



Paper 22

Recovery & growth strategies for a MICE company amidst the COVID-19 crisis and post-pandemic implications

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Abstract - In 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. Indonesia declared the situation as a national disaster. Over the past years variants emerged. During these years, companies faced business disruption, and some had to close as measures involving distancing, travel, gatherings, and lockdowns were enforced. These measures also endangered the meetings, incentives, conferences and exhibitions (MICE) sector.

This paper presents a study of the business issues faced by a Professional Conference Organizer (PCO), which like other MICE companies, faced difficulties amidst the pandemic which at the time of this writing has not yet ended. For these issues this study developed business strategies towards recovery, adaptation and growth in the current and post-pandemic era.

The studied companies faced revenue decrease, competition and uncertainty. To survive, these companies had to raise capital, reduce manpower and salaries. In addition, the shifting to virtual formats poses a threat. Hence, strategies concerning pricing, segmentation focus and resilience are evaluated against the current and expected conditions. Some key recommendations of this study include expanding focus to a broader segment, R&D and diversification.

Keywords- business disruption, COVID-19, diversification, events, Indonesia, MICE, pandemic, PCO, resilience

I. INTRODUCTION

MICE stands for Meetings, Incentives, Conferences & Exhibition. Fenich [1] uses the acronym MEEC: Meetings, Expositions, Events, and Conventions. However, MICE is still used in various parts of the world and described the broad elements of MEEC which include Conventions and Meetings, Expositions, Festivals, Mega-Events, Corporate, Social, Religious, Special, Retail and Sports Events. In 2017 the MICE industry contributed US\$7.8 billion to the GDP and created 278,000 jobs in Indonesia [2].

Currently, MICE companies are facing a big challenge as the whole world was shook by the unprecedented spread of a contagious disease. Governments imposed measures such as the ban of public gatherings, lockdowns and travel bans. Consequently, MICE companies postponed and cancelled various events. Two years into the pandemic, there remains uncertainty as new variants spread rapidly

and to prevent further spread restrictions are extended [3]. It remains uncertain when the pandemic will be exactly over.

MICE companies are forced to adjust recovery strategies. In addition, changing market needs and opportunities could have developed because of the increasing popularity of virtual meetings. Therefore, looking into the value proposition, overhead cost, capital investments, new products and services are important. The world was not prepared for the multitude of this scale and can be considered very rare. However, the EU Research & Innovation Magazine "Horizon" highlighted that future pandemics are inevitable and lessons can be learned from this situation towards reducing the impact of future pandemics [4]. MICE companies should consider a next crisis and investigate lessons learned. Without preparation, business resilience will be at stake. The implementation of sound business diversification strategies can be a powerful antidote to disruption risk.

A. Paper Objectives

This paper reviews how the COVID-19 pandemic has affected MICE companies in Indonesia and aims to identify post-pandemic trends related to the MICE industry. For the case company Royalindo, the study also develops business strategies catered to overcoming the current situation and the post-pandemic outlook. In doing this, the study attempts to answer research questions on what the current challenges of the MICE industry in Indonesia are, what the survival strategies of MICE companies are, and what strategies can be adjusted and improved. Secondly, on how one can prepare itself to face the competitive environment as the MICE industry recovers gradually. It will consider relevant pricing strategies and cost management strategies.

Furthermore, on how the pandemic influenced and changed the market behavior, needs and demands of the customers. It will consider what new post-pandemic demands can be identified and what kind of strategies should be formulated by the company, to address these post-pandemic trends.

Finally, on what the lessons learned are from this pandemic, how one can best prepare itself for the next crisis. And, what diversification strategies the company can prepare, to remain competitive, resilient and successful.

II. LITERATURE REVIEW

Multiple theories and concepts come together to facilitate the research. A conceptual framework based on these strategic concepts and strategic-analysis-models is created. By utilizing this conceptual framework as a tool, a visualization will help towards a clear understanding of the relationships among the concepts. The framework, illustrated in Figure 1, consist of three phases.

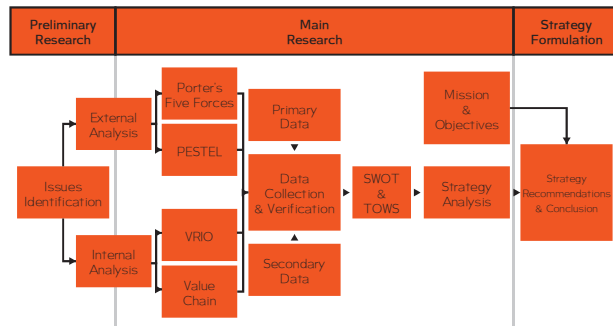


Fig. 1. Conceptual Framework

The first phase, called the preliminary research, is the initial exploration of the business issues and the analysis that can be pre-identified by studying various macro-economic reports.

The second phase, called the main research, is the broader analysis of business situation. External analysis is conducted utilizing Porter's Five Forces Model: a tool to analyze the industry where the company operates towards understanding the competition within the industry, and PESTEL analysis: a tool that can be utilized to analyze the macro-environmental factors that influences a company. Internal analysis is conducted utilizing the VRIO Framework: a decision tree to analyze whether the resource, capability or competency meets the VRIO requirements, and Porter's Value Chain Model: visualizes how the company's primary and support activities can create value and a profit margin. This phase also includes primary and secondary data collection and verification.

The third phase, called strategy formulation & implementation, is the last part where the formulation of the recommended strategies and implementation plans is performed.

This paper applies two strategic management theories. First, the concept of Porter's Generic Strategies considering that the case company must handle and overcome competition. The theory depicts that the company must choose one of the quadrants and avoid being stuck in the middle. This is how a company will be able to attain a competitive advantage [5]. Choosing one of the quadrants with regards of positioning can be a good

starting point in setting a direction towards formulating a thorough strategy.

In terms of performing a more holistic approach towards formulating a thorough strategy, this paper considers the strategy diamond of Hambrick & Fredrickson. Based on input from the company's missions and objectives and strategic analyses, five elements (arenas, differentiators, economic logic, vehicles and staging) of the strategy diamond can be composed. This can be followed by formulating the supporting organizational arrangements [6].

III. RESEARCH METHODOLOGY

The research conducted in this paper utilizes a mixed method of internal and external analysis earlier explained in Chapter 2. This is followed by a mixed method of a quantitative and qualitative research. The quantitative data is generated through two sets of questionnaires, allowing a multi-perspective analysis.

The first questionnaire, aimed at users of MICE services, has been filled in by 169 people who represent various small, medium and large sized companies in Indonesia. However, 102 qualify as a valid MICE user and completed the questionnaire, and therefore these only 102 were analyzed.

The second questionnaire, aimed at MICE companies such as Conference Organizers, Exhibition Organizers and other Event Organizers, has been filled in by 59 people of which 47 qualify as a MICE company. Hence, only 47 responses were analyzed in this study.

The qualitative data is generated through interviews with multi-stakeholder industry experts: (1) the President-Director at Royalindo; (2) a Senior Project Manager at Royalindo; (3) a PR Manager at Pacto Convex, a competitor company; (4) a Director at Dyandra Promosindo, a competitor company; (5) a Chief Marketing Officer at JIEXPO or Jakarta International Expo, a venue; (6) a Director of Convention Services at JCC or Balai Sidang Jakarta Convention Center, a venue; and (7) the Chairman of Asosiasi Perusahaan Pameran Indonesia (ASPERAPI) or in English the Indonesian Exhibition Companies Association (IECA), the biggest MICE industry association in Indonesia. Stakeholder number 6 and 7 is the same person serving two roles.

In addition, reports and articles from journals, such as the Journal of the Community Development Society and the Journal of Environmental Management and Tourism, concerning the MICE sector amidst the pandemic worldwide, in Malaysia and Indonesia were reviewed, analyzed and compared with the findings and outcomes

of the primary data collection. Based on all the analyses and research a SWOT & TOWS was conducted. Finally, the research questions could be answered and utilizing the Strategy Diamond relevant recommendations could be formulated.

IV. RESULTS

In Chapter 1, multiple business issues have been introduced. However, aside business disruption that led to decrease of revenues, the changing market and the probability of future pandemics which both leads to implications for the relevance of MICE activities and resilience, another implication has been identified, namely increased competition. According to the ASEAN+3 Macroeconomic Research Office (AMRO) the ongoing recovery from the disruption is a divergent recovery as some of the sectors, such as the MICE industry, are not able recover at the same rate as other industries as the nature of MICE is physical face-to-face gatherings. This type of business is still restricted by the government [7]. This slow recovery may cause a low demand for projects combined with a high supply of service providers which may lead to increased competition. Meaning, MICE companies must improve their competitive strategies.

Hence, there are four issues identified connected to four research questions that are described in Chapter 1A.

A. Quantitative Results Questionnaire 1

A brief selection of the 15 question results will be highlighted. From the 102 respondents 53.92% indicated that the need for MICE services decreased during the pandemic as most online or hybrid events could be organized without a MICE organizer.

For the post-pandemic era, most respondents agree that the need for MICE services will focus more on online and hybrid even though the pandemic will end, 62.75% "Agreed" and 14.71% "Strongly Agreed". However, a large majority, as in Figure 2, also agrees that events will shift back to physical as networking still requires activities that facilitate social interactions, 62.38% "Agreed" and 24.75% "Strongly Agreed".

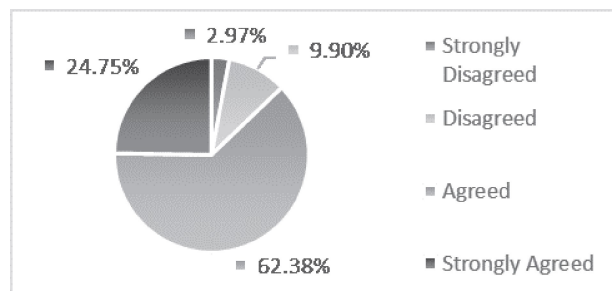


Fig. 2. Questionnaire No.1: The need for MICE services will return to focus on offline

On the question on how a MICE PCO or Event Organizer (EO) company could help the respondent's company in other aspects of the business that are not related to events, most of the respondents indicated that MICE PCO/EO companies could help with Marketing and Advertising, Professional Training & Coaching, Public Relations and Communications, Media Production and Facilities Services, 32.35% to 43.14% have selected these answers.

B. Quantitative Results Questionnaire 2

A brief selection the 20 questions results will be highlighted. From the 47 respondents, 87.76% indicated that their company experienced decline in revenue due to restrictions and economic disruption. Their companies had to reduce working hours and employee salaries, allowances and/or bonuses, Reduced employee salaries, allowances and/or bonuses while continue working the same hours. 31.91% to 36.17% selected these answers. To survive, 70.21% of the companies adapted to online/hybrid services, 51.06% looked for other income with business activities outside the MICE industry and 44.68% reduced business expenses.

Aside declining revenues, respondents also experienced other challenges as 57.45% faced "Tough competition in winning the tender", 55.32% faced difficulties concerning "Obtaining event permits", 53.19% are challenged with "Certainty about the execution of the event" and 19.15% indicated that obtaining capital for pre-financing events and recruiting skilled workforce as a challenge.

In terms of competition, 69.57% agreed and 13.04% strongly agreed that competition among MICE industry players in the last year of the pandemic and in 2023 will be very competitive due to oversupply (combination of low demand for organizing events & a lot of MICE businesses). However, the companies are positive on the outlook in terms of future revenues: 57.14% agreed and 26.53% strongly agreed that the expected revenue in 2023 will be more than revenue in 2019.

In addition, 59.18% agreed and 32.65% strongly agreed that the need for MICE services will focus on in-person events again because building a business network (networking) requires personal and social interaction. In terms of diversification, 61.22% agreed and 20.41% strongly agreed that their company should expand beyond MICE to have better survivability in the next crisis.

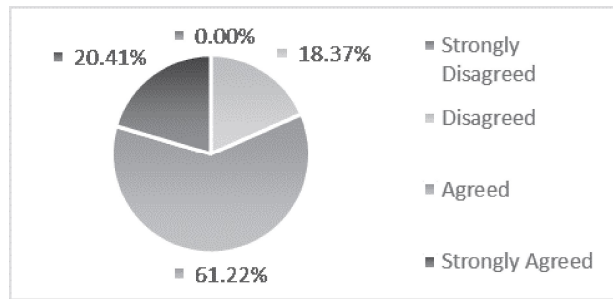


Fig. 3. Questionnaire No.2: The need for MICE services will return to focus on offline

C. Qualitative Results Interviews

All the interview results have been coded and sorted. The below Table 1 is an overview of the amount of phrases that were associated with a certain code to the concerning stakeholder.

The code, "behavior" concerns the changing behavior the shift from attending in-person events towards attending virtual events. Most of the respondents believe that in-person events will still be relevant despite that the business

Table 1 - INTERVIEW RESULTS CODES TABULATION

Stakeholder/Code	1	2	3	4	5	6
Behavior	3	1	2	2	2	5
Cashflow	6	2	2	9	11	2
Competencies	5	7	7	3	0	0
Competition	12	5	1	5	0	10
Diversification	2	1	2	3	2	3
Government	4	4	4	2	0	3
Impact of Pandemic	6	4	4	3	9	8
Post-pandemic	9	5	3	4	6	6
Resilience	2	1	0	1	1	7
Strategic Partnership	1	1	0	0	2	2

world has adapted to online conferencing. One key argument is that some of the important aspects that happen during an in-person event, such as: meeting decision makers, setting up business deals and networking, is difficult to happen through an online platform.

The second code, "cashflow" entails the management cashflow. Respondents minimized outflows and decreased operation expenses including salaries. Companies were able to decrease utilities expenses as employees worked from home. The adaptation of business activities to online events and other income streams supported revenues. In

addition, retained earnings, financing from shareholders and banks, and retaining upfront payments from clients supported cashflow.

The third code, "competencies" concerns the specific competencies of these companies. The respondents have extensive track-records being in the business for years. They will do their best efforts to retain status quo in delivering the same quality despite losses. Organizers have adapted competencies for organizing online and hybrid events. The open discussion within the industry associations enabled knowledge sharing that fueled better decision-making for company leaders.

The fourth code, "competition" covers the current and expected competition. One of the respondents benefited from the decreased tender participants in early 2020 resulting in higher chance to win. However, competition is considered as fierce now because of a decrease in demand which caused companies to expand focus. Companies normally focused on exhibition expanded to segments such as conferences, and vice-versa. Furthermore, retaining clients by offering better quality for the same price is one of the strategies that companies conducted to stay ahead.

The fifth code, "diversification" entails how companies have diversified or planning to diversify within and beyond the industry. Many industry players have expanded and diversified service and market segments. Some have diversified within the industry by vertical integration to support the main business, and others are part of an unrelated diversified group who can support each other.

The sixth code, "government" concerns government support amidst the pandemic. Respondents conducted dialogues with the government through the industry associations on how the government could help. Key points were the issuance of permits and opening borders for travelers. Aside, government aid, requests were made to the government to continue open tenders for events.

The seventh code, "impact of pandemic" encompasses how the pandemic has affected business operations. All the respondents experienced a decline in revenues due to disruption. Moreover, profits from organizing online events is low compared to profits from in-person events.

The eighth code "post-pandemic" entails how the companies anticipate the future. For this study, the post-pandemic era is defined as time expected in year 2023 and 2024 where restrictions are lifted. Respondents anticipate rebound and growth. The economic growth and investments in infrastructure such as the development racing circuits and stadiums support the industry overall. The initial focus will be on domestic market rather than

the international market. In terms of conferences the in-person attendance is not expected to be the same as pre-pandemic, for this segment the online attendance is expected to grow.

The ninth code, "resilience" concerns resilience against disruptions. There are various perspectives on resilience plans. A contingency plan is one of the main ideas. Diversification by doing a different business is also a suggestion. Liquid assets such as cash reserves in foreign currencies instead of non-liquid assets is another idea that can support resilience amidst business disruption.

The tenth code, "strategic partnership" entails how respondents conducted special collaboration with their suppliers and clients towards surviving the pandemic. Most of the respondents indicate that keeping good client-supplier and supplier-client relationship is important in these critical times. Together, solutions can be explored that will result in mutual benefits.

D. Other secondary data analysis

Worldwide the MICE Industry got affected by the COVID-19 pandemic. Min Ho and Kee Ming Sia's [8] paper entails the pandemic and MICE in Malaysia. One of the future trends for MICE identified in Min Ho and Kee Ming Sia's article was that even though there would be an increased demand for virtual event platforms, engagement (similar or equivalent to in-person) through such platform is very challenging. Another future trend is the limited international events because of international travel complications. Hence, focus is on the domestic market.

These two identified trends in Min Ho and Kee Ming Sia' paper are in line with the findings of the interviews conducted in the study of this paper with Indonesian MICE companies. These Indonesian MICE companies indicated, as described in Chapter IV section C, that engagement is difficult through an online platform and that in the post-pandemic era the focus will be on developing domestic events rather than internationally because of travel restrictions.

Min Ho and Kee Ming Sia' paper also includes direction for future research. One of these directions "Will Malaysia revert to strong presence of physical business events after the pandemic or will they be replaced by virtual or hybrid business events in the future?"

That question could also be relevant for Indonesia as user behavior is one of the topics covered in this paper. Hence the question could be reformulated for Indonesia: "Will Indonesia revert to strong presence of physical business events after the pandemic or will they be replaced by virtual or hybrid business events in the future?" Based on

the interviews and questionnaire conducted in this study with Indonesian MICE companies and Indonesian MICE users, the majority agrees that MICE in Indonesia will revert back to physical business events because networking still requires activities that facilitate social interactions that cannot be done virtually.

The Indonesian Tourism report of Q1 year 2022 published by Fitch Solutions Group Limited describes that the government is developing multiple tourist destinations.

The report forecasts that the overall tourism arrivals will rebound by year 2024. In terms of infrastructure development, the report specifically mentions an example of the benefits of the MICE industry: "The Mandalika area, located near Lombok International Airport, is also currently being developed to attract a wide range of tourism, from ecotourism to MICE (meetings, incentives, conferencing, exhibitions) events." [9]

The above-mentioned report supports the idea that the Indonesian government has long-term strategic plants to grow MICE Industry through infrastructure development. The Indonesian government is also focusing on human capital development as Asia News Monitor mentions that the Indonesian government is planning to hone the skills of tourism professionals: "Such activities comprise skill development in Meetings, Incentives, Conferencing, Exhibitions (MICE) and holding activities in the ASEAN region in accordance with the competency standard." [10]

Based on these reports it can be well argued that the MICE Industry is expected to receive support from the government towards further growth in the MICE Industry.

For a 2021 paper of Ukhina published in the Journal of Environmental Management and Tourism a survey involving 35 experts was conducted. These respondents were managers of travel companies specializing in business tourism, with at least seven years of work experience, who were asked some questions related to the development of business tourism after the restrictions were lifted.

The paper indicates that it is unlikely that virtual formats will replace face-to-face meetings despite the increasing popularity of the virtual formats: "... it is unlikely that a virtual format will replace face-to-face meetings, as vendors and planners tend to favor offline or hybrid events over fully virtual ones." [12].

Furthermore, the paper also concluded that recovery will be different in certain MICE segments, some such as exhibitions and business meetings will be faster than others such as conferences and incentive tourism. The below figure is an excerpt of the table in the paper.

Table 2 - PROSPECTS AND TIMEFRAMES OF RECOVERY FOR THE SEGMENTS OF THE MICE INDUSTRY

Segment	Expert Opinion
Business Meetings	Fast Recovery; limited growth due to mainly essential travel
Incentive Tourism	Recovery & Growth in the medium & long term, i.e. when considered safe to travel
Conferences	The future belongs to digital platforms
Exhibitions	Fast Recovery

Source: Adapted from the Journal of Environmental Management and Tourism

qualitative research results of the study with the Indonesian MICE companies. In the interview with multi-stakeholders, these Indonesian MICE experts indicated that events will revert to the in-person format as earlier described. They also expect overall growth in the MICE Industry. However, the in-person attendance of conferences might not revert to the same as pre-pandemic, instead online attendance will most likely grow.

V. DISCUSSIONS

One of the interesting findings of the quantitative research results is that over 76% of the respondents (strongly) agreed that need for MICE services will focus more on online and hybrid meetings while over 86% (strongly) agreed that MICE services will focus on offline gatherings/meetings because in building a business network (networking) there is still a need for activities that facilitate personal and social interactions. These results provide beneficial insights towards answering the questions of the user behavior in the post-pandemic era, whether the focus will revert to in-person or stay online. In this case, both findings indicate a focus on online events while also reverting focus to in-person events. Therefore, these results might also suggest that the hybrid system or the online aspect will always be there for the future either as a solely online event or part of an in-person event. It could be beneficial to further study the outlook of the specific type of events (exhibition or conference etc.) that is expected to be held solely online, solely in-person, or a combination of both (hybrid). For this hybrid it must be clearly defined of what kind of set-up is considered hybrid.

From the perspective of the MICE companies, which has been studied through the second questionnaire, over 90%

of the respondents (strongly) agreed that the need for MICE services will focus on in-person events. Over 75% (strongly) disagreed that MICE services will focus more on 100% online rather than hybrid or offline.

The findings in both questionnaires show the same results in terms of MICE reverting to in-person again in the post-pandemic era. The qualitative research results connected with the code "behavior" suggests that in-person events are beneficial because of the social aspects and engagement that cannot be facilitated through online platforms. The earlier research conducted in Min Ho and Kee Ming Sia's paper also mentioned that engagement is difficult.

It can therefore be well argued that MICE companies are still relevant for the future and therefore there will still be a need for MICE services. However, it is not the same for all MICE segments as it is expected that the numbers of in-person conference attendants in the future will most likely not return to the same numbers as prior the pandemic. The expected growth in online conference attendants may present other opportunities.

Most MICE companies experienced revenue decrease. Other challenges are, obtaining event permits, certainty of event execution, obtaining capital and recruiting skilled work force. The companies survived by reducing manpower and utilities costs. Revenues were obtained by the continuation of MICE services by adapting to virtual formats and other side business. Cashflow was managed by retaining previous earnings, bank loans, reserving upfront payments from clients for future event execution and capital injections from shareholders. These methods have proven to be successful for the studied companies to survive so far. Now that the government is loosening measures, the MICE industry enters in the era of recovery. However, the research indicates that MICE companies experience fierce competition. In the questionnaire aimed at MICE companies over 72% (strongly) agreed that competition among MICE industry players in the last year of the pandemic and in 2023 will be very competitive due to oversupply (combination of low demand for organizing events & a lot of MICE businesses).

The qualitative results related with the code "competition" has similar findings with the quantitative results. The competition is considered as fierce because of a decrease in demand which caused companies to expand focus. Companies normally focused on exhibition expanded to segments such as conferences, and vice-versa. This results in an extra competitive environment. This qualitative research findings gives further insights in line with the quantitative research findings. Both results support that competition is an issue that MICE companies are currently facing. To overcome the current and future

competition relevant strategies such as segmentation focus, pricing and cost strategies could be developed and implemented.

Diversification is one of the key aspects in this study. In the questionnaire aimed at MICE companies over 81% (strongly) agreed that their company should expand beyond MICE to have better survivability in the next crisis. In the questionnaire aimed at MICE users, respondents where asked the question in what non-MICE related fields MICE companies could help. Marketing and Advertising, Professional Training & Coaching, Public Relations and Communications, Media Production and Facilities Services were amongst the top answers. These business activities may be taken into consideration for diversification plans.

VI. CONCLUSION

This chapter presents recommendations, utilizing Porter's Generic Strategies and the Strategy Diamond, for the case company. The current competitive scope of the case company can be considered as narrow as the company operates in a niche market, mainly organizing events for the government. In utilizing the matrix in Figure 4, the company is currently positioned at "Focused Differentiation", visualized with a circle. The recommendation is to shift focus by expanding the client segment that can be achieved by adding a consumer exhibition as business activity. With this, the scope shifts from a narrow to a broad one, visualized with a star. Hence, the new generic strategy is "Differentiation".

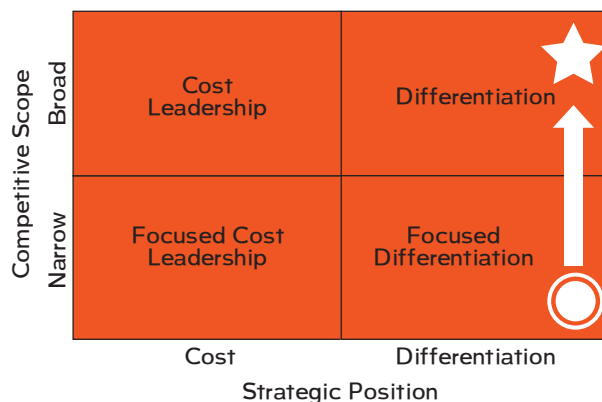


Fig. 4. Porter's Generic Strategies

To continue a more holistic strategic formulation, the elements of the Strategy Diamond: arenas, differentiators, economic logic, vehicles and staging will be utilized. In terms of arenas, the geographic areas, the case company's office is in Jakarta where the central government and most corporate offices are located. In 2024, the government is planning to move to a new capital Nusantara. Therefore, the company should open a branch in Nusantara so it can continue to provide services to the government.

In terms of price, for government tenders the company should do lower pricing than its competition without giving up quality and profits. For corporate tenders, the lowest price is not necessary thus an equal to higher competitive pricing is advised and can be justified with the well-established brand reputation, and features or benefits of the services provided being more premium. For the new product/service segment consumer exhibition, a penetration pricing strategy can help to grow market share. The pricing strategy can be adjusted once market share has reached a certain target.

In terms of differentiation, the company should aim to retain the existing image of a high quality, professional, and creative. This can be achieved by having a good team and good vendors/suppliers, and quality control procedures making sure all details are accordingly addressed and client requests can be accommodated. Creating presentation materials, showcasing past events utilizing video and photos, and utilizing VR technologies can catalyze the already existing 30+ years track record and bring forward the creativity of the team.

In terms of economic logic, the company earns a profit by utilizing a relevant pricing strategy or each type of service and market segment with efficient and low cost of production by forming strategic alliances such as vertical integration with suppliers and vendors. In terms of vehicles, in general the company should nurture the existing relations with industry players by utilizing alliances through industry associations. For the conference segment, the company should initiate R&D on the monetization of online conference attendants through open innovation / collaboration. For the exhibition segment, the company could (partially) acquire or do a joint venture with companies that have market share or expertise.

In terms of staging, three phases can be identified. In Phase I 2022, the company could implement the pricing strategies do recruitment for additional bidding staff, maintain, and expand alliances with industry players, explore candidate companies for joint venture, or M&A for the exhibition segment. In phase II 2023, the exploration of office space in Nusantara, recruit & train staff, re-structure towards multi-branch organization, execute joint venture, or M&A for the exhibition segment, initiate joint R&D with open innovation. In Phase II 2023, open branch office in office in Nusantara, conduct R&D on premium services revenue stream from conference attendants.

The pandemic has shown that it is dangerous to stay in a single industry. To stay agile the company should move in new markets and industries by starting with related diversification, a new business activity and industry that has commonalities with components of the company's value chain.

Based on the research, the activity of conducting Professional Training & Coaching at hotels and other multi-functional rooms has a commonality with the MICE. In terms of Media Production, the commonality is the hybrid conferencing using broadcast and video that is nowadays used and expected to be further utilized in MICE. Restructure towards a corporate organization is recommended with the corporate entity at the top and divisions and business units below as illustrated in Figure 5. The corporate parent should add value to the companies through parenting propositions such as the 'link proposition' where business units can work together. The corporate entity should encourage synergies in terms of intra-group supply and resource utilization that lead to parenting advantage. For example, the MICE business could handle the gathering and accommodations arrangements for the execution of training programs of the Education business. Another example could be where the Media business provides the necessary broadcast and video production of a conference that is handled by the MICE business.

Ultimately, superior performance is achieved when parenting advantage and competitive advantage is achieved at the same time by having the right the business strategies at the business levels and corporate strategy at the corporate level.

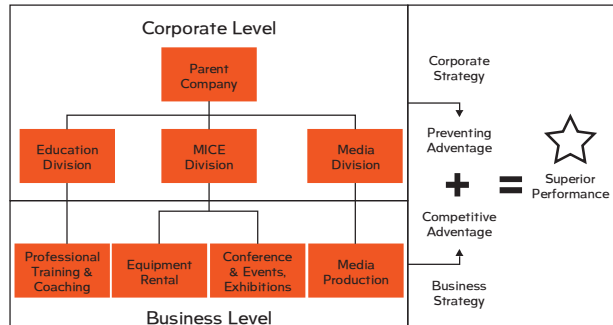


Fig. 5. Proposed Corporate Structure

A. Managerial Implications

The above proposed practical strategies and actions may naturally have managerial implication. Some key managerial implications are described in this section.

The broadening of the scope by expanding the client segment by adding a consumer exhibition as business activity may come with implications. Further market research is advised to identify existing consumer exhibition and areas of opportunities within the consumer exhibition segment. Hiring the necessary manpower whose competencies lies stronger in the consumer exhibition segment is also recommended. In addition, to mitigate risk a strategic alliance through joint or M&A can be done with a consumer exhibition organizer.

Engaging in a strategic alliance itself has its implications. The strategic alliance could succeed but also fail. To decrease the chance of failure, potential partners must be thoroughly reviewed and tested for compatibility in terms of vision, mission, structure, financial health but also culture. It is therefore advised to hire an expert who can provide good advice and insights guiding the strategic alliance towards mitigating failures and providing early warning signals and stop the formation of a strategic alliance relative in time preventing further damage.

Adding a branch office in Nusantara may also come with implications. Whereas the case company is currently accustomed in managing all the resources in one office. The additional branch requires the management team to divide its focus and resources such as key personnel amongst multiple office. Development and investment in resources planning, communication, and collaboration through for example online platforms, must be considered.

The pricing strategy for the government segment aims at lower pricing than the competition without giving up quality and profits. This is considered important because governments will award the company that offered the lowest price. It is equally important to keep the quality and profits for the sake of business continuity. Hence, the only way to overcome competition is to have the ability to decrease supplier costs, lower than the competition. Control over supplier pricing can be attained through strategic alliances like partnership and vertical integration.

Unlike in the government client segment, the private sector will not automatically pick the lowest price. Thus, an equal to higher competitive pricing strategy is advised. In this case, the prices are equal or even higher than the competition. To overcome the competition, the brand reputation of the company and features or benefits of the services provided being more premium compared to others justify the higher pricing. The extent of the justification of a higher price in relation of the premium is an aspect that must be further evaluated on a per case-based situation.

For the new product/service segment consumer exhibition, a penetration pricing strategy can help to grow market share. However, to grow market share one should not merely rely on the pricing strategy. A good approach in terms of the exhibition concept itself, marketing and execution are equally important.

The proposed staging should be carefully reviewed and assessed against new market developments. The pandemic has not yet ended at the time of writing this paper.

Moving into the new markets and industry through the proposed diversification is based on the advised quantitative research results where only the markets and industries with some commonalities have been picked. While the bigger corporate picture and benefits are clear, the execution of this strategy comes with implications. These areas of Professional Training & Coaching and Media Production are new for the case company. The company should invest in hiring experts in these fields and/or form a strategic alliance through a joint venture or M&A with existing companies or start-ups to develop these new businesses.

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