PRICE COMPETITIVENESS AND GOVERNMENT INCENTIVES FOR STIMULATING THE MEETINGS INDUSTRY – A CRITICAL LOOK AT THE CASE OF MACAU

Abstract

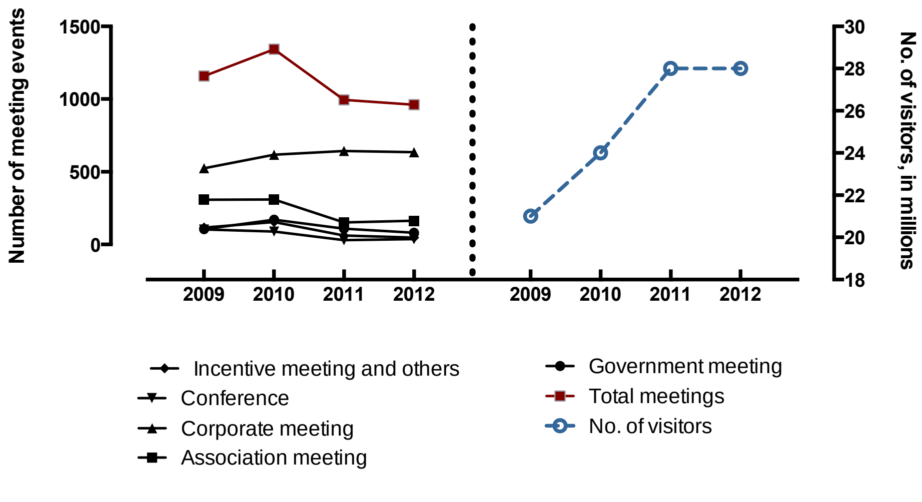
This paper examines the extent to which price competitiveness accounts for the observed precipitated decline in the number of meetings taking place in Macau from 2009 to 2012, in spite of the rapid growth in overall tourism, diversification in its tourism offering, and the sizable expansion of its capacity and facilities for hosting business tourism over the same period. The study seeks to shed light whether recent determined attempts by relevant government agencies to support the MICE sector via financial incentives (among others) would adequately and appropriately address the putative structural as well as competitive forces underlying Macau's struggle to become a destination for international meetings. Analyzing historical as well as comparative data in a cross-section analytic design, the study suggests an implied competitive price range (using comparative accommodation prices as a proxy) beyond which financial incentives may be ineffectual in attracting meetings.

1. Introduction

1.1. *Is Macau's meetings industry losing its potential before it even succeeds?*

Recent annual and quarterly data between 2009 and 2012 shows a steady but significant decline in the number of meeting taking place in Macau—despite having the overall number of visitors growing in the same period (DSEC-Statistics DatabaseDirecção dos Serviços de Estatística e Censos, n.d.). See Figure 1. If government-supported meetings are excluded from statistics, the total number of attendees has also been on the decline. While Macau's overall tourism has therefore been generally successful in the last few years, it is remarkable that its meetings industry sector seems to be stagnating suggesting perhaps issues related to poor overall competitiveness. Comparable data from the International Congress and Convention Association (ICCA) also shows that Macau's performance in attracting association meetings (see Tables 1 and 2) and its ranking compared to Hong Kong, the region and worldwide has declined from 2009 to 2012 (International Congress and Convention Association (ICCA), 2010, 2013).

Figure 1
Number of business meetings and visitors in Macau, 2009-12



Source: Direcção dos Serviços de Estatística e Censos (DSEC) - Statistics Database [Online]. Accessed 27 May 2013.

Table 1
No. of ICCA meetings

	2009	2012	%
Macau	17	8	-53%
Hong Kong	67	96	43%
Asia Pacific & Middle East	1,619	2,357	46%
Global	8,294	11,156	35%

Source: ICCA non-members report, 2009, 2012

Table 2
ICCA Country Ranking
(Out of total number)

	Worldwide	Asia Pacific & Middle East
Macau		
2009	63 (93)	17 (27)
2012	85 (104)	22 (31)
Hong Kong		
2009	38 (93)	10 (27)
2012	38 (104)	10 (31)

Source: ICCA non-members report, 2009, 2012

This development is intriguing considering that, in addition to becoming the world's leading destination for gaming, Macau has, in recent years, become very successful in developing its supply-side capacity for MICE and business tourism in general, with more facilities having recently built to cater to conventions, exhibitions and meetings. The potential for developing even more capacity to hold business tourism events is set to grow and the government has been very keen toward positioning this sector to diversify Macau's tourism base from the dominant role played by gaming activities.

This paper provides a background of the situation and reviews current efforts by relevant stakeholders in Macau, including the government, to address it. The study adopts an industry analysis framework in an attempt to identify macro-environmental factors, specifically the role of price competitiveness, which could explain the lack of comparable growth in Macau's ability to attract meetings. The scope of the study is limited to meetings in particular and not the broader category of business and trade events, which subsumes conventions, expositions and other trade events (Getz, 2008).[1]

1.2. *Government's role and intervention*

The underlying issue addressed by this study is a question both theoretical and pragmatic in its importance: "Should government agencies intervene in such a case and what role should government play in such a situation?" Most government agencies are not likely to give that question any second thought, preferring instead to commit substantial resources in assistance to the meetings industry

[1] The term "meetings industry" is most commonly used in Europe. In Australia, meetings is often referred to as "business events industry" whereas in Asia and the US the term MICE industry is most often used (Dwyer, Deery, Jago, Spurr, & Fredline, 2007).

sector. It has been argued that the role of government and government intervention in developing the meetings industry is crucial and most visibly embodied in the erection of convention and meetings centers as well as assistance in promoting destinations, facilitating visa-free access and, to some extent, monetary subsidies or support to defray the cost of certain activities including delegates' accommodation (T. G. Bauer, Lambert, & Hutchison, 2001). In most instances, government is seen as a "catalyst" for the industry across a broad range of issues (Leask & Spiller, 2002).

Complementing this belief is that members of the meetings industry do not seem to critically comprehend the forces that drive competitiveness of destinations in attracting business meetings and events. Scholars and researchers are just as equivocal in their efforts, with recent and early investigations focusing more on development issues (Dwyer & Mistilis, 1999; Yoo & Weber, 2005) and the well-trodden topic of venue-destination selection (Haven-Tang, Jones, & Webb, 2007; Wei & Go, 1999), among others.

Prior to addressing the crucial issue of government intervention and support, however, it is imperative to comprehend the nature of factors that directly influence the competitiveness of destinations to attract business meetings and events, and the interrelationship between such factors. This demands research focusing on competitiveness and industry analysis, which various studies have covered only to limited extent in the context of meetings and events (Dwyer & Mistilis, 1999; W.-I. Lee & Josiam, 2004). Most investigations, however, aim more toward establishing competitive frameworks or identifying an inventory of factors that determine competitiveness. Only a few have really focused quite specifically on crucial determinant factors integral to competitiveness such as pricing (Dwyer, Mistilis, Forsyth, & Rao, 2001).

1.3. *Non-price competitive factors*

Success in attracting business meetings to destinations is not solely dependent on price competitiveness. Published studies on convention site selection and destination attractiveness from the point of view of professional meeting planners (Baloglu & Love, 2005; Comas & Moscardo, 2005; Hilliard & Baloglu, 2008; Jeong-Ja, 2004; Oppermann, 1996) as well as attendees or delegates (T. Bauer, Law, Tse, & Weber, 2008; Mair & Thompson, 2009; Whitfield & Webber, 2010; Wu & Weber, 2005) implicate several relevant factors that are non-economic in nature.

Among the more frequent non-price factors frequently cited include the site and service attributes of convention facilities (Breiter & Milman, 2006; Robinson & Callan, 2005; Wu & Weber, 2005), the attractiveness and image of location or destination (Chacko & Fenich, 2000; G. I. Crouch & J. J. Louviere, 2004; Graham, 2005; M. J. Lee & Back, 2007; Reisinger, Mavondo, & Crotts, 2009), and even destination innovativeness (Douglass & Raento, 2004) and the complex ability of facilities to combine convention and entertainment attributes (Whitfield, Dioko, Webber, & Zhang, 2012). There is growing evidence as well that socially responsible management practices at convention facilities are beginning to influence planners' and attendees' decisions for convention site and destination choice (Whitfield & Dioko, 2011). Location advantages also feature regularly as relevant factor in attracting business meetings though it suffers from highly relative and subjective judgments of distance or accessibility. In studies, for example, location is highly intertwined with proximity to participants (G. I. Crouch & J. J. Louviere, 2004), destination image (Bradley, Hall, & Harrison, 2002), and accessibility (Kim & Kim, 2003).

Though important in the overall context of attracting business meetings, non-price competitive factors are predominantly hedonic as opposed to economic in their function and, arguably, economic considerations could be expected to matter more in the meetings industry context. Proximity, accessibility and distance, for example, might be considered unimportant when benefits accruing from networking are potentially huge (T. Bauer et al., 2008). It is highly likely however that the overall costs of travelling to a destination for meeting purposes subsume related costs of accommodation, travel as well as non-economic outlays. Indeed, Papatheodorou (2002) argues that competitiveness rooted in the relative pricing of destinations incorporate hedonic considerations. It is therefore not surprising that when various destinations are subject to comparative studies, cost of venue, accommodation and travel (and therefore overall pricing considerations) tend to rank relatively higher in importance (G. Crouch & J. Louviere, 2004). Location, distance, accessibility and proximity are likely to be competitive factors integrated with overall cost considerations (G. I. Crouch & J. J. Louviere, 2004) in the context of generating meetings and events activities.

What the foregoing suggests is that while non-economic factors such as destination attractiveness or location confer advantages for attracting business meetings, they must be subsumed within the overall construct of price competitiveness when examining performance across a number of destinations in comparative studies.

1.4. *Pricing and competitiveness in the meetings industry*

The research literature on destination competitiveness is voluminous and covers a wide range of issues. The competitiveness of tourism destinations has been a focus of study by numerous scholars (Crouch, 2011; Dwyer & Kim, 2003; Enright & Newton, 2004, 2005; Gomezelj & Mihalič, 2008; Mangion, Durbarry, & Sinclair, 2005; Mazanec, Wöber, & Zins, 2007). Majority of these studies assert the necessity of identifying a list of competitive factors and conditions required for destinations to compete. Some studies are conceptual (Crouch, 2011; Dwyer & Kim, 2003), while others are devoted to establishing strategic frameworks (Gomezelj & Mihalič, 2008; Mazanec et al., 2007), while others are economic-quantitative in their approach (Enright & Newton, 2004; Mangion et al., 2005).

The research theme on competitiveness has been no less prominent within the meetings industry and broader MICE literature. A few studies have indeed been formative in this area (Dwyer & Mistilis, 1999; Dwyer et al., 2001; Haven-Tang et al., 2007; W.-I. Lee & Josiam, 2004) but on the whole do not transcend much beyond strategic factor-identification and their attendant importance ratings for achieving competitiveness either for destinations or the MICE sector. Because most studies are bounded by geographical context, they are also limited in their empirical generalizability.

Yet one common factor that resonates consistently and with considerable frequency in many of the aforementioned studies is the factor of price competitiveness (Dwyer & Forsyth, 2011; Dwyer et al., 2001; Mangion et al., 2005). This appears a logical focus of inquiry since competitiveness, encompassing the many and varied posited elements that it incorporates, distils ultimately into the economic notion of competitive pricing. However, given the wide range of differentials between destinations in terms of exchange rates and multiple non-price factors, comparative analyses based on price competitiveness has proved challenging for the lack of universally acceptable definition. Others have advocated a price-quality model instead (Mangion et al., 2005) but more recent and thorough attempts seek to overcome comparative difficulties by proposing price-competitiveness indices (Dwyer & Forsyth, 2011; Dwyer, Forsyth, & Rao, 2000; Forsyth & Dwyer, 2009).

General price-competitive indices are highly integral and useful for cross-destination comparisons but are liable to incorporate more-than-necessary elements for determining sectoral-level effects. Forsyth and Dwyer (2009) explain that no single competitiveness index or indicator is likely to be superior and will have to balance accuracy, comparability and simplicity. They argue: "Sectoral measures, such as hotel price surveys, can give a high degree of accuracy about a specific sector, though they do involve collection costs" (Forsyth & Dwyer, 2009, p. 88).

For the purpose of this study, therefore, we adopt the accommodation or global price indices published by the Macau and Census Statistics Department and the hotel price index of the World Economic Forum's Travel and Tourism Competitiveness Report 2009 (Blanke & Chiesa, 2009) to address the following research questions:

(a) To what extent does the price level (herein taken as a proxy for competitiveness) of accommodation and other tourist spending items influence the number of meetings held in Macau, if at all?

(b) What is the nature of the relationship between destination price competitiveness (approximated by comparative hotel room prices) and a destination's ability to attract more meetings?

2. Data and analytic approach

We conducted two studies to address the two research inquiries posed above. In Study 1, we tackle the first research question by separately investigating the relationship between price levels of accommodation and general tourist price index with the number of meeting events taking place in Macau across a quarterly time series—a single case history analysis design. In Study 2, we examine essentially the same question but utilize a cross-sectional observation design, allowing a comparative analysis across different destinations. Together, results of both studies should be indicative of the role price competitiveness plays in explaining the declining attractiveness of Macau for meetings on both historical and relative levels. Details of the data used and procedures of analysis are described as follows.

2.1. *Study 1—Regressing meetings in Macau as a function of price across time*

To determine the extent to which destination level pricing has had an influence on the number of meeting events in Macau, we collected publicly available quarterly data on the number of meeting events that took place between the first quarter of 2009 up to the third quarter of 2012 (DSEC - Statistics DatabaseDirecção dos Serviços de Estatística e Censos, n.d.). Data for the number of meetings includes association, government and corporate meetings, conferences, and incentive meetings. For this study, the number of exhibitions was excluded in order to make the analysis of the Macau data compatible with ICCA definition for meetings (cfr. Section 2.2 below for details)

We matched this data with quarterly indices of accommodation prices as well as the global tourist price index computed and recorded by Macau's Census and Statistics Department (DSEC - Statistics DatabaseDirecção dos Serviços de Estatística e Censos, n.d.). Calculation of the global tourist price index for Macau includes various components of products and services, namely, prices of food, tobacco and drinks, clothing and footwear, restaurants services, transportation and communication, medicine and personal goods, entertainment and cultural activities, miscellaneous goods and prices for accommodation. The global and component indices are based on 1999-2000 prices (i.e., prices in period July 1999-June 2000 = 100). For 2009, accommodation prices accounted for 11 out of a total 100 index points that comprise Macau's global tourist price index. Other components weighted more heavily in the global index, with transport and communication making up the biggest component (28 index points), miscellaneous goods (19), and prices of restaurant services (16). Overall, accommodation prices weighed in as the fourth leading component in Macau's tourist price index.

Analysis using linear regression analysis was conducted separately for accommodation prices and the general tourist price index as the independent variables and the number of meeting events as dependent variable in both analyses. Results of the regression analysis should indicate whether variations in accommodation or general pricing indices could account for a significant part of the number of events that take place in Macau.

2.2. *Study 2—Cross-sectional analysis*

In order to assess the nature of the relationship between destination price competitiveness and a destination's ability to attract business meetings beyond the single-case study of Macau, we conducted a second regression analysis using publicly available data this time from a cross-sectional sample of 23 destinations for which data on average room rates and comparable records of the number of business meetings taking place were available.

Average room rates in 2009 for the 23 destinations in the sample came from the hotel price index (no. 10.05) of the 2011 Travel & Tourism Competitiveness Report compiled by the World Economic Forum (Blanke & Chiesa, 2011). Average room rates are calculated for first-class branded hotel for the 2009 calendar year and are stated in US dollars.

Data on the number of meetings held in the 23 destinations were obtained from the International Congress and Convention Association (ICCA) Statistics Report on the International Association Meetings Market for 2009 (Mazanec et al., 2007). ICCA defines and includes meeting events in its database as meetings organized by associations in which least 50 participants are attending, are organized on a regular or periodic basis, and have been hosted in at least three different countries (Mazanec et al., 2007, p. 12). Although definitions and measurement of what constitutes meeting events adopted by ICCA differ somewhat from those of others such as the UIA (Union of International Associations, http://www.uia.be) and from those adopted by individual countries, there is ostensibly some degree of overlap between the various definitions.

Crucial for this study, however, is that data emanating from a consistently applied method from a single reference would eliminate source variation in the analysis. Using a single data source for the sake of consistency, however, means compromising the universal acceptability of ICCA's definition of meeting events. Nevertheless, the widespread adoption, recognition as well as considerable number of members actively subscribing to ICCA's database mitigate the risk of non-generalizability.

Of the 23 destinations included in the second analysis, 10 were listed by ICCA as the top global destinations for international association meetings, measured by having the highest number of meetings recorded in 2009. The remainder of the 13 destinations comprised Asian meeting destinations to which Macau belongs.

3. Findings

Results of linear regression analysis, undertaken to determine whether hotel room (accommodation) rates and general (global) tourism price indices could account for the declining trend in the number of business meetings taking place in Macau, showed inconclusive results. Figures 2a and 2b show the fitted regression line for accommodation prices and global prices, respectively, as independent variables, with the number of events held between 2009 and the third quarter of 2012 as dependent variable in both cases.

Though the slope of the regression line in both cases is visibly negative, the relationship between average room rates and the number of events taking place (see Figure 2a) is statistically significant, F=1.112, df (1, 13). The R^2 measure for goodness of fit for the fitted line is a mere 0.07880. The effect of global price indices (of which accommodation prices is but one component) in the same period on the number of events (see Figure 2b) was statistically more evident, but weak, F=3.680, df (1, 13), p=0.0773. Computed R-square value for the fitted line is higher at 0.2206.

Figure 2a

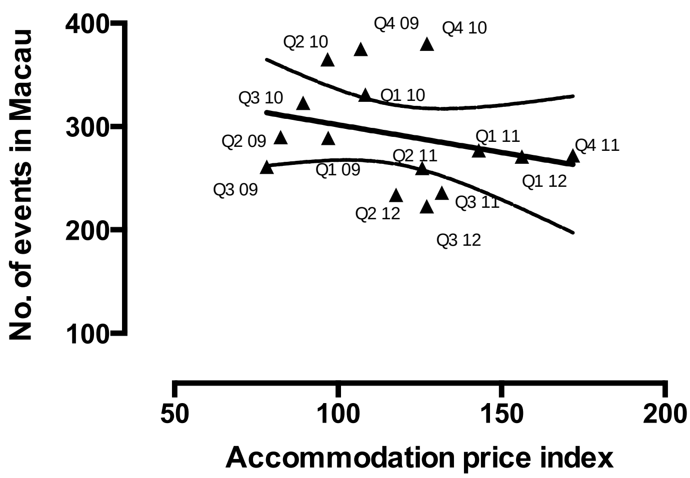
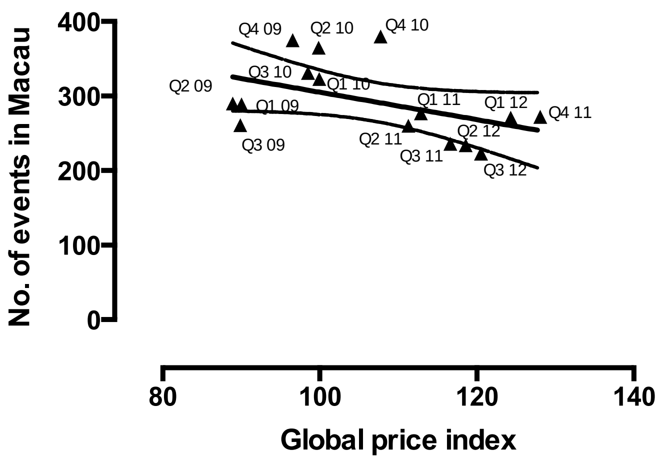


Figure 2b



The foregoing results indicate that neither variations in the average room rate nor the global price indices in Macau between 2009 and 2012 could satisfactorily account for the number of business meetings that took place in the same period, even if the data hints of a slight overall negative relationship. There must be other more influential factors accounting for the declining trend of meetings activity in Macau.

Looking at the situation from a broader perspective via analysis of data from a cross-section of 23 destinations in the ICCA database suggests a rather contrary relationship: Higher average room rates tend to be associated with more meeting events for destinations. This is evident from Figure 3a, which plots the number of meetings taking place across the 23 destinations in 2009 against average room rates. The scatter pattern of the data points suggests an upwardly sloping relationship consistent with the price-value hypothesis (Enright & Newton, 2004). Thus, it is not pricing level per se that determines competitiveness in the business meetings industry; rather, as the data suggests, it is the value-quality that one gets for the price paid.

Figure 3 (a)

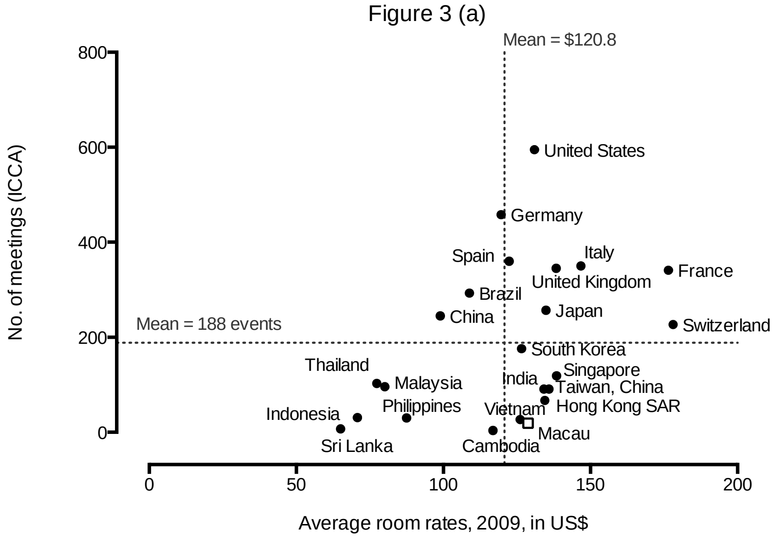
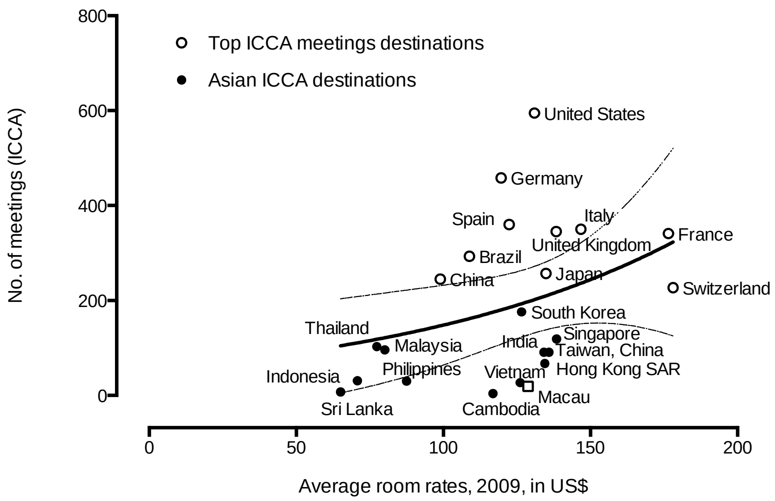


Figure 3 (b)



If this hypothesis holds, Macau's location in Figure 3a suggests a tenuous position. Its average room rate of $128.8 is only slightly above the sample average of $120.8 (s.d.=$29.85) but registered only 19 ICCA qualifying events, close to the low end among all observations. In contrast, Asian destinations like Singapore, Japan Taiwan and Hong Kong that have higher average room rates compared to Macau yet garnered more meeting events. South Korea's average room rate (US$126.6) is only slightly lower than that of Macau's average, yet attracted considerably more meeting events (176) in 2009.

A second pertinent observation is visible in Figure 3a. Although the overall data indicates an upward sloping pattern, there appears no logic in the context of the business meetings sector for average room rates to go indefinitely and unboundedly higher and for the number of meetings to increase correspondingly. Indeed, there is a concentration of scatter below the $150 average room rate—an implied price ceiling of some sort. Only two data points in Figure 3a, France and Switzerland, have room rates beyond $150. Destinations with room rates just below $150, however, vary tremendously in the number of meeting events they host.

What these observations suggest is that a putative relationship between price competitiveness (hotel, global or otherwise) and a destination's ability to draw meeting events isn't likely to be linear. Following this observation, subsequent analysis proceeded by fitting a non-linear curve to the data pattern in Figure 3a based on an exponential growth model, $Y=Y0*\exp(k*X)$, where Y is the number of meeting events, Y0 is the derived model intercept, X is the average room rate and k is the derived growth rate constant.

Results can be seen in Figure 3b where the fitted curve follows the equation $Y=54.55*\exp(0.009984*X)$. R-square value for this model is 0.1420 (d.f.=21). We conducted a runs test to determine if the fitted curve deviates systematically from the data with the outcome showing no significant departure (p=.7545). Examining the distribution of residuals for normality, results indicate a Gaussian distribution, D'Agostinho & Pearson omnibus test = 5.040, p=0.0805. We compared goodness-of-fit between the model in Figure 3b and a straight-line model that resulted in the latter having a marginally better fit compared with the exponential growth model. However, an unbounded upper limit inherent in a straight-line model is conceptually unsound as competitive factors converge to bring down prices rather than indefinitely increase them.

To summarize, examination of price levels as a proxy of competitiveness in attracting meeting events in the single case of Macau proved inconclusive. Other factors beyond mere price competitiveness likely account for the declining number of meetings in Macau from 2009 to the end of 2012. A subsequent broader analysis of a cross-section of destinations showed that destinations with average room rates approaching $150 (but not beyond) tend to have more meeting events, an interpretation consistent with a price-value ratio hypothesis and an inelastic market segment comprising of business travellers.

Many destinations in the observation sample, including Macau, have average room rates above $100 and approaching $150, yet the number of meetings for these destinations varies considerably. In conclusion, the relationship between a destination's price competitiveness and its ability to attract international meeting events is positively sloped and likely to be explained more by price-value offerings, rather than price levels alone. The greater the value-price ratio, the higher the competitiveness of a destination to attract more meetings. Nevertheless, this relationship appears to hold only up to a certain implied average room rate ceiling not exceeding $150.

Just below this implied ceiling, competition between different destinations in attracting international meetings is intense. As earlier indicated, Macau's average room rate is at par with destinations such as South Korea, Spain and the United States, which attract significantly more meeting events, yet the number of meetings in Macau is comparable to that of Vietnam.

4. Discussion

The above findings underscore several important points for policies aimed at supporting the development of the meetings industry sector. First, financial or monetary incentives in the form of subsidies, subvention or grants to stimulate or attract meetings to a destination are likely to be untenable.

We find evidence of this in the specific case of Macau wherein, over a three-year period, the number of meeting events was largely inelastic in relation to variations in either average room rates or global price levels observed during the same period. This is generally unsurprising because leisure travellers, delegates and attendees of international meetings are likely to be less sensitive about destination-level pricing and the cost of business-related travel (Dwyer & Kim, 2003). However, this goes against strong belief that support for stimulating MICE should, among others, include monetary or financial incentives in the form of subsidies or subvention (G. I. Crouch & J. R. Brent Ritchie, 1997). By subsidizing delegate participation, either directly through part- or full-coverage of attendance fees, or indirectly through grants to help organizers cover costs, subvention of the meetings industry seems contrary to the nature of business or association meetings in which the cost of participation by delegates is a necessary economic cost but one in which value is gained. Subsidies seem also uneconomic given that the cost of attending professional and association meetings is largely not borne by individuals but by organizations and institutions, most of which are commercial in nature.

Second, value-adding features of the destination and other site-specific advantages rather than the destination's price competitiveness per se, are likely more instrumental in attracting more meeting events. This is consistent with what the research literature affirms: Selection preference toward certain venues can be enhanced through destination-level factors such as accessibility, infrastructure, environment and quality of facilities (G. I. Crouch & J. R. Brent Ritchie, 1997) but also through entertainment opportunities, service quality and socio-cultural attractions (Dwyer & Kim, 2003). Accordingly, Figures 3a and 3b, which show cross-sectional data comparing 23 destinations in terms of observed hotel prices and the number of meetings held, suggest that higher hotel prices are significantly associated with more meetings. This observation applies mostly for upcoming countries in Asia such as Indonesia, Malaysia, Thailand, South Korea and the Philippines. Consistent therefore with what many previous studies have shown, cost and monetary considerations are but one of many factors that influence site selection for meetings and conventions.

Third, besides destination-level attributes that enhance value and competitiveness for attracting meeting events, it is possible that structural factors are just as likely to exert significant influence on a destination's ability to attract meetings. This is suggested in Figures 3a and 3b when average hotel prices approach an implied ceiling of around US$150, at which point a different dynamic seems to take hold. The pattern of data indicates that destinations like China, Brazil, Spain and Germany account for more meetings than can be expected with their data points located above the 95% confidence interval line of the hypothesized fitted curve capturing the relationship between average room rates and the number of meetings attracted.

What structural factors set apart destinations that attract significantly more meetings? In Figure 3b, symbols for the top ICCA meetings destinations have been changed to distinguish them from the rest of the Asian destinations (including China, which is both an Asian destination and a top ICCA destination for meetings). It is obvious that economic activity is correlated with being able to attract a sizeable number of meetings. Most of the top ICCA meeting destinations are in the OECD or are developed economies with high per capita GDP. But some of the Asian destinations in the sample such as Taiwan, Singapore, Hong Kong and Macau also have GDP per capita comparable to OECD and developed economies yet attract comparatively fewer meetings. Neither geographical proximity nor location seem to explain this difference—among the top meetings destination in Figure 3, China, Japan and South Korea are Asian, while most others are European, and then there is the United States.

One differentiating characteristic that can be gleaned from the data pattern is high per capita GDP. Economies that can maintain average room rates in the competitive range of $100-$150 (that is, the range wherein the fitted curve 'expects' more developed destinations to have room rates in ranges far higher than actually observed) seem a likely factor that makes the top ICCA meetings destinations competitive, within the range of data analyzed in this study.

Another possible explanatory factor is the number of associations based in the top meeting destinations as well as the method by which meetings are organized on a regular basis by such association. ICCA defines and identifies association meetings as those "that are repeated at regular intervals" and where the "destinations rotate" (International Congress and Convention Association (ICCA), 2010). Though ICCA suggests that meetings do not return to the same destination within a short time span because of the rotational tradition, the actual frequency and repetition of meetings being held in the same destination ultimately depend on the geographic scope of the active members of association. Relatively few members of an association may at any time be active, financially fit, and willing to host regular association meetings boosting their home destinations' ability to attract a bigger share of meetings.

Membership in associations as well as the rotational method for holding meetings are thus two structural factors that likely increase the ability of destinations to attract meeting events. If future studies confirm this, then it is not sufficient for up and coming destinations like Macau to be competitive in price nor to possess favorable site- as well as destination-level attributes. It is also necessary that they break through the structural entry barriers of association membership and existing rotational arrangements for hosting meetings.

The above implied structural barriers do not in any way contradict, but rather supplement, highly cited studies that catalog important site- and destination-level selection factors based on surveys and interviews with event planners, organizers, buyers and decision makers (Baloglu & Love, 2005; Bradley et al., 2002; Chacko & Fenich, 2000; Comas & Moscardo, 2005; G. I. Crouch & J. Brent Ritchie, 1997; G. I. Crouch & J. J. Louviere, 2004). However, such studies have generally not tested hypothesized factors cross-sectionally using empirical data on the number and distribution of meetings, as undertaken in this study.

It remains highly arguable that factors such as venue and facility characteristics, food quality (G. I. Crouch & J. J. Louviere, 2004), accommodation quality and price, as well as city (Baloglu & Love, 2005) and destination image (Bradley et al., 2002; Graham, 2005) or promotional appeal (Chacko & Fenich, 2000) are important in attracting meeting events to a destination. But what the findings of this study intimate is that formal social arrangements between and within association members as well as structural factors that engender greater formation of associations are likely to be just as important to destinations that seek to attract more meetings. Future studies regarding this possibility should therefore be conducted.

5. Implications for Macau and the meetings industry

Overall, the above findings pose a challenge for the continued general development of MICE industry in Macau and its meetings industry in particular. Despite the noble and generous efforts of its government agencies to arrest the decline in the number of meetings and maintain Macau's position as a meetings industry hub through monetary incentives and subvention packages for organizers, it would benefit them and the private sector to explore channeling more resources toward addressing the fundamental and structural factors that can improve long term competitiveness in attracting more meeting events. These resources can be channeled, for example, towards stimulating the formation of associations (or association chapters) in Macau and to facilitate such associations to be aligned and linked with those already established in other countries that already meet on a rotational and regular basis.

Such a plan of action, run in parallel with the necessity of strengthening site- and facility-level attributes, should prove more consequential in the future. It is worth reiterating that not all of the incentives and stimulation strategy undertaken by government agencies in Macau are financial in nature; organizational and promotional support programs for bidding and winning contracts to host MICE events are substantial (""One-Stop Service" for MICE ").

The broader implications of this study is that the type of government intervention to support the meetings industry in its goal to attract international meetings should only involve financial and monetary measures to a very limited extent, with equal if not more resources directed toward fostering international association memberships and penetrating existing structural arrangements, such as the rotational system for holding meetings, for the advantage of new and upcoming meeting destinations.

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