

MICE and Tourism in Shenzhen: an Opportunity for Developing Event Tourism

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Abstract: This paper provides a statistical analysis of the type, intensity, scale, achievement and effect of the tourism events in Shenzhen in recent years. It shows that Shenzhen has a great potential in developing event tourism. And in view of the trend of urban tourism development in China, the paper points out that it is feasible and for a city to establish its image through developing its event tourism.

Key words: event tourism; MICE; tourism development; Shenzhen city

Introduction

MICE tourism, sports tourism and festival tourism triggered by festive activities, sports events and MICE are the entire category of event tourism. And the tourism products related to this kind of event tourism have already become very important for a city home and abroad to develop its urban tourism industry and enter into the competition of the field. World famous festivals, such as the American Rose Festival, the Spanish Running of the Bulls Festival, and the Beer Festival in Munich have all made great contributions to their local economy and tourism development. Tens of millions of tourists have been attracted to the magnificent Olympic Games held every four years and the World Cup and the profits made out of these global sports have been tremendous. These events are generally held in big cities all over the world, which has, in a certain sense, created room for the city involved to plan and organize these tourism events to develop its sustainable tourism industry.

The encouraging prospects of the global tourism market, the pouring of foreign tourists, the increasing heat of Chinese tourism economy, and the Matthews Effect in local economy brought about by the booming tourism industry. In 2005, there were numerous tourism MICE entitled "China", "International", or "World Tourism MICE", which has brought prosperity in Chinese event tourism market. Currently, the traditional administrative barriers in MICE industry and tourism industry are being cleared up rapidly, and both industries have entered into a new stage of re-structuring. Tourism industry and the MICE industry have

to coordinate and cooperate with each other in order to excel in the competition. Jinjiang International Group, one of the largest comprehensive tourism enterprise groups in China signed an agreement in Shanghai with the Japanese JTB, the second largest tourism group in the world in 2005, as a result of which a professional MICE company has been established with each party holding 50% of the shares. It was a rational reaction to the booming of event tourism, but it has become a model in promoting the coordination and cooperation between MICE and tourism. Under this great fervor of the rapid development of MICE industry, Shenzhen, the first special economic zone in China, has begun to attach importance to the coordination and blending of MICE and tourism, which this paper aims to discuss.

Because Shenzhen is a special economic zone, it can operate its local economy with its own special policies. In recent years the MICE has developed fast in Shenzhen, but the city tourism industry still keeps a low speed. This paper mainly discusses the MICE's impact on tourism and analyses the mutual, reciprocal relations and interaction between them with the help of the investigation and statistics of the MICE activities in 2004.

1. Description of the Research Area

Shenzhen is situated in the southern coast area of Guangdong Province. It is named after Shenzhen River (a bordering river between Shenzhen and Hong Kong) with Dapeng Bay to its east, Pearl River mouth to the west, Hong Kong to the south and the cities of Dongguan and Huizhou to the north. The Shenzhen Special Economic Zone is part of the municipal city of Shenzhen with a total area of 327.5 square kilometers. In a period of 25 years Shenzhen has developed into a boom modern city from a small coastal town. Its comprehensive economic strength has got over to the front rank among the big and medium-size cities in China. According to a preliminary account, in 2005, the GDP of Shenzhen was 492.69 billion Chinese yuan, which is 15% more than that of the previous year. The tourism industry has also been expanding along with the city development. In 2005, the city received 21.4282 million one-night transient tourists with an increase of 10.3% more than that of the previous year. The annual foreign currency earnings in tourism totaled US Dollar 2009 million with an increase of 12.4%.

Shenzhen lacks distinctive natural and humanistic landscapes. The tourist resorts inside the city are mainly man-made ones, such as the famous theme parks of the Window of the World, Splendid China, China Folk Culture Villages, Happy Valley, etc. Due to the fact that man-made landscapes like theme parks have short life-span and low revisiting rate, it is inevitable that those parks will lose their attraction and thus their revenues will suffer. Therefore, to change

the current situation of unitary tourism products and dull tourism activities, Shenzhen is in urgent need to be infused with new vitalities. Beijing and Shanghai's successful bidding for the 2008 Olympic Games and the World Trade Fair have brought unprecedented hope for the MICE industry and tourism industry. Shanghai municipal government has put MICE economy top priority in its tourism development plan.

Recently, Shenzhen municipal government has also put forward a strategic policy of "building up the city image with culture as its axis" and urban tourism will be its important component. It is an important strategy aiming at its long-term and sustainable development. In recent years, event tourism featured with MICE has attracted wide attention. Shenzhen itself has some advantages in developing event tourism. Its good city image, its openness, its profound economic foundation, its geographical superiority, its sound MICE facilities, as well as its outstanding service institutions all help provide the basic conditions for the advancement of event tourism.

2. Literature Review

As early as in the 70s of the 20th century, the world started to show interests in studies on event tourism. The studies were mainly focused on two aspects: the impact of events and event management and planning. Page S. J. and Meyer D. emphasize that research on the conditions of the locations where the events are held are significant. They studied the "American Cup" World Sailing Boat Tournament held in Auckland, New Zealand in 2000 and recommended that in the process of event management, the local context of the event holders should be focused more during event operations and thus they present an overall analysis on many aspects, such as the social, material, environmental, and tourist impacts possibly brought about by the event (Barker M. Page S.J et al., 2001). Fredline and Faulkner (2001), Williams J. and Lawson R. (2001) utilize the method of Cluster analysis to study event tourism. The former studied the factors that may influence the local people's reactions to and attitudes toward the events (Fredline E et al., 2001); the latter studied the residents' attitude towards the events involved in the tourism development of their community (Williams J. et al., 2001); David B. and Laura J. (2001) also used the same method to investigate the suburban people's perception of the event in the city (Weaver David B. et al., 2001). Getz (Getz D., 1997) proposes that exhibitions, expos, conventions, conferences, etc. are the most important components of the MICE industry. MICE industry is more mature in developed countries. Researchers abroad focus their studies of MICE on the selection of the location, the impact, the decision-making behavior, the organizational functions

and the service management from the perspective of tourism. One of the important research areas has been its economic impact. Braun and Rungeling's case study of Orlando, Florida showed that MICE tourism has a more direct economic impact than general tourism (Bradley M. Braun et al., 1992). Starting with hotel based meetings, Wootton and Stevens studied the direct economic benefits and the impact on potentials the future development of Wales generated by convention tourism (Glyn Wootton et al., 1995). Mistilis and Dwyer, taking Australia as an example presented a framework of evaluating the economic benefits distribution of MICE between the central city and its surrounding areas (Nina Mistilis et al., 1999). Kim Chon and Chuang took the input-output approach to evaluate the impact of the MICE industry on production, employment, income, imports, and value-added commodity (Samuel Seongseop Kim, Kaye Chon et al., 2003). Harry and Hiller recommended the introduction of package tour into MICE tourism. MICE organizers hope they can obtain package-priced tourism products similar to those in general tourism deals (Harry H. et al., 1995).

Studies on event tourism in China started in the 90's of the 20th century, mainly concentrating on event planning and research. Discussions on large-scale event tourism have attracted increasing attention along with the opening of Kunming Garden Expo and Kunming itself rising rapidly as a tourist destination. DAI Guang-quan, et al introduced the researches of major Western countries on events and event tourism (DAI Guang-quan et al., 2003a, 2003b, 2004). ZHANG Wei-qing et al discussed the impact of special activities and events on Pearl River Delta's tourism development (ZHANG Wei-qing et al., 2005). NIE Xian-zhong maintains that the appeal of urban tourism mainly lies in the combined outcome of the two forces: the pulling force of the product supply and the pushing force of the market demand (NIE Xian-zhong, 2006). WEN Tong holds that during the time when an event is in progress, intensified, multi-dimensional, large-scale publicity activities, and the broad attention it attracts will generate tremendous promoting effect, as a result of which the city will leave deeper impression on more people through media or actual tour to the city, and accordingly the city's tourism image will be strengthened within a short period of time (WEN Tong, 2001). CHEN Hao et al. have started to do research on tourism effects of the coming Olympic Games and the World Exposition on China (CHEN Hao et al. 2003). HU Yan-wen thinks that developing event tourism will help promote a city's tourism competitiveness (HU Yan-wen, 2004); ZHANG Li et al analyze the tourism effects of important events (ZHANG Li et al., 2005); MA Cong-ling describes the progress and development of event tourism in China (MA Cong-ling, 2005).

As we can see that domestic researches mentioned above focus mostly on the planning and marketing of such event tourism as MICE, but little has been

studied on the relations between MICE and tourism and their mutual interactions. Therefore, based upon the analysis of various conventions, exhibitions, and other events held in Shenzhen, this paper discusses how Shenzhen promotes event tourism and pushes forward the development of its tourism industry by way of MICE industry and some other related areas.

3. Methodology

Shenzhen is a new city in China, but it has developed rapidly economically supported by the special policy-making rights given by the central government. The rapid development of MICE has obviously promoted the tourism industry, but interactions between MICE and tourism can not been seen clearly. So this paper mainly uses the methodology of after-the -fact analyses to study the idea of Tourism Impact Studies for the simple reason that statistics of the after-the-fact analysis of the MICE activities are complete and the impact of the tourism industry can be conveniently estimated. Secondly, this study also draws on the idea of Cultural Context Study, a sociological research method, mainly based on Shenzhen local background from the perspective of sustainable development, which means in the process of event management, the MICE events business should be operated on the local context and a comprehensive analysis should be done on the possible event impacts on the local social, physical, environmental states and its tourism. This method has been one of the general trends used in the tourism event research in the West. The study of the collaboration and interaction between Shenzhen MICE and tourism also needs support of this theory.

In addition, this article also introduces specific methods of statistical analysis . In the study of the events, the fundamental research methods used are statistical and of sampling nature. In the statistical analysis of the event activities, methods in statistics are frequently used. This paper uses the methods of observation and sampling to conduct the research due to the fact that the statistical materials on Shenzhen's event tourism covers a wide range and are difficult to collect. The research materials are from the news reports on the event activities published by Shenzhen's newspapers, magazines as well as some Web sites, such as Shenzhen Special Zone Daily, Shenzhen Economic Daily, Shenzhen Evening News, and the Web site of Shenzhen MICE industry. Most of the major data are from the MICE industry. Thanks to the large quantity of the materials collected, misjudgment of information due to news filtering and subjective judgment can be, to some degree, avoided. A wide variety of tourism event activities are represented and covered in this paper. The analysis and research based on this kind of methodology is, therefore, scientific and can be, to some extent, generalized.

4. Findings

4.1 The Characteristics of the Development of Shenzhen MICE Industry

4.1.1 The event activities are rich in variety and capacity

From the statistical data, we have found that the event tourism in Shenzhen has a full range of types -- expositions or conventions, sports and entertainment events, business events, and holiday celebrations. Among them, expositions or conventions make up the greatest proportion. Comparatively, business events only account for a small proportion. Since business events are generally self-financed and high in consumption, it is necessary to hold a certain number of such events. According to the data collected, conventions and expositions are held most frequently in Shenzhen. In 2004, altogether 197 exhibitions of various types were run in Shenzhen with an average of 16.4 such exhibitions every month, which was 35% more than that of the previous year. This paper tries to use season (time) concentration index to define the concentration level of the time distribution of the event tourism featured with MICE in Shenzhen:

$$R = \sqrt{\sum_i^{12} (x_i - 8.33)^2 / 12}$$

R indicates the concentration index of the time distribution of event tourism; represents the ratio of the monthly event tourism quantity over a year. The smaller the R value is, the more even the time distribution of event tourism is. According to the statistical materials, the calculated value of R in Shenzhen is 1.8, which corresponds with the reality.

The time concentration index of Shenzhen's tourist flow is rather low, which indicates that the season distribution of the tourist flow is quite even. This has something to do with the subtropical climate of Shenzhen, which is suitable for all-year-round tourism activities. Moreover, according to the statistics about the time distribution of MICE events, large-scale international MICE activities are usually held in the second half of the year because it is more convenient for overseas business people to travel abroad. However, judging from an overall perspective, there is no significant difference between Shenzhen MICE market and event tourism market in terms of their slack season and boom season. Although there are more tourists during the three

Golden Weeks, overall the monthly frequency of event occurrence such as conventions is quite close.

4.1.2 The event activities in Shenzhen are on large scale and effective

There are three characteristics in the events featured with MICE in Shenzhen: (1) Large in scale Exhibitions like CIOE, the International Dwelling Industry Fair, the International Furniture Fair, the International Toy & Gift Fair and so on have retained their standing in the field as the most professional and the largest in scale so far held in China. Since the opening of the first China International High-tech Achievement Fair in 1999, up to 2004, Shenzhen has successfully run such a fair six times, which enables Shenzhen exhibition industry to become the core exhibition industry with the High-tech Fair as its lead. It shows that Shenzhen has already joined the group of MICE cities. (2) Rich in global characterization Not only the number of foreign exhibitors is increasing year by year, the volume of trade has also substantially increased. Moreover, some exhibitions have successfully joined the UFI. In 2004, the first Shenzhen International Culture Fair opened the first comprehensive and international fair of its kind in China. It is also another major regular exhibition of the state level run by Shenzhen after the High-tech Fair. (3) Effective in boosting the related industries Besides office buildings, hotels, restaurants and the clothes exhibition industry which have great benefited from MICE, MICE industry has also directly promoted the development of other related industries. The event activities centering on MICE are developing into an important branch of Shenzhen's economy. The statistics show that up to 2004, the direct earnings from Shenzhen MICE industry are about 300 million yuan. Spurred on by the MICE industry, the related industries, such as communications, transportation, finance, ornamentation, advertisement, tourism, commerce and trade together have made an income of about 2.8 billion yuan. Obviously, the MICE economy has become a fantastic economic growing point of Shenzhen.

4.2 The Impact of MICE Industry on Tourism Industry

4.2.1 The MICE industry has spurred the development of Shenzhen's urban tourism.

Event tourism has two implications: On the one hand, event tourism is the process of systematic planning, developing and marketing of some events, the purpose of which are to turn the events into something attractive to the tourists, promote the development of tourism industry and elevate the standing of the tourist destination. On the other hand, event tourism refers to the sectionalization of the market of the events, including analyzing and determining what kind of people will undertake event traveling and what kind of people may be attracted to come to the event activities. At present, Shenzhen International Furniture Fair held twice every year has become the largest in scale of its kind in Asia. At the 16th fair run in March this year, Shenzhen received 8,041 foreign business people from 78 countries and regions and 36,620 domestic business people within a short period of five days. The total volume of trade reached 7.15 billion yuan, According to the statistics, since the first Shenzhen International Furniture Fair, the number of visiting business people has surpassed 1.75 million. The on-the-spot volume of trade has added up to 34.7 billion yuan. The 13th China International Electronic Equipment, Electronic Components and Photoelectric Fair 2005 also attracted over 800 exhibitors including those from the United States, Germany, Japan and Singapore. All these show that Shenzhen, as an internationalized site of exhibitions, is growing fast and has become a new star in MICE. And the MICE industry of Shenzhen has already brought great impelling force to the urban tourism of the city.

4.2.2 MICE industry has helped improve the city image and directly led to the development of event tourism.

As the reformation and opening policy is further carried out, the economic connections between countries and regions are steadily increased, and the trend of globalization has thus occurred. The major event activities in many Chinese cities have, to a certain extent, become a dazzling card of "open economy" in the campaign of "Inviting and Visiting". Shenzhen municipal governmental sections and business circles also organize more and more overseas exchange and fund-raising activities, so it is necessary for Shenzhen to establish its "image and character" in such international "social contacts". Open economy, internationalization and globalization mean

the free flow of personnel, capital and information. And event activities will play an important role in gathering people together, publicizing the city and attracting investments. As far as the tourism industry is concerned, the establishment of the brand image of a tourist destination relies on three factors: natural tourism resources, humanistic tourism resources and the scope and impact of its tourism activities. Yet nature has not endowed Shenzhen with much tourism resources of international appeal, so it can only make it up by building some theme parks of amusement nature. However, to develop internationalized urban tourism, the existing theme parks are obviously not enough. Therefore, hosting some big event activities has become one of the most effective ways to promote Shenzhen's brand image as an international tourist destination.

5. Conclusion

To sum up, it is a golden opportunity with new developmental space for Shenzhen to combine MICE with tourism, re-devise the development policies of its tourism industry and strengthen its competitiveness through event tourism.

(1) Shenzhen has begun to take shape as a modern international city and a boom tourism city from a small coastal town. As a center of economy, trade and information and the hub of communications of the Pearl River Delta region, Shenzhen is the sole port city in China able to handle air, water, highway and railway transportations. Every year the tourists from the various ports in Shenzhen make up 50% of the total number of the whole nation. Shenzhen has become an important symbol of China's opening policy.

(2) Shenzhen has hosted the first Chinese Culture Fair, which has laid a cultural foundation for future large-scale activities. Shenzhen needs to extend event tourism from cities to suburbs, towns and villages. Meanwhile, it needs to introduce from abroad the advanced cultural elements, such as car culture and contest culture in order to explore within a wider cultural frame the driving force for tourism and economic development and bring

forth new ideas to the tourism cultures of Shenzhen and its surrounding areas.

(3) Shenzhen needs to create "dynamic" advantages devising and planning a series of special events. The regular Chinese super league football matches hosted by Shenzhen are far from enough. It would do good to Shenzhen in turning it into an internationalized city if Shenzhen could introduce some top world matches, cultural activities and exhibitions. ATC (Australia Tourism Commission) once coordinated the industrial circles to attend the international exhibitions through an officially established company, whose achievement we should learn from.

In a word, the devising and hosting of major events will not only bring opportunities for Shenzhen to create its tourism image and promote its publicity, but also bring new growing points for the sustainable development of its tourism industry.

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