

# MACAO'S MICE DREAMS: OPPORTUNITIES AND CHALLENGES

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## ABSTRACT

The casino sector, particularly in its post liberalization phase since 2002, has been the principal growth driver behind the phenomenal growth in tourism witnessed by Macao in recent years. Given the downside of over-reliance on a single growth engine (gaming, in this case), policymakers have recognized the significance of the MICE sector in contributing to a sustainable and robust growth of Macao's tourism driven economy. The unprecedented spurt in tourism infrastructure development is transforming this once sleepy enclave into the Las Vegas of the East and it is in this context that this study analyzes Macao's position as an emerging MICE destination.

The challenges that Macao has to contend with and the opportunities it can leverage as a MICE destination in its own right are discussed in this paper. Results of a survey using a convenience sample of regional stakeholders are used in assessing the factors that determine the building of a successful MICE destination and Macao's performance indicators vis-à-vis these attributes are assessed. Building on an earlier version of this study, an overview of the post-survey developments is provided. The issues that this study brings into focus can help inform policy making and execution that will enhance Macao's image and position as a competitive MICE destination.

## KEY WORDS:

MICE, Macao, destination positioning, stakeholder perceptions

## INTRODUCTION

The Macao Government's administrative policy in 2002 positioned gaming as the leading economic activity of Macao. The policy further stated that tourism and MICE be developed in a coordinated manner to strengthen the overall economic activity in the region. The MICE and gaming industries are to be developed jointly because boosting MICE segment serves the growth of the lead industry, i.e. gaming. This line of argument has confirmed Macao's official support in the development of MICE-related economic activities. As Chan (2006) has pointed out in the case of Macao, the over reliance on the gaming sector as an economic growth engine poses a discernable risk to socio-economic stability.

Macao's image as a tourism hub is chiefly attributable to its gaming industry. That said, Macao also boasts of

heritage tourism assets, thanks to the over four centuries of Portuguese colonial presence, which ended in 1999, when Macao reverted to Chinese sovereignty under the 'One Country, Two Systems' formula. The roots of the gaming sector in Macao date back to the early 1960s when the then Portuguese administration granted casino monopoly to Sociedade de Turismo e Diversoes de Macau (STDM), in lieu of which the gambling monopoly had been paying an annual gambling tax representing a significant portion of Government revenues. The monopoly arrangement has drawn to a close as of 2002, and in its wake, has introduced competition by virtue of public bidding for licences which, along with STDM in its new avatar as Sociedade do Jogos de Macau or SJM, have been awarded to major gaming conglomerates such as the Venetian, Galaxy Casinos and Wynn Resorts and

then though subsequent sub-concessions, to MGM and PBL-Melco.

The Venetian's Macao property which opened its doors to business in late August 2007 has infused Las Vegas inspired concepts and practices in its MICE operations. As a consequence, this has provided a fillip to local policy makers' aspirations of positioning Macao as an elite MICE destination, meeting international standards that can compete for patronage of high-end clients. The hosting of the Macao International Fair, Mega Macao Exhibition, Wine and Gourmet Asia 2007, Mobile Asia Congress 2007, Motor World Macau and the Third International Hotel Equipment and Supplies Expo within the first quarter of the Venetian's operations illustrates this point.

Macao has recorded impressive visitor arrival figures in the past years. Statistical data sourced from the Macao Government Statistics and Census Bureau (DSEC, 2007) indicate that the total visitor arrivals in Macao grossed almost 22 million in 2006, an increase of 17.6% over the previous year's figures. The per capita visitor spend which had shown a drop of over 4.5% in the preceding year, registered a growth of circa 5.5% in 2006, standing at about US\$191 (DSEC, 2007). The challenge before Macao's tourism industry stakeholders is to ensure that the quantitative growth is matched by qualitative augmentation as well. This implies having a diversified portfolio of tourism assets, and not solely gaming. Towards this end, MICE-tourism is business driven, and creates a multiplier effect across the industry verticals. In comparison with mass tourism usually associated with leisure, MICE provides a high return per capita. It is identifiable through the four characteristics: 1) Profitability, 2) Non-seasonal tourism activity, 3) Destination brand loyalty (repeat tourists), 4) Green tourism industry. In the context of the discussion in this paper, in conformity with the prevailing situation and the priorities set by the Macao Government, the definition of MICE pertains largely to meetings, conventions and exhibitions. The incentive component is still in a nascent stage in the Greater China region and large parts of Asia, which form Macao's principal source markets. In the interest of continuity, however, the acronym MICE has been retained in the text of this paper.

## LITERATURE REVIEW

Though there is extensive literature available on the MICE industry in other key destinations, limited research has been published on this subject with reference to Macao. What sets Macao apart from the other key MICE destinations in the region is the existence of a strong gaming sector, which is the principal economic growth engine in this context, thereby putting it in the 'exclusive league' of Las Vegas and Atlantic City. In one of the pioneering papers on Macao's MICE industry, Leong and Chaplin (1998) conducted a longitudinal study on satisfaction levels of overseas participants at the Macao International Fair (MIF). An important observation that emerged from the study was the concern on part of the exhibitors about the lack of clientele.

Leong (2002) had also brought to the fore issues relating to human resources development and core competencies demanded by the industry. With reference to capacity building, He (2002) has advocated that Macao take a cue from more successful MICE destinations in Mainland China such as Beijing, Shanghai, Guangzhou, Dalian and Shenzhen. McCartney and Kong (2003) have explored the strategic compatibility of gaming and MICE in Macao from the perspective of government policy and have concluded that Macao's development trajectory will be similar to that of Las Vegas and Atlantic City. This view is in conformity with the work of Fenich and Hashimoto (2004) done in the context of Las Vegas and Atlantic City that explores the dichotomy between MICE and gaming and tracks their growth trajectory.

That said, in comparing the future growth trajectory of Macao's MICE industry with that of Las Vegas or Atlantic City, it is essential to take cognizance of the distinct initial conditions (or the starting points). As Smith and Hinch (1996, p. 38) have pointed out, 'Casinos in Las Vegas have consciously divorced themselves from their natural environment. Las Vegas is literally an oasis that has been created by developers in the desert'. In Macao's case, over four centuries of Portuguese legacy have left in its wake, an unique blend of Sino-Portuguese heritage assets (Chaplin and Nadkarni, 2004). These constitute tourism attractions in their own right, some of which have been accorded UNESCO World Heritage status. To what extent and how these tourist assets will influence the growth curve of the MICE sector in Macao is not clear at this 'take off' stage as there are no precedents to go by

and this validates Mason and Cheyne's (2000, p. 400) view that "there are few studies on the perceived impacts of tourism either prior to any development or when it is not yet seen to be a significant economic area of activity for a region". Thus, any comparisons with Las Vegas or Atlantic City will have to take this differentiating factor into consideration. Hence, documenting stakeholder perceptions on the existing ground realities and their impact on the potential of the 'sunrise' sector (MICE in the case of Macao) provides a framework for monitoring, interpreting, comparing and possibly, forecasting this trajectory. As hitherto discussed, the research done thus far on Macao's MICE industry has covered, albeit in a limited manner, issues pertaining to customer satisfaction, human resources, destination competitiveness and policy. A critical 'missing link' in this repository of research themes has been a study on stakeholder perceptions, and this paper, building upon an earlier version of this study published by the authors (Leong and Nadkarni, 2006), attempts at addressing this gap.

### Macao as a Mice Destination

#### The Pros

Key policymakers in Macao have emphasized that a more advanced and wider vision should be placed towards the future development of the MICE industry in Macao despite the constraints imposed by its limited land area. By 2009, it is expected that the MICE sector will experience a strong growth trajectory in parallel with Macao's overall economic development. As of now, the status of MICE in Macao is similar to that of Macao's textile industry in the 60s. Relevant tourism indicators strongly suggest that this is a sunrise sector. To capitalize on this potential, businesses will need to proactively augment resources, both, human and infrastructural.

Towards this end, Macao's gaming concessionaires who are also betting significantly on MICE, have committed to invest circa \$2.5 billion in MICE infrastructure in addition to the development of mega-casino projects. Unlike in the case of Las Vegas where there was a prolonged phase wherein the casino conglomerates failed to recognize the importance of the convention business (Ghitelman, 1997), the gaming concessionaires in Macao have recognized the economic potential of positioning gaming and MICE as complementary segments.

Table 1: Macao's Convention and Exhibition Capacity (Q4, 2007)

With a bouquet of MICE facilities coming upstream, Macao, with its array of other entertainment and leisure assets will have a competitive advantage over well established 'vanilla flavoured' MICE destinations in the region, particularly neighbouring Hong Kong. Macao can therefore expect its visitor profile to grow not just quantitatively, but also qualitatively in terms of yielding a higher per-capita return, though competition from Singapore with its upcoming integrated resorts which include casinos would be something to watch out for.

The Closer Economic Partnership Arrangement (CEPA) between Macao and Mainland China has stood to benefit Macao's economy as a whole and the tourism sector in particular. In relation to the lucrative China market, Macao's investors could skilfully leverage the provisions of the CEPA to its advantage. The Cross Border Industrial Region is a case in point. A special tax exempt corridor has been established in Zhuhai (Macao's neighbouring city across the border in Mainland China) where imported items for exhibition purposes are not liable to custom duties. Businesses and entrepreneurs can travel to this corridor for exhibition purposes and the zone has liberal foreign exchange and visa regimes.

The potential target market for Macao's tourism services (including gaming and MICE) factored with respect to geography and history, does provide scope for optimism. Across the border from Macao, there are circa 30 million people in the western Guangdong province, which is one of China's most prosperous regions. Also, there are about 200 million in Luso-phonc countries that share a common Portuguese colonial legacy with Macao. Macao's hosting of the first Lusofonia Games in October 2006 is a case in point. Over three billion are within five hours flight time from Macao, and many of them belong to emerging markets that have shown sustained and rapid economic growth. The challenge is to focus on the critical success factors that will allow Macao to make good this opportunity in the years ahead.

#### The Cons

The discussion hitherto has focused on the future potential. Of immediate concern however, are the existing

<i>Venue</i>	<i>Convention (sq. ft)</i>	<i>Exhibition (sq. ft)</i>
Fisherman's Wharf	56,600	29,500
Macao East Asian Games Dome	32,300	29,800
Macao Tower	32,000	19,900
Macao Forum		18,300
Venetian (Macao)	163,900	803,000
<i>Total</i>	<i>284,800</i>	<i>900,500</i>

Source: Macao Business

ground realities, which, if not tackled appropriately, would hinder Macao's ambitions of positioning itself as a favoured MICE destination. Macao is a relatively small city with a population of little under half-a-million people and a land area of circa 27 square kilometres. Until the opening of the Venetian in August 2007, Macao had played host to small and medium events with the capacity to hold mega-events hitherto untested. Prior to the Venetian's property coming on stream, there was just over two hundred thousand square feet of exhibition and convention space in Macao. These were spread across 4 dedicated meeting and exhibition venues and 18 hotels (8 five star, 7 four-star and 3 three-star) with meeting facilities, with the largest exhibition hall being able to accommodate only up to 100 standard booths (MGTO, 2006). Table 1 provides a snapshot of Macao's MICE capacity as of Q4 2007, which totals a staggering 1.2 million square feet. As can be seen from the table, the opening of the Venetian has had a 'disruptive' effect on Macao's MICE landscape. Whether or not other venues can benefit from a trickle down effect of the perceived image boost the Venetian has provided to Macao as a MICE destination is a topic that merits further research in the years to come. Murray (2007) estimates that the Venetian effect will attract an additional 1.12 million business travellers to Macao every year, generating at least US\$ 350 million in non-resident expenditure per annum.

Against this backdrop, a carrying capacity study commissioned by the Macao Government indicated that

unless capacity was augmented, Macao's accommodation capacity would be saturated in 3 to 4 years, though these figures seem obsolete in face of the fast paced changes that have been occurring in Macao's 'tourismscape'. Despite new hotels opening for business in the interim period, the supply of hotel rooms has been very tight during peak seasons. The unusually high increments in room prices have drawn public concerns and its effects are palpable. Notwithstanding such high growth in tourist arrivals (almost 22 million in 2006, representing a jump of 17.6% over the 2005 figures), the increase in hotel occupancy rates, was less than 2% in the corresponding period (DSEC, 2007). This is insofar as the leisure market is concerned. If the hotel rooms in Macao were to hypothetically increase by 100% this year, there will still be an under capacity in terms of accommodating the participants, though the Venetian Resort's 3000 suites has alleviated this problem to an extent.

Given that Macao's economy has come to rely heavily on tourism (gaming in particular), manufacturing is a sun-set sector. Garment and knitting industries with a traditional base in Macao since the last four decades have been steadily moving operations across the border to Mainland China. Thus, other than gaming and tourism themed events, conventional wisdom would suggest that there will be limited scope for hosting conventions and exhibitions with a strong 'home base' in Macao.

Though there are infrastructure bottlenecks at present, these will be gradually eased with expansion and augmentation of capacity as the mega-projects by the casino concessionaires begin to come on stream in the next three years. The most significant challenge that Macao's tourism sector faces however, is a dearth of human resources and in the coming years, the severity of this problem is only likely to increase. From the perspective of long term planning, this aspect had not figured on the priority list of the policymakers until recently. A case in point is the monopoly on tourism and hospitality courses accorded to a publicly funded quasi-vocational tourism institute until 2003, which despite hefty budgets (circa US\$8 million per annum) with a total staff strength of about 100, of which under 20% are faculty, and about 500 higher diploma and complimentary bachelor degree students (as of 2003), has been unable to cope with the industry growth and demand. Since 2003, other higher education institutions in Macao started gaining approval from the Macao Government to launch tourism related degree programs at both undergraduate and postgraduate levels. Specifically with reference to MICE, another challenge is that there is hardly any tourism practitioner in Macao who has been professionally engaged in the industry. This has led to the lack of professionals proficient in practical application of skills and possessing the required training.

The following data provide an insight into the low baseline in education and training prevailing in Macao in 2002, when the gaming industry was deregulated and the mega-development projects conceived. According to official statistics (DSEC, 2007) as of the second quarter of 2002, 36% of the 200,000 employable population were educated only up to the primary level, 17.5% had completed higher education and only 13.5% had tertiary/post-secondary qualifications. Guesstimates by stakeholders suggest that within the next three years, the industry will require circa 35,000 trained personnel at various operational and managerial levels across the industry verticals. As things stand at present, the education system is not geared to meet this spike in demand and Macao will have no option but to rely on imported labour and expatriates in the medium term. On that note, the language skills of the local workforce also leave a lot to be desired. With overseas investors and expatriates (Americans and Australians in particular) relocating to Macao, it is revealing to note that under 9%

of the local high schools use English as a medium of instruction (Chan, 1999) whilst 84% teach in the local dialect Cantonese, which is not spoken by most of Mainland Chinese, who constitute a majority of the visitors to Macao.

Another point worth noting is that as of now, over 95% of Macao's visitors are from the Greater China region (Mainland China, Hong Kong and Taiwan). Any political, economic or social crisis in the region will have a potentially devastating effect on Macao's economy. At present, Macao's air connectivity is largely confined to the cities in Mainland China and Taiwan, though the recent foray of low cost carriers, including Macao's home grown Viva Macao have considerably improved connectivity to South East Asia and even as far as Australia.

Macao's image as a gambling Mecca and the perceived lack of diversified tourism products coupled with its small size are creating an impression in the tourist psyche that it is a day-trip destination. This also serves as a pointer to the fact that tourism destinations are not very systematically organized (Ng, 1997).

Macao also cannot afford to turn a blind eye to the emerging competition in the neighbourhood. The Singapore Government has given a green signal to the development of a gaming industry with a strong MICE component. With its far superior infrastructure, legal and education systems, diversified portfolio of tourism products and international connectivity, Singapore can pose a serious challenge to Macao's ambition to become the regional Mecca of gaming and entertainment. It is also worth noting that Taiwan is mulling legalizing gaming on its Peng Hu Island.

On the intangible front, Macao's fast fading Latin European legacy after over four centuries of Portuguese presence is making it increasingly difficult to distinguish itself from other urban centres in Mainland China.

#### A Survey on Stakeholder Perceptions

As was stated in the section on literature review, this paper seeks to further consolidate the body of knowledge on the MICE sector in Macao by factoring inputs from stakeholders, comprising policy makers, practitioners, experts and scholars, concerning the pertinent conditions and elements for positioning Macao as a premier MICE

destination. The discussion has been developed on the basis of an earlier version of this study published by the authors (Leong and Nadkarni, 2006)

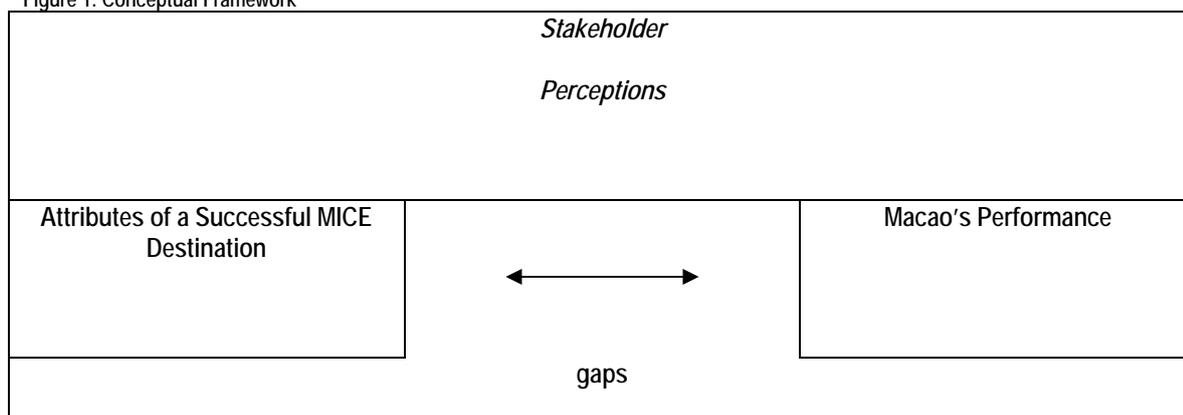
**RESEARCH FRAMEWORK AND INSTRUMENT**

The scope of the survey was to solicit stakeholder perceptions vis-à-vis the relevance and importance of attributes that contribute towards developing a successful MICE destination, and benchmarking these against the prevailing “ground realities” in Macao which were highlighted in the preceding paragraphs. Such an approach was adopted so as to help identify the critical gaps and lacunae that Macao needs to address in order to position itself as a competitive MICE destination. The conceptual framework is illustrated in Figure 1. In view of the relatively small sample size and its nature

(convenience, as opposed to random), one-to-one interviews or focus group approach would have been a more appropriate research tool than a survey questionnaire. On account of time and resource constraints however, the survey method was adopted.

The instrument used in this survey was a questionnaire that was adapted from the work of Go and Zhang (1997). The contents of the questionnaire were formulated along two vectors (i) Critical attributes for a successful MICE destination (ii) Macao’s performance indicators. There were a total of 36 close ended questions measured on an ordinal 5 point Likert scale. So as to minimize loss of critical inputs and ensure further comprehensiveness, additional five open-ended questions were included.

Figure 1: Conceptual Framework



**METHODOLOGY AND ANALYSIS**

The questionnaire was suitably amended after the pilot phase. The target population comprised of industry stakeholders, both, overseas and local, representing professional bodies, MICE sector entities, tourism associations, and commercial enterprises; public sector organizations (e.g. Macao Government Tourist Office and the Macao Institute of Trade and Investment Promotion) and academics from institutions of higher learning that offer tourism programs. In the interest of time, logistical considerations and canvassing a wider geographical footprint, recourse was taken to a convenience sample by distributing the questionnaire to targeted participants during the International Conference in MICE Tourism Education and Industrial Development in the Asian Pacific Region held in Macao on 18-19 August 2005. Thus, in

this case, the stakeholders also ‘doubled’ as convention delegates. The delegates were from Australia, China, Hong Kong, India, Japan, Taiwan, the US, UK and Vietnam and of course Macao. There were 15 local participants of which 10 were industry representatives and the other 5 were policy makers (civil servants). Out of a total of 130 non-Macao participants, an overwhelming majority (84%) were from Mainland China. Apart from academics and representatives of state policy making entities, industry stakeholders from China were well represented at the conference by senior officials from heavyweight entities (e.g. China Council for Promotion of International Trade, Beijing International Exhibition Center, China Association for Exhibition Centers, China International Exhibition Center Group Corporation, Chengdu International Exhibition and Convention Center).

As was mentioned, over 95% of Macao's visitors come from the greater China region. Also, this region contributes very sizably to Macao's private sector investment. Though exact figures are not available, it is a well accepted fact that apart from the much publicized American investment in the gaming sector, Mainland Chinese entrepreneurs have a significant stake in hospitality and entertainment businesses in Macao. Thus, given the strong dependence on Chinese capital (supply) and visitors (demand), the responses obtained from the convenience sample (comprising overwhelmingly of Mainland Chinese delegates) used in this study gives a reasonably fair representation of the perspectives of stakeholders of Macao's MICE industry.

Of the 86 completed questionnaires received, 76 (or 88%) were valid. The data were subjected to factor analysis using the Principal Components method with

Varimax rotation in an attempt to consolidate the categories in the questionnaire. The Kaiser-Meyer-Olkin (KMO) test yielded a value of 0.48, which was lower than the minimum threshold of 0.7, thereby imposing limitations on the reliability of the output using this technique. The KMO test being a measure of sampling adequacy, this outcome can possibly be attributed to the relatively small sample size used in this study.

Given the limitations of applying conventional factor analysis to this dataset, an alternative approach suggested by Morgan and Grigeo (1998) using conceptual analysis, summated scales and reliability check with Cronbach's alpha (minimum threshold at 0.7) was adopted. The output, after converting to mean percentages for ease of interpretation, is shown in Table 2a (Critical attributes for a successful MICE destination) and Table 2b (Macao's performance indicators).

Table 2 (a): Critical attributes for a successful MICE destination

<i>Factors</i>	<i>Attributes</i>				
	<i>Least Important</i>	<i>Less Important</i>	<i>Moderate</i>	<i>Important</i>	<i>Very Important</i>
(A) MICE facilities and lodging	0.00%	0.00%	4.17%	45.56%	50.27%
(B) Cost & affordability	0.00%	0.66%	13.16%	39.15%	47.04%
(C) Leisure and entertainment facilities	0.00%	1.59%	11.61%	46.70%	40.10%
(D) Service quality & professionalism	0.00%	0.44%	4.32%	46.62%	48.69%
(E) Infrastructure & accessibility	0.00%	0.66%	13.27%	44.70%	41.37%
(F) Business-friendliness & image	0.00%	0.22%	8.77%	48.25%	42.77%
(G) Government support	0.00%	0.99%	6.58%	41.12%	51.32%

It needs to be emphasized that the tabulated factors are conceptual, and not derived on the basis of standard principal component extraction method on account of the hitherto discussed low KMO values attributable to a relatively small sample size. The reliability of the

conceptual factors was tested using Cronbach's alpha. Except for 'Business-friendliness & image' ( $\alpha = 0.62$ ) in Table 2 (a) and 'Service quality & professionalism' ( $\alpha = 0.59$ ) in Table 2(b), the rest of the factors returned  $\alpha$  values greater than the minimum threshold of 0.7, thereby

Table 2 (b): Macao's performance indicators

<i>Factors</i>	<i>Performance indicators</i>				
	<i>Very poor</i>	<i>Poor</i>	<i>Moderate</i>	<i>Good</i>	<i>Excellent</i>
(A) MICE facilities and lodging	0.88%	4.39%	46.27%	43.42%	5.04%
(B) Cost & affordability	0.66%	2.31%	42.44%	45.72%	8.88%
(C) Leisure and entertainment facilities	0.00%	3.42%	36.32%	49.74%	10.53%
(D) Service quality & professionalism	0.00%	3.20%	36.28%	52.07%	8.46%
(E) Infrastructure & accessibility	0.00%	2.96%	36.51%	51.32%	9.21%
(F) Business-friendliness & image	0.00%	1.98%	34.65%	50.88%	12.50%
(G) Government support	0.00%	1.65%	37.50%	47.37%	13.49%

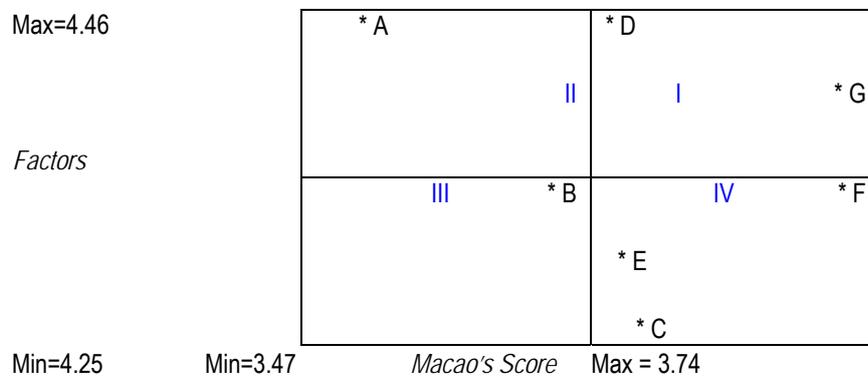
allowing for a cautious acceptance of their reliability, in view of the limited sample size.

So as to determine the perception gap between what the stakeholders considered as attributes critical for a successful MICE destination and their assessment of Macao's standing vis-à-vis these attributes, the weighted averages for each of the six factors in Table 2 (a) and Table 2 (b) were calculated over the 5 point Likert scale. The differences between the weighted averages with respect to each factor were computed in order to identify the magnitude and direction (whether positive or negative) of the gap. The results are shown in Table 3. On a note of caution, as both the scales (on the basis of which the weighted averages were computed) are ordinal, the differences are not 'absolute' in the real sense and are therefore intended for heuristic interpretation. Hence, as shown in Figure 2, the perception gaps were mapped on to a two dimensional grid, using the Importance-Performance technique developed by Martilla and James (1977). The y-axis represents the attributes deemed as critical success factors for a MICE destination (importance) whereas the x-axis represents Macao's score (performance). The weighted averages of the scores and attributes shown in Table 3 were organised as paired coordinates and plotted on the grid. For instance,

the coordinates for MICE facilities and lodging (Group A) were (3.74, 4.46). The difference between the x and y values indicates the magnitude of the performance-expectation gap, which in this case is -0.72. The negative sign indicates that performance lags expectation.

This analysis based on the close-ended questions in the survey instrument is supplemented by the responses to the open-ended probes for gauging the respondents' views on the possible roadblocks and perceived advantages for Macao's quest to position itself as a MICE destination. On the issue of roadblocks, the principal themes of concern were (i) space limitations (ii) poor air connectivity (iii) insufficient infrastructure (facilities, venues, transportation) (iv) image strongly associated with being a gaming destination (v) strong competition from established destinations in the neighbourhood (Hong Kong, Guangzhou) (vi) unfavourable cost-to-quality ratio. The gist of the responses pertaining to Macao's perceived advantages were (i) casinos provide a value added to MICE (ii) unique 'East-meets-West' culture (iii) strong support from government (iv) friendly local population (v) relatively flexible immigration/customs requirements for Mainland Chinese nationals.

Figure 2: Importance-Performance Matrix



(The figure is a conceptual representation and not drawn to scale)

**DISCUSSION AND INFERENCES**

With reference to the Importance-Performance matrix shown in Figure 2, 'Service quality & professionalism' and 'Government support' find place in quadrant I, which indicate that these factors are perceived to be important and satisfaction level with Macao's performance is high. Thus, Macao's MICE industry stakeholders should maintain this performance, and further consolidate on these strengths, given their perceived importance in contributing to a successful MICE destination. The creation of the Macao Business Tourism Centre by the Macao Government Tourist Office is a step in the right direction (MGTO, 2006), demonstrating the Government's commitment to the sector. From quadrant IV, Macao also scores fairly well on its 'Business friendliness and image', 'Infrastructure & accessibility' and 'Leisure & entertainment facilities'. On the 'Cost & affordability' factor, Macao has scope for improvement. At the time of carrying out this survey, the Venetian's Macao property was still under construction and thus undercapacity was (and to an extent continues to be) a serious issue which resulted in high prices of visitor services and products, particularly the hotel rooms. As evidenced by the relatively low level of importance accorded to this attribute (quadrant III), in the context of MICE, demand is fairly inelastic; however, the Macao stakeholders should adopt a cautious approach and ensure that they do not price

themselves out of the market. The issue that demands highest priority, however, is 'MICE facilities & lodging' (quadrant II). This factor is accorded a high degree of importance, though Macao scores low on this attribute, and hence can be flagged as a 'concern area'. These observations are fairly consistent with the responses to the open-ended questions included in the survey that were discussed in the preceding section. The outcome of this study can provide inputs for formulating an action-plan for prioritizing the tasks and delineating responsibilities among Macao's industry stakeholders and investors, thereby ensuring optimal deployment of resources, i.e. 'minimal wastage' of resources on attributes not deemed important by customers (Joseph et al, 1999).

Apart from the non-random nature of the sample and its relatively small size, another limitation of this study was that the survey instrument did not include provisions to differentiate the respondents according to their professions (whether academic, practitioner or policymaker). As scope for further research, it would be an interesting exercise to test whether there are significant differences in perceptions based on professions. Such a study can bring to the fore any disconnect based on the nature of the stake in the MICE sector.

Table 3: Perception Gap

<i>Factors</i>	<i>Critical attributes for a successful MICE destination</i>	<i>Macao's performance indicators</i>	<i>Gap</i>
(A) MICE facilities and lodging	4.46%	3.74%	-0.72%
(B) Cost & affordability	4.33%	3.60%	-0.73%
(C) Leisure and entertainment facilities	4.25%	3.67%	-0.58%
(D) Service quality & professionalism	4.44%	3.66%	-0.78%
(E) Infrastructure & accessibility	4.27%	3.67%	-0.60%
(F) Business-friendliness & image	4.34%	3.74%	-0.60%
(G) Government support	4.43%	3.73%	-0.70%

The methodology for estimating perception gaps can serve as a heuristic decision making tool to policy makers at a macro level and industry practitioners at a micro level. Although the survey was conducted prior to the opening of the Venetian's Macao property, the outcome can serve as a baseline for longitudinal studies for monitoring the evolution of the key attributes identified in this paper, in tandem with the trajectory of the local MICE industry. The findings can also help educators in formulating effective training strategies that ensure the required human resource capacity augmentation. Drawing on stakeholder perceptions, the results of this study have helped put into perspective Macao's aspirations to position itself as a MICE destination vis-à-vis the ground realities of its actual performance indicators. This 'reality check' can contribute towards identifying the critical success factors for realizing these aspirations.

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The *International Journal of Event Management Research* is a double-blind, peer reviewed journal.

ISSN 1838-0681