

MICE TOURISM IN PIEDMONT: ECONOMIC PERSPECTIVE AND QUANTITATIVE ANALYSIS OF CUSTOMER SATISFACTION

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In this case study we describe an ongoing effort by Piedmont Region to foster MICE tourism in Turin and surrounding areas. This seems one of the promising ways to overcome the traditional image of an industrial city dominated by car industry. We set this effort within a more general framework, describing first results obtained by a pilot study and outlining future directions.

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INTRODUCTION

Turin has never been well-known as a touristic attraction, as it has typically been associated with a rather Tayloristic image, dominated by car industry. Indeed, despite its historical and architectural interest, world class museums, and pleasing surroundings, Turin always enjoyed the reputation of being a fairly gloomy place, cut out of the otherwise flourishing Italian tourism industry.

In recent years that reputation has somewhat improved. Certainly, events such as the 2006 Winter Olympics played a positive role, both in terms of promoting a better image and of building new infrastructures. Apart from that, a more lively cultural environment and the attention to more leisurely attractions (e.g., Eataly, the first high-end food supermarket in Italy, which does attract foreign visitors) has paved the way for a better future of tourism in Turin. Nevertheless, several issues and concerns highlight the need for a more organized and continuous effort. A short list includes the fear that the Olympics stimulus will quickly fade away, the need for a better connection with the surrounding



region (Piedmont), and the fact that a one-day visit by foreign tourists who are based in another city is no big deal.

Within this framework, Piedmont region has started an initiative to foster MICE tourism (MICE is an acronym for Meetings, Incentives, Conferences, and Exhibitions; sometimes, the 'E' is associated with Events and the 'C' with Conventions), and to monitor customer satisfaction in order to pinpoint areas where there is the most room for improvement. A specific office has been set up to support event organizers.

In fact, MICE tourism seems a rather natural choice in order to facilitate the growth of tourism in Turin and, ultimately, to provide a diversified economic growth.

- The city lacks the infrastructure to sustain mass tourism. However, there is a rich academic and industrial background.
- The city is close to Milan (high-speed connection by train takes about one hour), but it is far less expensive.
- There is an interest for the relatively high-end tourism associated with MICE events (MICE participants feature a relatively higher propensity to expenditure than the average tourist).
- MICE is a type of tourism which is usually planned well in advance, which means that limited resources may be efficiently exploited.
- It may foster virus marketing as, hopefully, event participants will spread the typical surprise of first time visitors to Turin, who usually find something different from what they expected (or feared).

Within this framework, a pilot study has been carried out, whereby questionnaires have been designed and administered to MICE event participants. In this short report, we discuss the overall framework of the initiative, document first results, and outline further steps which are planned for the near future.

BACKGROUND

Needless to say, due attention has been paid elsewhere to tourism as a way to foster regional economic development. Indeed, a curious fact is that this idea is common to such diverse areas as Piedmont and Abu Dhabi, which is the subject of the analysis reported in (Sharpley, 2002); in Abu Dhabi, too, there is a small yet high-quality accommodation infrastructure. In that paper, it was pointed out that, although the idea of achieving growth by tourism is quite interesting, things are not easy as

they seem. In a detailed study reported in (Cortés-Jiménez, 2008), Spanish and Italian regions are considered, and the conclusions is reached that interior regions, as Piedmont is, should try to attract domestic tourism rather than an international one. It is certainly true, and it has been clearly shown by past history, that a region such as Piedmont has not been a standard destination for international tourism. Nevertheless, MICE tourism may be attracted by different mechanisms than general tourism. The presence of two well known academic institutions such as Politecnico and Università di Torino, as well as an industrial context that has been diversified away from the traditional car industry, are assets which potentially give Piedmont a significant comparative advantage.

As pointed out, e.g., in (Mistillis and Dwyer, 1999), MICE tourism has a specific interest and potential, since it may work as a leverage for economic development, in the form of business connections, chances for continuing education, training facilities, etc. Again, our area has a significant potential in these terms.

Furthermore, MICE tourists are, in some sense, a captive audience, as most pre- and post-event activities are under the control of event organizers. This means that organizers must be paid due attention to by regional marketing, and this is why a specific office has been set up by Piedmont Region. Furthermore, the distribution of opportunities from the main city (Turin in this case) to the surrounding region is fundamental. This distributional impact of MICE is studied in (Mistillis and Dwyer, 1999).

Other relevant papers are (Auld and McArthur, 2003) and (Pacaud et al., 2007), which deal with the impact of events and touristic infrastructures, respectively, on regional economic development.

Table 1 Regional, national, and international meetings in the Italian marketplace, 2005/2006.

Type	Meetings 2005	% 2005	Meetings 2006	% 2006
Regional	70,331	66.19%	68,540	66.86%
National	30,299	28.52%	28,345	27.65%
International	5,614	5.29%	5,634	5.50%
Total	106,224	100%	102,519	100%

In table 1 we provide some data pertaining to meetings organization in Italy in 2005 and 2006. The regional data collected in 2006 show that, despite the national context is undergoing a period of stagnation, the congress industry of Turin is gradually standing out and is gaining a

satisfying placement in Italy and abroad. A 4% increase was recorded in 2005 and, in particular, 3,428 events received more than 50 participants (in 2005 they were 3,292).

FIRST FINDINGS

Given the above background, Piedmont region has started a set of focused initiatives to better support tourism, and MICE tourism in particular. A first questionnaire has been designed and administered to participants to a batch of MICE events held in our region. This was just a first step within the framework of the ongoing initiative, and its main purposes where:

- to create the culture and the infrastructure for data gathering;
- to gain political support;
- to learn from mistakes.

An important point is that questionnaires should not only be collected during the event, but also after it; in fact, the aim is to investigate how the territory supports MICE events. To see the issue, imagine a fruitful and pleasing conference, which is somewhat spoiled by a mishap on the way home (e.g., difficulties in transportation to the airport). Since answering detailed questionnaires is a time-consuming activity, which may affect the quality of data gathered, a collaborative sample of participants has been formed; admittedly, this subset can be biased in one way or another, but it should provide us with particularly valuable information. Furthermore, an effort was made to collect information in critical moments such as August and on Sundays.

The sample is not huge (slightly less than 1,000 people), yet it has been a useful test. The questions asked to delegates were divided into various sections concerning:

- personal and professional profile of the delegate (the number of past events attended in the last three years was used in order to assess the experience and to value judgment accordingly);
- means of transportation and accommodation (including length of stay and whether the delegate was also going to have vacation in Turin or Piedmont);
- expenditure;
- level of satisfaction (questions concerned the congress itself, as well as the surrounding environment); in particular, participants were asked if they were willing to visit Turin again;

- subjective image associated to Turin (including familiarity with attractions such as Mole Antonelliana, Egyptian Museum, Museum of Cinema, etc.);
- suggestions for improvement.

Most respondents were academics (55% of the sample consisted of professors, research assistants, and Ph.D. students), followed by people operating in the medical sector (17%). The rest consists of practitioners, marketing people, publishers, etc. The same questionnaire was administered to organizers, but clearly different questionnaires should be devised.

About 50% percent of the sample consists of Italian participants. As expected, most come from Northern Italy, but the percentage from Southern and Central Italy is quite significant, which shows the potential impact on domestic tourism. Foreign participants were mainly European (76%); North America (11%) and Asia (5%) follow next. It should be remarked that Turkey has been considered as a part of Europe rather than Asia, and this has an impact as most European visitors came from UK and Turkey, followed by Germany and France. Arguably, the unexpected role played by Turkey is due to significant investment by Turkish government on University, but it could also be the effect of a biased sample.

Data on expenditure were also collected, suggesting that 37% of the budget is spent for the conference fee and 26% for the accommodation; 14% is spent for shopping. Little (3%) is spent for recreational activities; here the language barrier may play a role, as Italian is certainly not a widely spoken language, but this may suggest the opportunity of better leveraging the rich set of available museums. Nevertheless, such data must be taken with the utmost care; for instance, a museum visit could be part of conference program, and therefore included in the conference fee. Indeed analyzing expenditure is a very difficult issue that cannot be addressed by one questionnaire, and event organizers must be involved. MICE expenditure patterns and their impact on regional economic development are carefully analyzed, e.g., in (Dwyer *et al.*, 2001), where the authors point out that only expenditure from outside is relevant (this should include sponsors). However, if a participant pays for petrol at a filling station, little is really injected into the region. We should also consider money spent by people living inside the region, that would flow outside if events were held in another city. Whether this is significant or not depends on how many participants come from the same region; in our sample, they are not too many, but the question deserves further analysis, given the industrial background of our region.

The questions that relate mostly to the potential impact on general tourism pointed out that some congress participants do take the opportunity for a holiday (29%); 22% of participants were accompanied by family members. The length of stay is non-negligible: 32% of participants stay three nights, and 42% more than three nights. By the way, this is definitely longer than the stay of the typical traveller, who might visit Turin just as a short leg of his/her Italian tour.

What is really encouraging is the analysis of the answer pattern to two related questions:

- Is this your first visit to Turin?
- Do you plan to come back?

Table 2 Intention to visit Turin again

Is this your first time in Turin?	Do you plan to come back?	Count	Perc.
NO	NO	16	2.25%
NO	YES	215	30.20%
YES	NO	55	7.72%
YES	YES	426	59.83%

As shown in table 2, most participants were visiting Turin for the first time, as expected. In terms of potential for increasing tourism, the most interesting pattern is (yes, yes), which is indeed the most common pair of answers. Obviously, the small numbers require caution, but this seems to suggest that MICE can actually be a useful stimulus. What the questionnaire in the present state does not measure is the potential for virus marketing; nevertheless, the pattern is somewhat encouraging from this point of view too.

STEPS AHEAD

As we have already mentioned, what we described in this report is only the first step of an ongoing project, and we cannot draw too many conclusions. The main objective was to gather some preliminary results in order to show the relevance of the initiative and to collect political support. From this point of view, the results have been quite positive.

The next steps in the process are:

1. Improving questionnaire design, by preparing more specific ones. As pointed out in (Mistilis and Dwyer, 1999), issues in survey design are tricky: different surveys should be carried out with participants, event organizers (e.g., academic societies), and

local PCOs (Professional Conference Organizers), with different aims.

2. More emphasis should be placed on detailed questions about specific points that should be improved (e.g., what is relevant to define “quality” for a MICE tourist). This is an essential step to proceed from discovery to decision.
3. The above, more detailed, questions would enable us to apply the machinery of multivariate analysis (e.g., data reduction methods such as Principal Components Analysis and Factor Analysis), in order to pinpoint the most relevant facets of the problem and to better focus our efforts.

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