that the need of different activities depends on the type of visitors coming to Bhutan. High-end visitors would definitely prefer nature and culture based activities, whereas, those small dealers on an incentive trip would definitely prefer places where there are a lot of entertainment activities to participate in.

The attributes would depend on what type of clients we are looking at. For example Hyundai motor dealers will be sent to exclusive places because these dealers are all high-end people. On the contrary, those small dealers from small towns going on an Incentive tour or a dealer's meet would definitely prefer destinations where there are a lot of entertainment activities.

4.4.2.2 Perceived impact of Meeting and Incentive tourism

The informants agreed that Meeting and Incentive tourism would increase revenue of the hotels because there would be an increase in the tourist arrival especially during the off-season. It would not only benefit the hotels but it would also lead to the betterment of other businesses, therefore, creating employment opportunities. Further, it would bring good income for the country and has low physical impact.

If Bhutan is developed and promoted as a Meeting and Incentive destination then we would definitely have many tourists coming in which automatically leads to increase in the revenue and employment. Therefore, ultimately leading to the development of the country.

There will be positive impact on the economy of the country and tourist inflow will also increase especially during the off-season.

The impact definitely will be positive. We might not be earning a lot from the rooms but we are definitely earning from other departments such, as food and beverages and gala dinner.

From the hotelier's perspective, the longer we can contain people in the hotel, the more likely they would spend on the added value like spa, gift shops, drinks and so on. So our average rack rate increases because of that.

The income of the country increases because for every dollar the guest spends in the wider community, they spend a significant amount more and 55% of that goes back into the community and 45% goes as taxes and so on.

4.4.2.3 Partnership in developing and promoting Meeting and Incentive tourism

The informants mentioned that for Meeting and Incentive tourism to be successful, it is very important for all the stakeholders to work together. Such events require the services of all the stakeholders and it is necessary to carry out responsibilities in coordination among the stakeholders.

Most important is to have the entire stakeholders work together in a more coordinated manner.

Additionally, informants also agreed that Bhutan should connect with the right partner from those destinations where such tours are aggressively promoted. It is very important to partner up with other agencies because it would be difficult for Bhutan to enter this market since Meeting and Incentive tourism is a fairly new product that is being implemented in Bhutan. Moreover, compared to the neighboring countries, facility-wise Bhutan has a lot to learn.

We got to have PR agents in those destinations, where such tours are aggressively promoted and connect with top MICE handlers who go to respective companies and promote.

There is no problem if we identify the right stakeholders in India and promote such tours through them, but if we go ourselves to promote then it might be a problem because it is a cutthroat market and it is important to have the right people.

Informants also established that currently, there is very limited or no promotion of Bhutan for such events. The government has to take the initiative to promote Bhutan as a Meeting and Incentive destination. Only then will the private sector be able to improve the services and facilities and therefore, encourage them to promote such events through their off shore agents, sales offices, and by attending travel fairs specifically for such events. Likewise, a respondent mentioned that their hotel could connect with the top MICE handlers to bring in event related guest.

We haven't promoted such tours but we would definitely like to promote it if there is business. The government has to make Bhutan known to the outside world as a Meeting and Incentive destination not only as a destination for leisure tourists. If this is done then we would definitely promote it.

We can promote it through our agents and through the travel fairs we attend.

If we were to promote Bhutan as a Meeting and Incentive destination, we would connect with top MICE handlers and invite them to Bhutan and show them what we have.

4.4.2.4 Seasonality

The informants stated that tourism in Bhutan is seasonal and such events should be promoted to be held during the off-season only. Similar to what the government organizations mentioned that during the high season there are huge demands from the leisure tourist and to host such events it would be very difficult. There would be huge constraints on the availability of hotels, air tickets and many other services.

Tourism in Bhutan is highly seasonal and I don't see any problems if such events are promoted during the off-season. During the peak season we will not be able to accommodate such tours because it becomes very difficult to get air tickets, hotel rooms as well as other services.

If these products are being promoted during the peak season then it is a big problem because during the peak season it is so difficult to get flight seats and hotel rooms.

4.4.2.5 Development of packages

The findings revealed that many hotels consider such events important and therefore, to attract organizers to host such events in their hotel, packages are offered. However, the packages offered by all the hotels seem to be similar to one another. Many informants mentioned that conference halls are normally provided free of charge if the guest stays in the hotel and the food is catered by the hotel. Some informants also mentioned that depending on the number of people for such events, the conference hall is not charged. Further, the informants added that there has to be a different pricing strategy for Meeting and Incentive tourist because these tourist come in big groups and sometimes, when the cost is covered by the company, there are rules that need to be observed.

We do provide a special price for such events. We sometimes provide conference halls free of charge if the rooms and meals are being consumed at the hotel.

For the meal packages, we provide certain amount of discount sometimes. Also, if the guest are staying in our hotel and using the conference the hall then we provide the conference hall free of charge. Additionally, if there are above 35 delegates then we provide the conference hall free of charge.

The prices for individual and leisure travelers are not suitable for Meeting and Incentive groups because the business is bulk and since the company is bearing the cost, there are certain rules that have to be adhered to.

4.4.2.6 Strategy

The informants expressed the need to develop a strategy in order to attract organizations from countries other than India because of the tariff system Bhutan becomes expensive for other countries to host such events. Besides India, there were some interest received but such events do not materialize mostly because it becomes expensive when the tariff is added with the high cost of air tickets. The informants feel that the government should look at developing a strategy in accordance with the tourism policy of “high value, low impact.”

Government should definitely look at how to attract other nationalities for this particular segment. It may be by relaxing the royalty or decreasing it. It is more of policy matter, which the government should think about.

If we want to target other nationalities besides Indian for such events then

the government has to be a little sensitive about the pricing, however keeping in mind the tourism policy.

We even get request from Singapore, Hong Kong and Thailand but it gets very expensive for them because they have to pay the daily tariff of USD 250/day along with the DrukAir tickets. This makes the meeting package very expensive for them, but interest is there.

4.4.2.7 Government Support

The informants concluded that not much support is being provided by the government to develop and promote such events. Since there are no incentives provided by the government, it becomes very difficult to attract such tourist. The informants feel that the government should support those private sectors interested in promoting Meeting and Incentive tourism by providing training to the staff so as to bring professionalism in the service industry and also should allow the hotels to carry out their marketing and to bring tourists directly.

If the government could allow the hotels to do their marketing and bring in their tourist directly then we would definitely be able to promote and host such events.

Trainings should be provided to make the people more professional in the hospitality sector.

It would be appreciated if more training could be provided to hotel staff as right now people that do not have proper training are organizing such meetings. Therefore, training would definitely help us in handling such events in a more professional manner.

However, the informants feel that the purchase of additional airlines would definitely support the private sectors to bring in more tourist be it leisure or for Meeting and Incentive and the development of a convention center would bring professionalism in the hospitality industry.

4.4.3 Perception of the tour operators

Established on the attributes of a destination, the views of the tour operators are explained in the following section.

4.4.3.1 Perception on the 6 attributes of a destination

The informants expressed that though Bhutan has the potential to be developed as a Meeting and Incentive destination, there are certain factors Bhutan definitely needs to improve. The lack of well-equipped conference hall and the capacity of the hotels were the drawbacks

mentioned. The informants mentioned that Bhutan as of now cannot host big events because of the limited capacity of the hotels and the lack of proper conference hall. The informants also stated that because of these limitations, Bhutan's positioning in the general MICE market is very weak. However, the informants pointed out that many new hotels and the government are coming up with good conference facilities, which would enable Bhutan to host such events.

Bhutan is probably one of the best places. However, we lack the facilities such as good conference halls and capacity of the hotels.

The meeting facilities are being developed such as the conference hall built by Royal Textile Academy that can accommodate about 1000 people and many hotels are also coming up with good meeting facilities.

Further, we do not have hotels that can accommodate more than 30 people. Hotel capacity is an issue. We do not have proper meeting facilities. There are no specific built hotels to cater to such tours.

Furthermore, accessibility in terms of airline was also pointed out as weaknesses. The informants mentioned that limited capacity and connectivity of the airline along with expensive airfare hampers the development of Meeting and Incentive tourism. Such tours usually entail huge groups of people and the airline does not have the capacity to bring in huge groups of people at once. Though there is an option to charter a flight to bring in guests for such tours, the informants revealed that the procedures are very cumbersome.

For such tours we need enough flight seats because their departure and arrivals dates are fixed. As of now, DrukAir does not have the capacity to bring in 200-300 people at one time. DrukAir is not being able to meet the demand of the leisure tourist only.

If a group wants to charter a flight it is possible but the procedures are very cumbersome.

Nevertheless, we have airline capacity issue since DrukAir does not have the capacity to bring in 200-300 people at one time and also have limited connectivity.

DrukAir with its limited capacity is a bottleneck.

The informants, unlike the hotels, do not see land transportation as an issue mainly because many tour operators have good standard vehicles owned by the company that is provided for the guest.

However, the local transport is not an issue, we have enough.

In terms of vehicles our standards are much higher as compared to Nepal and India.

In terms of accountability, informants commented that Bhutan lacks professionalism. It was mentioned that the standard of services provided in the hotels needs improvement. Besides this inadequacy, the informants mentioned that the visa issuing procedure, customs regulation, telecommunication are all being developed and does not impose much of a problem. Nevertheless, these procedures still lack efficiency and certain regulations require to be streamlined, though it has been made simpler as compared to the past.

However, the standard and services of the hotels needs to be improved.

Other services such as visa, customs, and telecommunication are good enough and adds value to the product.

Sometimes, the delegates would like to visit places after their meeting is over and their request is ad hoc during such time it becomes difficult due to the requirement of route permit. Therefore, the procedures, rules and regulations need to be streamlined.

Additionally, specialized facilities need to be developed such as doctor on call at facilities and helicopter services in times of medical emergency. If such events were organized by the private sector it becomes very difficult to arrange these services. Another advantage mentioned is that English is widely spoken in Bhutan, therefore, eliminating the communication problem.

With regard to the services, it is time for Bhutan to be professional and facilities like doctors on call should be made available, so that the clients do not have to go to the hospital but the doctors could come to the venue. There is a need to set up such specialized facilities.

If we are to organize such events, it is important to have doctor on duty and something like that it would be difficult to arrange. In terms of medical emergency, to arrange helicopter services proves to be difficult. In terms of health services, it proves to be difficult to carry out such responsibilities.

Our guides are up to the mark, they speak good English and well behaved.

With regard to affordability, informants established that Bhutan is not at all an expensive destination. The daily tariff of USD 250 is reasonable since it is an all-inclusive package. It was also pointed out that such markets are usually high-end, therefore, the issue of affordability does not occur. Moreover, the informants feel that Bhutan should have niche market segment and target those adhering to the tourism policy and should be very mindful about giving discounts as it could weaken the tourism policy.

Bhutan is not at all expensive, it is affordable. For example, if we attend a meeting in Berlin, the hotel alone will cost that much and for other services it is charged extra. Therefore, USD 250 is very practical and affordable since it is an all-inclusive package.

Affordability is not an issue because such events do not look at low-end market.

Bhutan is very affordable and we should not also discount too much. We should segment ourselves and target those meeting and incentive trips that are willing to adhere to our tourism policy. We should definitely attract high-end meeting and incentive trips.

Bhutan being highlighted on the globe for being a country of Gross National Happiness, where there is peace and tranquility, pristine environment, vibrant culture and hospitable people are the factors, which make Bhutan attractive for such events. Other than these factors, the brand of Bhutan as a new travel destination and the tourism policy, gives an impression that Bhutan is a very special destination to visit.

The image of Bhutan as a GNH country, peaceful with natural landscape is the strength of Bhutan.

The GNH philosophy, the natural landscape and the strong culture are the main factor that makes Bhutan attractive to other destinations.

Bhutan, a new travel destination, the natural environment, friendly and hospitable people, vibrant culture, safe and secure, smooth process of obtaining visa and other permits and the Gross National Happiness concept, are the indicators that makes Bhutan an important destination for Meeting and Incentive tourism.

The most important attribute is the tourism policy of not being open to mass tourism creates a feeling of Bhutan being a very special destination.

The activities are definitely enough, as mentioned by the informants. It was pointed

out that Bhutan has many different products to provide a unique experience to the guest. However, the sufficiency of the activities to be provided to the guest depends on their duration and their preferences. Though there are enough activities provided, the informants mentioned that it could still be improved or developed.

Our attractions and activities are definitely enough. We have so many products like farmhouse visit, philanthropic visit that can be tied with these events.

Activities depend on the duration of the delegates and what they require or want. If they have enough time then we can organize more activities besides the normal activities. Otherwise it is enough, however, we can still improve and develop.

4.4.3.2 Perceived impact of Meeting and Incentive tourism

The informants stated that the impact would be positive because it leads to increase in tourist arrivals, revenue generation, employment creation and enhancement of knowledge. These events would also lead to the promotion of Bhutan's textile and other products. In addition, the environment and the social-cultural aspects will not be hampered because the guest coming for such events are highly educated and from reputable firms. Furthermore, the informants mentioned that for tour operators, it would benefit them because the guest comes in groups and it becomes logistically easier to arrange, thus providing good profit margin from the revenue.

The biggest and direct impact will be seen in the hotels, airline and local transport but indirect impacts could be promotion of textile and other products. Hotels, tour operators and government earn revenue, moreover; the trickle-down effect is still there.

The impact would be good because when such meetings are held there would definitely be knowledge sharing and Bhutan can learn more on certain good practices such as preservation of culture.

I think the impact will only be positive in terms of revenue generation and people that do come for meetings and conference are normally from reputable firms in which case social aspects would be positive. They wouldn't come and misbehave.

The overall impact would be very minimum. It would benefit the tour operators since they come in groups it is logistically easier to organize and the hotel provides certain discount if all groups are kept in the same hotel. With regard to transportation, it is not used as much as it is used for leisure tourist since these delegates are involved in the meeting

almost the entire day. This helps the tour operators to save on the revenue. The government also benefits as the royalty is charged similar to leisure tourist. In general, during such events mostly educated people come and they do not go around littering. Therefore, such markets are very good for a country.

4.4.3.3 Partnership in developing and promoting Meeting and Incentive Tourism

It was articulated that there is a need for all stakeholders to work together to develop and promote such tours. It was mentioned that tourism related products should not be promoted by individual organization, rather TCBS should take the lead in identifying the travel fairs particularly for such events and promotion should be carried out jointly. TCBS should work in collaboration with the interested private sector to develop such product. In addition, it was also pointed out that they should identify relevant partners from other destinations and promote in order to make Bhutan visible in the MICE market.

One main concern is that all tourism related stakeholders should not promote products individually. It would be better if they could approach TCBS and then promote it jointly.

If TCBS and tour operators collaborate then we would definitely promote by attending those travel fairs, which are specific for such tours to see how we can enter the market.

TCBS should take the lead in developing and promoting such tours because they are the parent organization. TCBS could consult the interested tour companies and work together in developing and promoting such product. Also identify travel fairs particularly promoting such product and attend it together.

We need to do lot of marketing and make Bhutan visible in the market. We need to connect with partners and work together to promote Bhutan.

4.4.3.4 Seasonality

Though there are efforts being made to promote Bhutan as an all year destination, it hasn't been very successful. Therefore, such events should be promoted to be held during the lean season not only because of the availability of facilities required but it would also assist in offsetting seasonality. According to the informants, hosting or organizing such events during the high season will definitely impose huge problems such as unavailability of amenities, guides, accessibility both air and land.

I do anticipate problems, if the government, tour operators and hotels promote it during the high season. We should be very careful and bring in such groups during the lean season (summer and winter). For us it is an all season destination but we haven't been successful in promoting particularly the summer and winter seasons. Such tours should definitely be promoted during the lean season and develop attractions and activities during those lean months and promote it accordingly.

However, if it is promoted during the off-season then we do not see any problem.

If these events are promoted during the peak season then it would definitely be a problem mainly because of unavailability hotels, guides, transportation and other services required. Otherwise, there is no problem.

4.4.3.5 Development of packages

The findings showed that there are no other separate packages developed and provided for such guests. The informants mentioned that since there is no incentive or support provided by the government, a package cannot be provided. However, informants exerts that there is a requirement to develop separate packages for such events because their requirement and preferences are not similar to that of leisure tourist and majority of the informants mentioned that it has been included in their future plans.

We have to provide a different package for meeting and incentive tourism because these tourists do not do much of sightseeing, does not need a guide all the time, so there is a deduction in the cost. Therefore, a package different from the leisure tourist should be developed and then we would definitely be able to market Bhutan as a meeting and incentive destination.

We do not have separate package for such tours because we are not given any incentives from the government. It becomes very difficult.

As of now we do not have any special price package particularly for this market segment but it is in the plans.

We could provide special price packages particularly for such events.

4.4.3.6 Strategy

The need of a proper strategy was expressed by the informants. They pointed out that there should be collaboration among all the stakeholders in not just developing and promoting such products but also in formulating the plans and policies. This collaboration would definitely lead to the successful implementation of the plans, which would further lead to making Bhutan a successful destination for Meeting and Incentive tourism.

We would definitely be interested in promoting such events in collaboration with TCBS during the lean season and also assist in formulating plans and policies and attending travel fairs.

Though the policy of managing tourism has been successful in the past, it needs to be strengthened. In order to deliver as per the tourism policy, the needs of the clients should be studied and products that add value to the policy should be developed.

In future the government should strengthen this product otherwise we would just have one time meeting and incentive tourism. In order to strengthen this product we have to study the clients, for example, a group of Indians coming to Bhutan would love to go the mountains but they are not able to walk. Therefore, products like cable cars could be developed.

4.4.3.7 Government Support

The informants mentioned that government has rendered support in the past when such events were being organized provided they approached the government. Such incentives being provided encourages the private sectors to bring in more tourism related to Meeting and Incentive. Also, as an initiative to promote Bhutan for such events, the government invites other organizations to host several meetings.

When we organized some meetings in the past, government provided certain incentives like royalty waivers and visa concession”.

The government is trying to do their part to promote such events. Many government organizations are inviting other organizations to have their meetings here in Bhutan.

Though there has been some support provided by the government, the informants assert that more assistance needs to be provided in order to encourage the private sectors to promote such events and to brand Bhutan as a Meeting and Incentive destination. Besides the incentives, the informants explained that government should provide training to enhance the skills

of the staff in tourism and hospitality industry. Correspondingly, the tour operators should be allowed to organize meeting on behalf of the government organizations because this would enable them to understand such business and further be encouraged to promote it. Furthermore, the government should also assist in identify the target market, so the tour operators could work on it.

In order to attract meeting and incentive tourist, we have to provide certain incentive to garner huge groups to come in regular basis and also for them to have a good experience.

The meetings brought in by the government are being organized by the government organizations only. Such meetings should be given to the tour operators to be organized. This would help the tour operators to understand such business and further promote these events.

4.4.4 Perception of Associations

This study also examined the perceptions of the stakeholders on Bhutan as a Meeting and Incentive destination based on the attributes. The perceptions on the attributes are explained in detail below.

4.4.4.1 Perception on the 6 attributes of a destination

Amenities, as per the informants, are what Bhutan currently lacks. Due to the limited capacity of the hotels and lack of meeting facilities it is very difficult to accommodate and host such events. Besides the limited capacity of hotels, the respondents also stated that infrastructure has to be improved in other places besides Paro and Thimphu because there are enough hotels with average conference facilities in Paro and Thimphu, whereas, in other parts of Bhutan, there are hardly any good hotels.

To bring in such huge number of people we do not have the infrastructure to accommodate them.

For Paro and Thimphu, I think it is enough but beyond that it is not at all enough. In fact there are hardly any tourist hotels. We definitely need to add on the infrastructure beyond these two places.

Though there are limited capacities of the hotels, if Bhutan had a specific target market then the current facilities are definitely enough. Furthermore, the development of a new convention center and many new hotels would definitely support the infrastructure system.

Bhutan can have selected/targeted market and the existing infrastructure is enough for targeted market such as corporate meetings and company incentive”.

Although Bhutan is well connected within the regional market as well as international market such as Bangkok and Singapore, accessibility, referring to the limited capacity of airline is also a factor, which definitely needs improvement. Similar information was provided by the informants, stating that the airline does not have the capacity to bring in huge groups of people at the same time.

We have very limited flight capacity.

I think the position is very weak because we have many lapses like limited capacity since there is only one airline operating in Bhutan and we lack the infrastructure.

Pertaining to accountability, informants pointed out that the services provided by hotels to the tourists are not at all professional and definitely need to be improved along with the development of human resource capacity of the private sector. The informants explained that these developments have to be carried out first in order to make them capable of managing these events professionally.

The service provided to the tourist really needs to be developed. There is no professionalism in the hotel services at all.

Capacity within the private sector should be built to be able to manage such kind of activities.

Besides this drawback, there are other factors. Bhutan is currently doing well and is able to provide quality experience to the tourist because the related services such as telecommunications, IT city, and healthcare facilities which are all being developed. Additionally, doing away with route permits the government has reduced the administrative burden for the tour operators and also allows the tourist to visit more places with fewer requirements. Another advantage is since English is widely spoken in Bhutan there is no the communication gap.

Other services such as telecommunications, IT city, and healthcare are being developed therefore, being able to provide a quality experience to the delegates.

I think the government has done well in developing the associated services to the tourist such as good telecommunication, free health care services, and doing away with the route permit for international visitors”.

The majority of people speak in English, so there is no communication gap.

With regard to affordability, the informants mentioned that it is not an issue since the target market for Bhutan is small size, high-end corporate and executive meetings.

We are targeting corporate meetings, executive meeting which are small in number and are of world class.

Bhutan has the potential to be developed as a Meeting and Incentive destination not in terms of infrastructure required but in terms of factors such the natural landscape, pristine environment with less pollution and less tariff. In addition, the brand of Bhutan as an exotic destination is also one of the factors that attract tourist for such events. Further, because of these factors, incentive tourist to Bhutan can acquire a totally different experience.

The natural landscape, no pollution, no traffic congestion, basically the whole environment {attracts tourists}.

The brand of Bhutan being exotic destination also influences the decision of the organizers to host meetings and incentive tours in Bhutan.

I think it is the natural environment which could make Bhutan a place for such events.

The informants conveyed that activities, which are being provided to the tourist, are definitely enough and these activities add an additional value to the Meeting and Incentive tourism. However, more activities could be improved in order to provide varied choices.

The attractions and activities for the current demand is enough because these guests would not have ample time to do sightseeing. However, we still need to develop it.

The existing attractions and activities offer additional value to the meetings and incentive delegates.

4.4.4.2 Perceived impact of Meeting and Incentive tourism

The impact perceived by the informants were expressed as being both positive and negative. The positive impacts identified by the respondents were similar to what the other stakeholders mentioned. The informants mentioned that with such events there would definitely be revenue generation. In addition, there is also generation of employment because these events require the services of many different sectors. Such event also promotes the destination without spending on marketing and promotion. Further, these events are normally thematic, thus,

providing an opportunity to build relationship and enhance knowledge.

I think we will have both positive and negative impact. The positive impact would definitely be revenue generation for the country.

Such events can make the brand of a destination so popular without having to spend so much in marketing and promotion such as the Kyoto Protocol.

Meeting and Incentive are not just for a group of people sitting in the meeting; they require a lot of different services from other sectors such as the hotels, entertainment centers, restaurants that generates employment.

It provides opportunity to build relationship and enhance knowledge.

Besides the positive impact, the informants pointed out that the negative impact would be on the environment because once Bhutan starts promoting Meeting and Incentive tourism, there would be many tourists visiting the country. To accommodate such tourists many new developments will be undertaken, thus affecting the environment.

The negative impact, I feel will be on the environment as there would be many people visiting the country.

4.4.4.3 Partnership in developing and promoting Meeting and Incentive Tourism

The informants mentioned that there is lack of coordination among the stakeholders, whereas, such events require to be developed and promoted by all stakeholders in a coordinated manner. The informants mentioned that due to the lack of capacity of the organizations, all stakeholders should work in partnership and promote it jointly. The informants stated that they should be involved from the very beginning of developing such products. They also mentioned that they could provide technical support wherever needed and also bring in fellow associations to host such events in Bhutan. It was also expressed that they could assist the government in the formulating policies keeping in mind the requirements of the private sector.

Besides the hotels, tour operators and ABTO, government should also involve us when products for tourism are being developed. So that, through our Chamber partners abroad could help in promoting and bringing in such groups. We have many connections with companies outside Bhutan since we have organized many trade fairs and exhibitions.

We can facilitate by informing our partners and create a link through our

chamber partners to the companies wherever we want to market such events.

MICE have to be promoted by public-private partnership mainly due to the lack of capacity.

4.4.4.4 Development of packages

The informants pointed out that packages different from leisure tourism have to be developed in order to attract tourist for such events. It was also pointed out that to create packages Bhutan has the capability, where organizations could connect and develop packages related to their organizations.

Bhutan has the network to create incentive package, for example if it's a women-oriented programme, then that company could connect with such organizations here in Bhutan.

However, prior to developing packages, though it is required, Bhutan has to understand the requirements of each segment and therefore, be fully prepared to organize or host such events.

4.4.4.5 Strategy

It was pointed out that currently there is no proper strategy for the development of Meeting and Incentive tourism. The informants mentioned about the requirement of a strategy which will not only be to accommodate Meeting and Incentive tourism but how it can have a multiplier effect on the destination through such events. Along with the improvement on the drawbacks to develop such tours, Bhutan should focus on the advantages it has and develop a strategy based on the strengths.

Main concerns are that there is no proper strategy.

In order attract Meeting and Incentive tourism, Bhutan should be at a certain level of development and not just the brand image of Bhutan being exotic. We have to look at the strengths and work on improving the strengths.

4.4.4.6 Government Support

Although, the government has accorded high priority to develop Meeting and Incentive tourism, there is very limited support provided by the government. The informants pointed out that the government should provide support by bringing in the required clients in order to sustain such businesses. Further, preferential financial assistance should be provided

along with specialized training for tour operators in order to develop the capacity of the tour operators in handling such tours.

There is no preferential financial assistance in terms of loan interest or taxation with regard to MICE is provided.

Provide specialized training programs for tour operators so that they can specialize in particular segment such as MICE. As of now there are no specific tour operators for MICE due to the unavailability of training and classification system.

4.5 The challenges to develop Meeting and Incentive tourism in Bhutan

The findings revealed that for Bhutan to be developed as a Meeting and Incentive destination there are a lot of challenges that need to be addressed first. The most noted challenges from the interviews conducted are as explained below:

- The lack of hotels with well-equipped conference facilities and convention centers was identified as one of the major challenges. Moreover, the limited capacity of the hotels also imposes restrictions to promote Bhutan as a Meeting and Incentive destination. Due to these limitation Bhutan, currently, cannot host Meeting and Incentive tourism on a larger scale. The facilities available are all suitable for the leisure tourist and are being adjusted to host such events.

- Due to the limited capacity of the airline, Bhutan is not being able to promote such events and this has been identified as the main factor affecting the development of Meeting and Incentive tourism. To enter Bhutan, there are only two access points, one by air with only one airline operating and other by land. Since there is high demand from leisure tourist for air tickets, the airline is not being able to meet the demands.

- The cumbersome rules and regulations discourage the private sector to take up such kinds of tours. It was identified that the process to get approval from the government involves a lot of bureaucracy and time.

- Lack of professional firms to cater to such events and lack of professionalism in the hospitality sector is another area where Bhutan needs to develop. The standard and the services of many hotels needs to be improved.

- Although there is a Master Plan and guidelines for the development of tourism in Bhutan, there is no strategy or a plan to guide the development of Meeting and Incentive tourism.

- Lack of coordination among the stakeholders. All the stakeholders seem to be carrying out promotional activities on their own. There is no consultation when new products for tourism are being developed.

- Lack of promotion for Meeting and Incentive tourism. Bhutan currently has been carrying out promotional activities for leisure tours only. There is hardly or no mention of such events in any of the promotional materials.

- Incentives to be provided to the private sector. Since there is no incentive provided by the government, the tour operators do not seem to be promoting such tours.

- Seasonality is the most pressing issue for the development of tourism in Bhutan. The cultural festivals which are the main attraction for tourist to visit Bhutan are mostly held in spring and autumn seasons. Additionally, these seasons are good for undertaking trekking activities too

CHAPTER 5

CONCLUSION AND DISCUSSION

This chapter draws up the conclusion, discussions and provides recommendations resulting from the research findings. The conclusion is provided based on the perception of each stakeholder and the discussion is presented in accordance to the research objectives.

The researcher believes that the conclusion and recommendations provided will provide a valuable insight for the development of Meeting and Incentive tourism and therefore, assist in the formulation of a guideline for development of Meeting and Incentive tourism in Bhutan.

5.1 Conclusion

From the interviews, it is very clear that there is interest from the stakeholders to partake in the development and promotion of such market. The stakeholders expressed that if Bhutan wants to be a Meeting and Incentive destination, the work on it has to start. Only then the shortfalls could be identified which could be improved over the time and become more specialized and professional.

The stakeholders perceive that to start off with developing Bhutan as a Meeting and Incentive tourism destination, India could be a major source market. There is diverse opportunities and tremendous potential because India has huge market for Meeting and Incentive (IIBM, 2009). Moreover, it is very convenient for Indians to travel to Bhutan because the requirement of visa is not applicable to them, therefore, being exempted from the daily tariff system of USD 250. Another advantage is that the Indian currency is at par with the Bhutanese currency and can be widely used in Bhutan. The favorable geographical location between these two countries and also the favorable weather conditions as Indians seek to get away from the screeching heat during the summers (BTM, 2011) also plays a major role in attracting for such events. Since summer months are lean season in Bhutan, therefore, attracting regional market could help in offsetting seasonality (Buhalis, 2000).

As mentioned earlier, the conclusion from each stakeholder of Bhutan to develop Meeting and Incentive tourism comprising of government organizations, hotels, tour operators and associations has been explained in detail in the following section.

5.1.1 Perception of government organizations

Having pointed out all the factors in the earlier chapter, it is clear that Bhutan has a very long way to go in order to be developed as a Meeting and Incentive destination, especially compared to the neighboring countries. Bhutan, presently, has few good properties to host smaller group meetings and Incentive tourism only. Though Bhutan currently lacks the infrastructure to be promoted as a Meeting and Incentive destination, the government organizations have shown interest to develop such tours and are working on providing support to the private sectors bringing tourist for such events. There are quite a few initiatives being undertaken by government organizations to develop Bhutan for such tours, such as the building of a new convention center and increasing the capacity of the airline by purchasing a new aircraft.

Realizing that the tourism tariff system in a way creates an obstacle for tourism other than Indians to come to Bhutan, the government has initiated waiving royalty for Meeting and Incentive tourism. Besides these initiatives, government also provides assistance in arranging the logistics if approached by the tour operators. Further, with the development of the criteria to provide government assistance to tourist of such events, it would enable the tour operators to promote and bring in tourist for Meeting and Incentive tours. The commitment of the government to develop Bhutan as a Meeting and Incentive tourism destination can be seen with the inclusion of royalty waive off clause in the Economic Development Policy (EDP).

Recognizing the importance of stakeholder involvement in tourism, the government organizations are stressing to promote Meeting and Incentive tours in partnership with all the relevant stakeholders. The promotion would be public-private sector led and would encourage the hotels and tour operators to attend travel fairs related to such events.

Having said that, the lack of amenities and accessibility in terms of capacity and price, was identified as the major bottleneck for the development of such tours. Though the development of convention center and purchase of new aircraft will definitely ease the amenities and accessibility issue, Bhutan will still not be able to host global convention and cannot have about 1000 people coming in at once. Rather, the focus would be on niche market with the value proposition of the tourism policy of “high value, low impact” and target government meetings, corporate meetings and retreat both within and outside Bhutan.

5.1.2 Perception of hotels

It can be concluded that even hotels feel that Bhutan has a lot more to do before being promoted as a Meeting and Incentive destination. With the current facilities, Bhutan can host only smaller high-end meeting groups. Until recently, Bhutan has been most popular for leisure tourism and therefore, the facilities available are suitable for leisure tours only. However, realizing the need to attract other tourist besides leisure group and understanding the benefits of Meeting and Incentive tourism many hotels are now improving their facilities. This step undertaken by them clearly shows that there are interests to develop their properties for such tours.

The drawbacks of developing Bhutan as a Meeting and Incentive destination pointed out were similar to that of government organizations. Besides these limitations, a strategy to attract Meeting and Incentive tourist from countries where the tourism tariff system is applicable should also be developed to make it affordable. Further, the requirement of promotion was also mentioned as an important factor to make Bhutan known to other parts of world. Currently, since there is no promotion carried out particularly for Meeting and Incentive tours, not much of these tours are happening. The only promotion carried out is through the hotels website. Since tourism in Bhutan is tour operator led, it is very important for the tour operators to carry out promotion of such tours to attract tourist besides Indian for Meeting and Incentive tourism. For the Indian market, hotels are also attending travel fairs and promoting their product but so far promotion has only been for leisure tours.

Nevertheless, with the new developments taking place, it would assist in developing Bhutan as a Meeting and Incentive destination by bringing in professionalism and the facilities required for hosting such events. Bhutan is currently at a developing stage and a lot can be done to gain an edge on the competing Asian countries.

5.1.3 Perception of Tour Operators

Bhutan is considered a wonderful place for Meeting and Incentive tours but due to the lack of amenities and accessibility in terms of price and capacity of the airline, it is very difficult to attract such tours. The image of Bhutan in the tourism market is the only reason for Bhutan to be attractive for such tours, otherwise, with regard to facilities; Bhutan cannot match up with other countries. Therefore, Bhutan should use these advantages and focus on niche market.

However, the situation would improve with the development of convention center, new hotels with conference facilities and the purchase of additional aircraft. This would definitely solve the issue of limited amenities and accessibility.

Meeting and Incentive tourism as a product should be developed and promoted in collaboration with the stakeholders. Similar to what the hotels mentioned, there is no promotion of Bhutan as a Meeting and Incentive destination. All stakeholders in partnership should carry out extensive marketing not only in the regional market but international market too.

Understanding the benefits generated by such tours, the tour operators are definitely willing to work in bringing these kinds of tourist. However, with the unique system of tourism in Bhutan, it does not provide much flexibility for the tour operators to promote these kinds of events. Moreover, with no incentives provided, many tour operators are not being able to provide packages for such tours. Moreover, the meetings organized by the government organizations not being outsourced to the tour operators and hoteliers, does not allow them to understand such business and discourages them to promote such events.

5.1.4 Perception of associations

Though there are limitations in terms of amenities and accessibility, Bhutan has the ability to provide a different venue for Meeting and Incentive tourism as compared to the usual venue such as big hotels with modern facilities. Further, In South Asia, most of the countries have similar culture and livelihood whereas, Bhutan has different culture and tradition. Bhutan is accessible, yet different, thus offering tourists a different experience.

All the stakeholders responsible in developing tourism in Bhutan have to look at what Bhutan's unique selling proposition (USP) in promoting and attracting such tours to Bhutan. It is of utmost importance to have something different to offer besides the pristine environment. Bhutan should look at why such events are popular in our neighboring countries such Thailand and India. Therefore, a strategy guiding the overall development of Meeting and Incentive tourism is required to be developed.

Further, partnering up with tourism associations can enable smooth implementation of policies and regulations formulated to develop such tours, as it would develop a sense of ownership. Moreover, these associations could encourage their partners outside Bhutan to host Meeting and Incentive tours in Bhutan, thus, leading to promotion of Bhutan for such events.

Moreover, the stakeholders should be involved from the very beginning of development because the extent of involvement of all the stakeholders determines the success of a destination.

5.2 Discussion

This section presents the discussion derived from the study according to the research objectives, so as to provide an overall view of the study.

5.2.1 Objective 1: To assess the current situations of Meeting and Incentive tourism.

Though MICE businesses are regarded as high-end and highly profitable (Leiper, McCabe, Poole & Weeks, 2001; Baloglu & Love, 2003; Acolla, 2010), which impeccably blends with the Bhutan's tourism policy of "high value, low impact," Meeting and Incentive tourism currently, does not form the integral part of the tourism industry in Bhutan. Leisure tourism still continues to dominate the tourism market with all the tour operators offering packaged tours for leisure tourist with 42,631 leisure tourists visiting the country in 2011 (BTM, 2011). Nevertheless, having realized the characteristics and benefits of MICE to developed and developing countries as pointed out in many literature (Wotton & Stevens, 1995; Peters & Jones, 1996; Dwyer & Mistilis, 1999; Dwyer et al., 2000; Lawrence & McCabe, 2001; Kim et al., 2003; Rogers, 2008; Cameron, 2010; Pricewaterhouse Coopers, 2011; Yang, 2011), Bhutan has now started working towards hosting and organizing such events. Most of the events organized so far were Meeting and Incentive tours considering the infrastructure Bhutan currently has. Presently, the Meetings and Incentives organized so far are all at a small scale because of the suitability of the available infrastructure. Further, majority of the meetings were organized by the government organizations.

Interestingly, Bhutan seems to be a popular destination for companies from India for Incentive tours. However, there were few companies from countries besides India visiting Bhutan on an Incentive tour but the tourism statistics do not show these figures separately because any tourist coming to Bhutan besides Indian, are liable to pay the daily tourism tariff. This also proves that India from the regional market is the biggest source market for Bhutan for both leisure and Meeting and Incentive tourism with 29.90 % attending meetings in 2011. (BTM, 2011).

In contrast to what has been mentioned by Yang, (2011), that appropriate planning has to be developed to manage the diverse service industry so that the demands are met and profits are

maximized, Bhutan does not have a proper plan for the development of this sector, although, development of Meeting and Incentive tourism in Bhutan has been accorded high priority. Though government has been spending huge amount of money in marketing and promoting Bhutan, Meeting and Incentive has not been mentioned in any of the promotion activities. In the literature review, Bornhorst et al., (2010), upheld that a destination to be successful in implementing any new product requires the support from all the stakeholders, whereas, in Bhutan, currently, the tour operators and hoteliers are of the opinion that not much of support is being provided by the government to encourage development of such events, therefore, no promotion is being carried out.

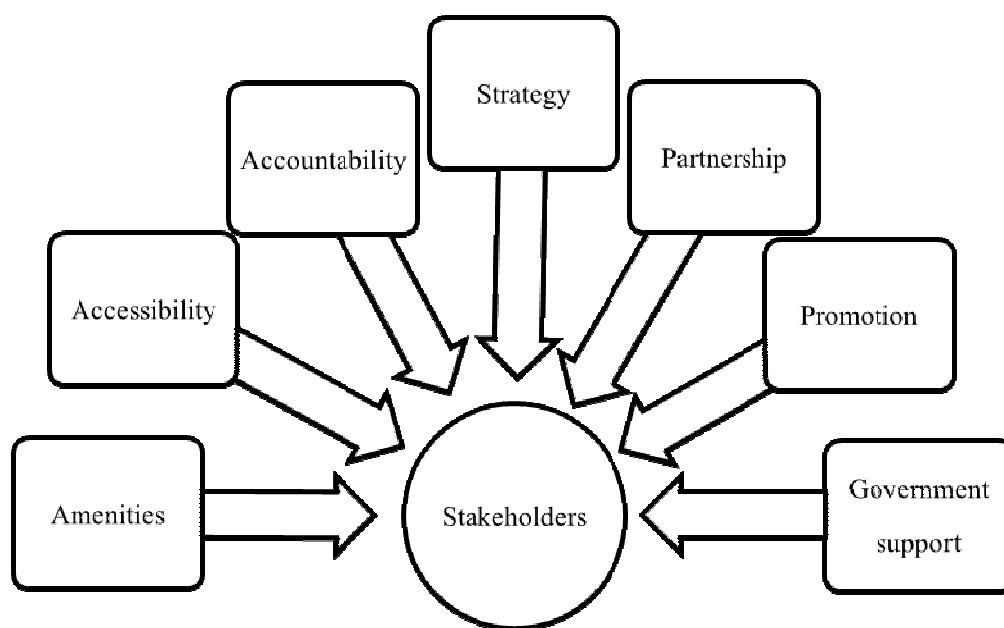
Moreover, the limited capacity of the amenities and accessibility also stops them from promoting it aggressively as reinforced by the argument put forward by Chiappa, (2012); DiPietro et al., (2008), where it has been mentioned that good accessibility, quality hotels, meeting facilities and meeting spaces are the major requirement for a destination in order to be promoted as a venue for such events. Also, when considering the current facilities of Bhutan, it is not at all possible to compete with the neighboring countries such as Thailand, India, Singapore and China because of the availability of world-class facilities with experienced employees along with more focused market strategy and continuous government support (Dwyer & Mistilis, 1999; PATA, 2011). Therefore, based on all these factors Bhutan's positioning is very weak and not visible in the general MICE market. Moreover, from the interviews conducted it can be concluded that there is lot to be done with regard to the development and promotion of Meeting and Incentive tourism.

5.2.2 Objective 2: To examine the perception of stakeholders on Bhutan as a Meeting and Incentive destination.

According to Risteski et al. (2012), destination planning is essential in assessing the potential of a tourism destination by understanding the expectations of the consumers and the actual offer a destination provides. Therefore, this study aims to understand the potential of Bhutan as a Meeting and Incentive tourism destination based on the perception of the stakeholders. The stakeholders' perception has been discussed based on the most frequent mention of the attributes because it is very important to understand the fundamental factors affecting the site selection process (Chen, 2006). The researcher undertakes that the importance of

attributes can be derived from analyzing the number of times an attribute has been mentioned. This has been demonstrated as below:

Figure 5.1 The most common attributes considered important by the stakeholders



Though Bhutan has the potential predominantly because of the appealing destination brand (Oppermann 1996, Chiappa, 2012), there are number of challenges to address prior to developing Bhutan as a Meeting and Incentive destination. There was a common agreement among the stakeholders that currently, Bhutan lacks the infrastructure in terms of amenities and accessibility. This drawback will make it difficult to carry out destination planning to develop Bhutan as a Meeting and Incentive destination since these attributes are the main elements of a destination product provided for quality experience as pointed out by Swarbrooke & Horner, (2001), in the literature review. Also with the limited capacity of the hotels and the airline, Bhutan cannot be promoted to host such events as these attributes mentioned by Oppermann, (1996); Buhalis, (2000); Chiappa, (2012), are vital for a destination to be selected as a venue for such events. Though there are few good hotels with proper facilities suitable for groups smaller in size, it needs further refurbishment. While, the limited capacity of the airline makes it very difficult to bring in huge number of people at once, being the only airline in the country itself imposes some limitations. Therefore, as suggested by Hailin et al., (2000), due to the physical

limitations, Bhutan should emphasize on targeting smaller high-end meetings and Incentive tours. Nevertheless, in future with the development of a new convention center and many new hotels would improve the situation of lack of facilities because of the fact that it has been mentioned in many literature that a destination for Meeting and Incentive tourism will be successful with the establishment of a convention center (Dwyer & Mistilis, 1999; Kim et al., 2003; Rogers, 2008; Cameron, 2010; UFI, 2010, PATA, 2011; Odunga et al., 2011; Yang, 2011; Seabaluck et al., 2013). Referring to the literature review of tourism destination planning process, Bhutan is currently at the “beginning of partly supply-oriented tourism planning stage,” where the infrastructure in context of Meeting and Incentive tourism is being developed (Tosun & Jenkins, 1998).

The quality and efficiency of industrial personnel are equally important for a destination to be selected for such events (Oppermann, 1996; Oppermann & Chon, 1997; Crouch & Ritchie, 1998; Chacko & Fenich, 2000; Taylor & Shortland, 2003; Comas & Mocado, 2005 as cited in DiPietro et al., 2008; Buhalis, 2000; Ananzeh & Chiu, 2012; Chiappa, 2012). On the contrary, Bhutan seems to be lacking these quality because the stakeholders are of the view that there is no professionalism in the service industry. This is similar to the findings of the study conducted by Hailin et al., (2000), where the services provided at the venue were rated as essential but unsatisfactory. In addition to the other attributes, destination providing high level of efficiency has the opportunities to be selected to host Meetings and Incentive tours (Buhalis, 2000). Therefore, it is very important to improve the services constantly with proper training being provided to the services providers, this would resolve the limitation (Hailin et al., 2000).

Even though Bhutan has some weakness for being a destination for Meeting and Incentive tourism compared to its competitors, it also has some strength. For instance, the image of Bhutan as an exotic destination is well known throughout the world. The unique tourism policy of “high value, low impact” creates an impression of Bhutan being a very exclusive destination because many tourists, as explained by Buhalis, (2000), are of the view that the tourism policy is a mechanism to control the number of tourist visiting Bhutan. Nevertheless, Bhutan with this image has the ability to provide a totally unique experience because a unique destination brand directly or indirectly contributes in the selection of venue for such events (Oppermann, 1996; Buhalis, 2000; Chiappa, 2012). Additionally, with the growing popularity of Gross National

Happiness philosophy, Bhutan has managed to gain a lot of attention as being the promoter of this philosophy. Further, because of the vibrant culture and rich natural attractions, Bhutan has comparative advantage over the competitors (Beritelli & Laesser, 2012).

The need of a comprehensive strategy to guide the development of such tours was deemed necessary by all the stakeholders because a strategy for tourism development forms the integral part of destination management planning and referring to the literature, it enables the destination to understand the tourism potential and provides a cohesive approach to maximize the potential (Risteski et al., 2012). Bhutan currently, does not have any plans formulated to develop Meeting and Incentive tourism which is totally in contrast to the statement made by Cameron, (2010), that for destinations competing in a highly competitive market requires a strategic approach to guide the development and promotion of the Meeting and Incentive tourism and thus, gain a comparative advantage. In addition, referring to the review of the Buhalis study (2000), identifying the right target market with the right amalgamation of products and services makes a destination successful in tourism. This strategic approach can be developed through planning so that the required objectives are met and measures to solve the problems that arise from implementing a new product can be developed (Coccosis & Constantoglou, 2006). Therefore, to position Bhutan competitively in this complex market and to be a successful destination based on the destination marketing planning concept by Risteski et al., (2012), a strategy to attract tourism related to such events besides India along with clear and specific criteria to determine which events to be supported by the government and to what extent requires to be developed (Dwyer & Mistilis, 1999). Moreover, the strategy should not only address the visitation periods but also all aspects of impact it would generate and how to create a multiplier effect from such tours (Buhalis, 2000). Further, the development of the strategy should involve all the stakeholders as this enables the strategy to be more representative and encourages participation from the stakeholders (Haugland et al., 2011).

From the destination management planning concept, effective coordination among the stakeholders while developing and promoting a destination is highly required for it to be successful (Bornhorst et al., 2010; Haugland, 2011; Risteski et al., 2012), and the stakeholders interviewed were totally in agreement of this statement. However, though there was an agreement that coordination is very important, currently, there is a lack of coordination among the

stakeholders. Coordination as mentioned by Hall, (1999), is an enormously challenging responsibility, especially in tourism context as there are many diverse stakeholders involved, yet TCBS as being the parent tourism organization should keep the stakeholders informed through effective communication and creating a milieu of collaboration (Bornhorst et al., 2010). Angella & Go, (2009), argued in the literature review that because tourism is a complex and unpredictable industry, it is very important to have coordination in planning and promotion. Likewise, the stakeholders expressed that they should work together to promote such events and through joint promotion a success of a destination can be determined (Bornhorst et al., 2010).

Many Asian countries like Japan, Thailand, The Philippines, Indonesia, Singapore and Hong Kong have been successful in developing such products mainly because of the support from the government in infrastructure development and promotion (Dwyer & Mistilis, 1999). Inversely, this is not the situation in Bhutan because the private sectors expressed that there is no support or assistance provided by TCBS to encourage them to promote such products. Additionally, TCBS, as government organizations, have the responsibility to develop a product in a destination and are also responsible to assist and encourage the private sectors in the development of products by providing incentive and benefits (Buhalis, 2000).

5.2.3 Objective 3: To identify the challenges of developing Meeting and Incentive tourism in Bhutan.

The researcher aimed at identifying and understanding the challenges to develop Meeting and Incentive tourism in Bhutan from the results of the interview that were conducted. Every competing destination face similar challenges ranging from lack of adequate infrastructure, minimum government support, services and standard issue, lack of marketing and promotion (Dwyer & Mistilis, 1999). Bhutan is no exception. There are challenges faced by the stakeholders in developing Meeting and Incentive tourism. The challenges identified are as discussed below:

5.2.3.1 Amenities

As amenities have been rated as the most important factor for the development of Bhutan as a Meeting and Incentive tourism destination, Bhutan currently has very limited good quality facilities for such tours. As pointed out by Chiappa, (2012), that meeting room facilities and availability of large convention center are specifically important because of the high number of participants. Conversely, Bhutan currently lacks capacity in majority of the hotels and

convention center is not available. The whole purpose of organizing meetings and incentive tours is to encourage socialization between the participants so that cooperation and team working skills could be developed. Therefore, it is very important to host all the participants in the same hotel (Chiappa, 2012), yet due to the limited capacity of hotels, it becomes very difficult to accommodate all of them together in one hotel.

5.2.3.2 Accessibility

Accessibility is the key factor in determining the development of tourism and in order for any tourism destination to be successful it should be able to provide a) easy access to a destination, and b) move around the destination in an unrestricted manner (Bhutan Tourism Strategy and Development Plans, 2013-2018). Accessibility is important for both meetings with huge number of participants and for events that requires shorter period of time such as seminars (Chiappa, 2012). Currently, tourist can enter Bhutan by air or by land. There is only one international airport in the western part of the country with only one airline operating, while, there are three entry points by land, two from the southern part of Bhutan and one from the eastern part. Since, the majority of tourists use the airline to enter and exit Bhutan (BTM, 2011), it is a challenge for the airline to meet the demands of the leisure tourists. The airline currently is struggling to meet the demands of leisure tourists. The situation would be worse if Bhutan starts developing and promoting Meeting and Incentive tourism. For such events, tourists come in huge numbers and with the limited capacity of the airline, it would be a huge problem to bring them all together at once. Moreover, the high cost the airfare outweighs the desire of tourists to come to Bhutan. As it has been pointed out by the stakeholders, it has now become an important concern of many companies not to use the same airline by more than two executives and also not to use the same airline in both directions. This creates an issue for Bhutan because there is only one airline operating in the country.

5.2.3.3 Accountability

Irrespective of the nature of such tours, the services of support sectors are required directly or indirectly, thus generating impact and the availability of these services determines whether such tours can be held (Odunga et al., 2011). Moreover, the ability of a destination to provide quality experience to tourist coming for tours related to Meeting and Incentive depends on the services standards of the people involved in organizing these tours. The services offered to

the tourist right now in Bhutan lack professionalism. The majority of the employees working in the hotels are untrained and there is no sense of business development in them. The hoteliers have no option but to hire them because many qualified employees are either working for other big established hotels, not targeting such events or are not at all working in the hospitality industry, thus leaving many hotels with very few or no trained employees.

In addition, the rules and regulations implemented by the government are very cumbersome. The majority of the respondents pointed out that to get an approval for any tourism activities involves a lot of bureaucracy and is very time consuming, thus leaving the private sectors discouraged to take up any new initiative. This has reference to the study carried out by UNIDO, (2008), where it is mentioned that to unleash the potential of private sector to develop, the procedures and regulations have to be streamlined because it consumes time and financial resources, which instead could be used for core business activities.

5.2.3.4 Strategy

Destination is a combination of many different products put together by diverse stakeholders for the tourist to experience. The stakeholders often have conflicting ideas, thus making it difficult to develop and manage a destination (Bhualis, 2000). To manage and develop a destination in a controlled, integrated and sustainable manner, a comprehensive planning is required (Inskip, 1994), and to carry out the planning in a comprehensive way, a strategy needs to be developed. Therefore, a strategy involving all stakeholders is very important for a destination to be successful in implementing any new products. This is not the case in the Bhutan, though there are many plans and guidelines to develop tourism in Bhutan, there is no strategy formulated specifically for the development of Meeting and Incentive tourism. Therefore, the government is not providing guidance or assistance in developing such products.

5.2.3.5 Partnership

Currently, there is a lack of coordination among the stakeholders in Bhutan when developing and promoting any new products. In contrary to Pinto & Kastenholz, (2011), the promotional activities for such tours at a micro level are being carried out individually by majority of the stakeholders, thus providing inconsistent information.

In order for Bhutan to be a successful destination for Meeting and Incentive tourism, TCBS has to efficiently work with the stakeholders. This has been proved by the study conducted

by Borhorst et al., (2010), that the capability of government organization in effectively collaborating with the stakeholders leads to the success of the destination. Further, the result of effective partnership or collaboration among the stakeholders is in producing a quality experience for the tourists (Pinto & Kastenholz, 2011).

5.2.3.6 Promotion

Marketing and promotion is a process to make the destination product available for tourists to consume, therefore carrying out promotional activities efficiently will lead to the visitation of the tourist to that particular destination (Buhalis, 2000). In contrast to what has been pointed out, there were few promotions of such tours, mostly carried out by the hotels through their websites only and it has not proved to be very effective. The promotion activities currently entail the leisure tourist only. Most of the promotion materials developed by the government or by the tour operators has not marketed Bhutan has a Meeting and Incentive destination, which is why there is no or little awareness that Bhutan has the capability to at least host small meetings and Incentive tours.

5.2.3.7 Government Support

Through planning the government has to establish the tourism sector that is competitive among the competitors and leads to the development of the all the tourism stakeholders. In order for Bhutan to be competitive, the stakeholders should be encouraged and supported by providing various benefits because the support of the government makes a destination succeeded in the intense market for such events (Dwyer & Mistilis, 1999; Dwyer et al., 2000). Since it is the responsibility of the government to initiate development of the entire destination by providing incentives to the private sector to further facilitate the development of such products (Buhalis, 2010), TCBS should provide this support. However, this lacks in Bhutan.

5.2.3.8 Seasonality

Seasonality has great implications on the tourism industry and is viewed as a challenge to the development of many areas in the country (Jolliffe & Farnsworth, 2003). Likewise, seasonality is a significant factor that influences and restricts the development of tourism in Bhutan (Uitz & Zeppezauer, 2005). The cultural festivals, being the major attractions, are held in spring and autumn season and also because of the good weather condition permits

tourists to carry out other nature activities too. The increasing demand of hotels and air tickets during the high season makes it challenging to the service providers to meet the demand, whereas, in the low season there is very little demand, therefore leading to the unbalanced development of tourism in Bhutan.

5.3 Recommendations

The study concludes that for Bhutan to be successful in implementing Meeting and Incentive tourism, the challenges that have been identified have to be addressed. Therefore, to address the challenges and to improve the situation of Bhutan as a Meeting and Incentive destination, the researcher has provided the following recommendations based on the findings of this research.

5.3.1 Meeting and Incentive tours to be held during the low season

Seasonality, being the major problem, leads to an unbalanced development of tourism in Bhutan. Though there were a number of initiatives implemented by TCBS in terms of product diversification, the problem has still not been offset completely. This issue was raised by all the stakeholders who were equally concerned. Accordingly, it was suggested that more products need to be developed because the only strategy to attract tourists to come to visit Bhutan when demands are low is to either modify or diversify the product (Koenig & Bischoff, 2005). Therefore, it is highly recommended that such tours should be developed as an initiative to diversify the product and modify it to suit the situation of Bhutan by promoting tours during the low season. This would not only facilitate providing the infrastructure required to host such events, but would also generate business for the private sector when the demands are low. In addition, promoting Meeting and Incentive tourism during low season would assist in curbing the seasonality issue. Further, public-private partnership should be strengthened to promote this segment during the low season and this has been explained in greater detail in the following section.

5.3.2 Public-private partnership to promote Meeting and Incentive tours

For a successful tourism destination, the working of stakeholders in partnership is of utmost importance. TCBS has been working with the tour operators and to certain extent the

hoteliers to promote Bhutan in the international and regional market. However, there has not been any promotion carried out by TCBS as well as the tour operators for Meeting and Incentive tours, though it has been accorded high importance. There is a need to carry out extensive promotion for such events. Only then would Bhutan be able to fall in the limelight of the organizers for such events. Therefore, it is recommended that the promotion of such tours should be carried out in partnership with the tour operators because of their major role in the tourism industry. Tour operators mediate between the tourist and the tourism suppliers, and also have the ability to influence the decision of the tourist (UNEP, 2003). The TCBS should take the lead in developing and promoting such tours because they are the parent organization. TCBS should consult interested tour companies and work together in developing and promoting such product. They should also identify travel fairs, particularly those promoting such products, and attend it together. Moreover, when promoting such events, Bhutan should take advantage of the strengths such as rich culture and image of the country because tourists tend to develop certain views and images prior to their visit, which could have a great influence on their decision-making process (Buhalis, 2000).

Besides the tour operators, hotels should be allowed to carry out their promotions too. Hoteliers should be encouraged to attend travel fairs related to such tours. Further, TCBS should assist in identifying top MICE handlers and allow the private sectors to connect with these organizers for future business because connecting with these organizations is very important to attracting tourists related to such events (Buhalis, 2000).

5.3.3 Develop amenities required for Meeting and Incentive tourism

Based on the result analyses, it can be concluded that Bhutan as of now cannot be wholly open for Meeting and Incentive tourism mainly due to the lack of amenities. Therefore, it is recommended that the facilities essential for Meeting and Incentive tourism should be enhanced in order to maximize and capitalize on the existing infrastructure. The existing hotels that are catering to such events should improve their facilities and the new hotels being built should have international standard well-equipped conference hall with the capacity to host huge groups. The unavailability of a convention center was also an issue identified by the stakeholders. However, the building of a convention center initiated by the government will to a certain extent address this drawback. Further, not only the private sector and the government, organizations such as the

NGO's and corporations should develop good standard conference halls with the required facilities, which could be used for the domestic market and the commercial venues could be left solely for Meeting and Incentive groups coming outside of Bhutan. This will not only ease the amenities issue but will also contribute in generating substantial revenue for these organizations.

It is also recommended that TCBS should be fully responsible for monitoring and supervising the hotels in the country. Currently, the Ministry of Economic Affairs is the licensing authority for establishment of any hotels in Bhutan. TCBS is just carrying out the monitoring of standards and services in the hotel. With the current system, it does not allow TCBS to fully control the functioning of the hotels and implement changes that is required for the development of tourism in the hospitality industry.

5.3.4 Improve accessibility and develop competitive pricing of airfare

Accessibility is the most important factor that influences the development of a tourism destination. It is therefore very important for a destination to be easily accessible. Moreover, a place like Bhutan where there is only one airline operating, accessibility by air plays a critical role in the development of the tourism industry. There is a need to improve the accessibility of airline in terms of capacity and connectivity and also develop a competitive pricing of the airfare. The airline has to look into increasing their capacity by either purchasing a new aircraft or by increasing the frequencies of the flight. Though, the airline is broadening their connectivity to many new destinations, it would not be enough. There is a need to increase it to countries where there is market for such events such as Mumbai, Hong Kong, and Bangalore. Moreover, there is a need to develop a competitive pricing of airfare, as it has been pointed out that the airfare is so expensive that it actually discourages the tourist to visit Bhutan. In addition, the private airline company, Bhutan Airline, should start its operation soon and should provide good connectivity with reasonably priced airfare therefore offering choices for the travelers.

Further, the airlines of Bhutan should tie up with airlines of other countries to offer interconnection services so that it would be convenient and easy for the tourists to travel.

5.3.5 Improve coordination among the stakeholders

For a destination to be successful in attracting tourists for Meeting and Incentive tourism, strong connections have to be developed with all the sectors within and outside the country involved in the development of tourism industry. This is very important because these organizations have great influence on the decisions making process of tourists for such events (Bhualis, 2000).

Working in partnership with all the stakeholders will enable the TCBS to understand the requirement of tourist related to such tours and therefore, will be able to offer suitable services to provide quality experiences for the tourist. This has been explained by Bhualis,(2000), that coordination among the stakeholders is the main ingredient of destination to develop and provide quality products.

5.3.6 Develop a strategy particularly for Meeting and Incentive tourism

The high intensity in the competition among the tourism destination requires the destination to be well managed and then only the destinations can be successful in the tourism industry (Bhualis, 2000). For a destination to be successful in implementing any new tourism products, there is a need to formulate a comprehensive strategy where all the factors related to the development and promotion of such products are addressed. The strategy should encompass how to attract royalty-paying tourist for such events. Further, the criteria developed to provide government assistance to tourists coming for such events, should clearly specify the extent of government support and the types of events that will be supported. If Bhutan has a proper strategy to develop and promote Meeting and Incentive tours, then there would not be any glitches later. However, the strategy should be developed in consultation and in coordination with all the tourism stakeholders, so that the strategy is well represented and instills a sense of ownership.

5.3.7 Enhance the human resource capacity within the private sector.

The lack of professionalism in the services provided by the hotels to the tourist was one of the major concerns of the stakeholders. As it has been pointed out in the study conducted by Oppermann, (1996), the quality of hotel services are considered an important factor when such events are being organized. It is recommended that training to improve the quality of services

should be provided. With the establishment of the Royal Institute of Tourism and Hospitality (RITH), TCBS has been providing such trainings and should continue to do so. The training should be provided on a regular basis during the lean season as this would not affect the functioning of the hotels. Moreover, this would enable the hotels to be equipped to serve the tourist for any related tours with enhanced skills of the employees and therefore, providing professionalism in the hospitality sector. In addition, there should be continuous monitoring of services by TCBS, so as to ensure that the services and standards are up to the standard.

Likewise, the capacity within the tour operators should be built in order to be able manage such events. Specialization trainings should be provided to tour operators so that they can specialize in particular segment such as Meeting and Incentive tourism. Further, a tour operator classification system should be developed in order to classify the tour operators based on the nature of their business. This will empower the tour operators to provide quality services to the tourist and will further enable a fair and transparent competition amongst them. At present there are no specific tour operators managing such tours because of the unavailability of training and classification system.

It is also recommended that any government organizations hosting such events should outsource to the tour operators or the hotels, so that they could gain professional experience in organizing such events for the planning of future events.

5.3.8 Clear communication of policy

The government has offered to support private sectors bringing in tourist for Meeting and Incentive tourism, and in the past TCBS has provided incentives such as waiving royalty and visa concessions to the private sectors. However, according to research findings, it is evident that the majority of stakeholders are not aware of these incentives. There is a lack of communication between the stakeholders. Therefore, it is highly recommended that a communication mechanism be developed to inform the stakeholders whenever such policies are being developed and implemented, so that they would be aware and be able to take advantage of such incentives.

5.4 Limitation and suggestions for further study

This research is focused on providing the current situation of Bhutan as a Meeting and Incentive destination and further, seeks to understand the perceptions of the stakeholders on Meeting and Incentive tourism as a product for Bhutan. Though this research tried to provide a holistic view of the perceptions there are some limitations which could be extended and integrated in future research.

The investigation was carried out to understand the perception of tourism stakeholders, however, due to the limited time, the researcher focused only on the supply side of the destination of the Meeting and Incentive tourism, interviewing only resident stakeholders. Future research could focus on studying the perception of the demand side of Meeting and Incentive industry such as the tourists and the organizers of these tours to Bhutan, to get their opinions on why they chose Bhutan for Meeting and Incentive tourism. In this way, complete understanding of the potential of Bhutan as a Meeting and Incentive tourism destination would be accomplished.

Further, another interesting suggestion for future research would to be conduct a study comparing the situation before and after the criteria for providing government assistance has been developed and implemented. This would provide a clear picture on whether formulating the criteria was the best strategy to develop such tours in Bhutan.

Finally, a study comparing the development of Meeting and Incentive tours in Bhutan and its neighboring countries, where such events has been very successful, should be carried out. The success stories of these countries would be very helpful in improving Bhutan's current situation.

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APPENDICES

Appendix A

Interview Questions for Government organizations

Assessment of stakeholder's perception of Bhutan as a Meeting and Incentive Destination

1. What is your opinion about the current situation of Bhutan as a Meeting and Incentive destination?
2. How do you perceive the overall impacts of Meeting and Incentive tourism development in Bhutan?
3. What is Bhutan's positioning on the MICE market? What are the strengths and weaknesses of Bhutan as a Meeting and Incentive destination, compared to its competitors?
4. Which strategy has been implemented to improve Bhutan's Meeting and Incentive industry, for the past few years? (Pricing Policy)
5. What are the most important attributes about Bhutan, which makes it an important destination for Meeting and Incentive? According to you, for which reasons should Bhutan be selected to hold Meeting and Incentive events?
6. What is your opinion about the existing infrastructures to hold Meeting and Incentive events? Are they sufficient for the current demand?
7. What kind of problems do you anticipate in promoting Bhutan as a Meeting and Incentive destination?
8. How do you promote Bhutan as a Meeting and Incentive destination? Which type of communication do you use and which markets are you dedicating your communication to?
9. What do you think about the future developments that are going to be carried out, such as the new convention center, the airport expansion and the building of new hotels?
10. Finally, what recommendations and improvements should be made in order to improve the competitiveness and visibility of Bhutan's offer

Appendix B

Interview Questions for Associations

Assessment of stakeholder's perception of Bhutan as a Meeting and Incentive Destination

1. What is your opinion about the current situation of Bhutan as a Meeting and Incentive destination?
2. How do you perceive the overall impacts of Meeting and Incentive tourism development in Bhutan?
3. What is Bhutan's positioning on the MICE market? What are the strengths and weaknesses of Bhutan as a Meeting and Incentive destination, compared to its competitors?
4. According to you, to what extent has the government been successful in promoting Meeting and Incentive in Bhutan? What are your main concerns
5. What are the most important attributes about Bhutan, which makes it an important destination for Meeting and Incentive? According to you, for which reasons should Bhutan be selected to hold Meeting and Incentive events?
6. What is your opinion about the existing infrastructures to hold Meeting and Incentive events? Are they sufficient for the current demand?
7. What kind of problems do you anticipate in promoting Bhutan as a Meeting and Incentive destination?
8. How do you promote Bhutan as a Meeting and Incentive destination? Which type of communication do you use and which markets are you dedicating your communication to?
9. What role can your organization play in promoting Bhutan as a Meeting and Incentive Destination?
10. What do you think about the future developments that are going to be carried out, such as the new convention center, the airport expansion and the building of new hotels?
11. Finally, what recommendations and improvements should be made in order to improve

the competitiveness and visibility of Bhutan's offer?

Appendix C

Interview Questions for Hotels and Tour Operators

Assessment of stakeholder's perception of Bhutan as a Meeting and Incentive Destination

1. What is your opinion about the current situation of Bhutan as a Meeting and Incentive destination?
2. How do you perceive the overall impacts of Meeting and Incentive tourism development in Bhutan?
3. What is Bhutan's positioning on the MICE market? What are the strengths and weaknesses of Bhutan as a Meeting and Incentive destination, compared to its competitors?
4. According to you, to what extent has the government been successful in promoting Meeting and Incentive in Bhutan? What are your main concerns?
5. Do you think that Bhutan's hotels, in general, have adapted themselves to the development of Meeting and Incentive tourism?
6. What have you put in place in your own hotel so as to attract more Meeting and Incentive tourist and to respond to their higher expectations? How do you differentiate your product from the ones of your competitors?
 - a. Who are your clients? How do you promote your product? Which channel of distribution do you use to sell your product?
 - b. What percentage does Meeting and Incentive tourism have in your activity?
 - c. What is your price policy for Meeting and Incentive tourism product?
7. What are the most important attributes about Bhutan, which makes it an important destination for Meeting and Incentive? According to you, for which reasons should Bhutan be selected to hold Meeting and Incentive events?
8. What is your opinion about the existing infrastructures to hold Meeting and Incentive events? Are they sufficient for the current demand?

9. What kind of problems do you anticipate in promoting Bhutan as a Meeting and Incentive destination?
10. What role can your organization play in promoting Bhutan as a Meeting and Incentive Destination?
11. What do you think about the future developments that are going to be carried out, such as the new convention center, the airport expansion and the building of new hotels?
12. Finally, what recommendations and improvements should be made in order to improve the competitiveness and visibility of Bhutan's offer?

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