

Series: MICE will rejuvenate Japan

Part 1

Intensifying surveys and research that are essential for MICE promotion

MICE Research Institute

We would like to express our sincere condolences to the victims, their families and all those who are suffering from the effects of the disaster caused by the earthquake and tsunami that struck northeastern and eastern areas of Japan in March. MICE Research Institute is committed to taking the initiative to carry out whatever action we can take to support the speedy recovery of the affected areas.

The MICE Research Institute (hereafter referred to as MICE R.I.) is pleased to announce the launch of our activities as a think tank specializing in the MICE industry

The newly established MICE R. I., utilizing the wealth of experience and achievements of Congress Corporation, a leading company in the convention industry, was established for the purpose of carrying out activities to pursue practical MICE* surveys, research and consulting (please refer to MICE Japan March issue, p. 18-19). This series will introduce in more detail how, and in what way, the Institute intends to tackle these objectives.

*MICE: Meeting, Incentive (Travel), Convention, Event/Exhibition

■ Japan as a “Tourism Nation” and MICE

Japan first announced its intention to pursue a policy toward becoming a “tourism-oriented nation” in January, 2003. Then Prime Minister Junichiro Koizumi kicked this off by stating in his policy speech to the 156th Diet the goal of “doubling the number of overseas visitors to Japan, to 10 million by 2010” and addressing “Tourism Promotion” as a policy issue. The Japan Tourism Advisory Council was established as a result, which was tasked with creating a report on what should be done to “build a Japan that is good to live in and good to visit,” as well as launch the “Visit Japan” campaign. This marked the full-scale start of the campaign to promote inbound travel to Japan in overseas markets.

In 2004, the government strengthened the structure for tourism promotion by dissolving the Japan Tourism Advisory Council, and simultaneously setting up a new entity, the Strategy Council for Tourism Nation Promotion, and

promotional activities gathered speed.

As for the term “MICE,” this has been reflected in our country’s tourism policy since 2008, when the Japan Tourism Agency was established under the Ministry of Land, Infrastructure, Transport and Tourism (hereafter MLIT). Thereafter, the MICE Action Plan was formulated and specific initiatives such as “Japan MICE Year” were implemented. Promotion of MICE has become one of the important pillars of Japan’s national policy aiming to become a “tourism nation.”

■ “Tourism Nation” coined by Panasonic’s Konosuke Matsushita

Readers may be interested to know that the term “Tourism Nation” was coined almost 60 years ago by Mr. Konosuke Matsushita, the famous Japanese industrialist and founder of Panasonic.

According to the PHP Policy Review, Vol.4-No.20, January 1, 2010, Matsushita expanded his personal theory in an article entitled “My views on the tourism nation – Build one hotel rather than mine coal,” published in the May, 1954 issue of the Japanese magazine “Bungeishunju.” The “PHP Policy Review” article summarized Matsushita’s argument, the main points of which are as follows:

1. There is a low level of comprehension about tourism on the part of both government and the public...(omitted)... and no matter where one looks around the world, beautiful landscapes are being destroyed.
2. Japan’s beautiful scenery... (omitted)...should be exposed broadly to the world.
3. There is no other business with potential such as this.
4. Tourism doesn’t simply remain in the tourism industry, but has a significant ripple effect on other industries.
5. Through welcoming tourists, Japan’s horizons will become more international.
6. Tourism is the biggest peace strategy.
7. A Tourism Ministry should be inaugurated...(omitted)...and a Tourism Minister installed. Cultivate human assets through

transforming a part of the national universities into a tourism university.

8. Loudly proclaim that we are a Tourism Nation.

Considering that it took more than half a century for this "Tourism Nation" to be reflected in Japan's governmental policy, Mr. Konosuke Matsushita's foresight is indeed impressive.

■ "MICE" still lacks recognition

Even though MICE has come out so clearly in the forefront as an important aspect of Japan's "tourism nation policy," perhaps because its history is relatively short, promotion and advancement of MICE is not as straightforward as it would seem. This came across clearly at the landmark event of last year in Japan, the government's budget screening process to review all governmental budgets.

The MLIT had budgeted a total of 443 million yen for "Promotion of convening and inviting MICE" for FY2011, in the FY2011 budget draft proposed in August, 2010, but this was severely cut back by the budget screening committee in November to virtually zero, as one of the items marked as "budget postponed." The MLIT worked zealously to try to reinstate this item, with great support from the MICE industry, whose members wrote letters of support to government officials and politicians, etc., but unfortunately, the budget was not restored in the final budget bill presented to the Diet. According to the budget screening committee's report, the reason for postponing the MICE-related budget was two-fold, "Unconvincing outcome," and "Cost and performance don't match."

This outcome was met with disbelief and great regret by those of us in the MICE Industry. It was common sense to us that promotion of MICE is one of our country's essential policies, which should warrant the appropriate budget. However, it became crystal clear to us at that time, that the reality was that many people outside of our industry still did not comprehend its importance.

MICE lacks recognition...It came home to us that this was not only the government's fault, but our industry must also take some of the blame for the fact that we had not undertaken sufficient activities up to now.

■ MICE R.I. will start by "intensifying surveys and research" and "transmitting information"

For the MICE industry now, what is essential, or conversely, what has been lacking up to now, is in-depth surveys and research related to MICE, and transmission of the findings.

For that purpose, as one direction, we intend to begin by reviewing all of the past surveys and research that have been accumulated by numerous senior colleagues in this domain, sort them out based on today's perspective and complement this data with our research and surveys. Through this process, we will gain a rock-solid supporting database on MICE. This data should serve as a tool to rebut the points called into question by the budget screening committee; "Unconvincing outcome" and "Cost and performance don't match."

In pursuing these activities, we must also keep the overseas MICE business in our sights. The "C" and "E" in MICE are weighted relatively heavily toward international exchange,

and in progressing surveys and research in this domain, one of the keys will be to gather and exchange information through alliances with overseas organizations. The World PCO Alliance (founded in 2009), (Secretary: Congress Corporation), now consists of 15 members from various countries and is proactively undertaking various endeavors through mutual cooperation, in areas such as exchange of convention-related information and know-how, staff cross-training and sharing of information technology. MICE R.I. intends to go forward and implement surveys and research on the overseas MICE business utilizing the accumulated experience of Congress Corporation in international conventions, and through cooperation with various countries via the World PCO Alliance network.

In addition, we also intend to include the standardization of MICE business in the future into our vision. The Convention Planners Association of Japan (CPA) (Secretariat: Congress Corporation) has already drawn up a proposal for the industry with regard to establishing criteria for standardization and compliance. Standardization of all aspects of MICE, not only "C", but also "M," "I" and "E," will be crucial for the MICE industry, especially to win acceptance from society at large.

Another important mission for us will be surveys and research on PFI (private finance initiative) and PPP (privatization of government enterprises) for development and management/operation of large audience facilities, including international conference centers. Looking toward the future, it will be necessary for us to not simply provide consulting services for large-scale conference and cultural facilities, which are expected to be developed full-scale hereafter, but to responsibly take part in the work to be done once construction has been completed, as a hands-on PFI special purpose company (SPC). In this regard, we plan to coordinate with various related organizations, such as the Japan PFI PPP Association and the Designated Management Company Scheme Promotion Institute.

All in all, our tasks are extremely challenging, and we will need to cooperate with all of the stakeholders in the MICE industry, but we hope that our activities at the MICE R.I. will serve to pioneer collaborative research and surveys for each MICE domain. We believe that through these endeavors, businesses involved in MICE will uniformly become entities that consist of a high quality of information, which will serve to improve our status as an industry.

We have a difficult road ahead, but are firm in our commitment to put forth our best efforts in various activities to realize these goals, as we embark on our mission.



- MICE Research Institute - Major Activities

- ① Planning and consulting services for domestic and international conferences and exhibitions
- ② Promotion of PFI, private finance initiative, and PPP, privatization of government enterprises
- ③ Planning and research for the development of conference and cultural facilities
- ④ Research of MICE projects overseas
- ⑤ Publicity and publishing related to MICE