

# A Prototype of Proper MICE Tourism Import Shipment Handling in Bali

Made Herry Erika <sup>1</sup>, I Made Darma Oka <sup>2</sup>, Ni Made Ernawati <sup>3</sup>

<sup>1</sup> Magister Terapan Perencanaan Pariwisata, Jurusan Pariwisata, Politeknik Negeri Bali

<sup>2</sup> Magister Terapan Perencanaan Pariwisata, Jurusan Pariwisata, Politeknik Negeri Bali

<sup>3</sup> Magister Terapan Perencanaan Pariwisata, Jurusan Pariwisata, Politeknik Negeri Bali

\*Corresponding Author: erika.sedana@gmail.com

**Abstrak:** Penelitian ini bertujuan untuk menentukan langkah-langkah penting dalam penanganan pengiriman impor Wisata MICE di Bali untuk kelancaran, kemudahan proses dan pengiriman tepat waktu ke tempat MICE. Pariwisata MICE, sebagai salah satu pengungkit perhotelan telah menjadi sektor vital untuk dikelola untuk tujuan ekonomi, dalam hal ini adalah peningkatan pendapatan yang didorong oleh pergerakan MICE (Meeting, Incentive, Convention, and Exhibition). Hal ini diperlukan terutama untuk pemulihan ekonomi pasca penurunan ekonomi, yang dipengaruhi oleh pandemi COVID-19 di Bali. Menurut bank sentral, Bank Indonesia, PDB Bali memberikan kontribusi pertumbuhan negatif sebesar -4,1% YOY pada Q1 2020. Penurunan signifikan terjadi pada Q2 2020 sebesar -11,02%, Q3 2020 sebesar -12,28% dan Q4 2020 sebesar -12,21%.

Seperti yang telah disampaikan sebelumnya, pariwisata MICE akan menjadi salah satu solusi tercepat untuk pemulihan pariwisata. Penanganan Pariwisata MICE, di Bali sangat terkait dengan manajemen venue, manajemen acara, in-house officer profesional termasuk proses pendaftaran, hubungan media, kegiatan pra dan pasca MICE. Namun, situasi kisruh muncul dari salah penanganan pengiriman impor Wisata MICE di Bali. Keterbatasan informasi, pengetahuan, sistem dan teknologi yang digunakan dalam proses impor memainkan peran penting dalam penanganan yang salah. Dengan demikian, kegagalan layanan akan mempengaruhi tingkat kepuasan Wisata MICE yang berhubungan dengan hotel atau venue MICE, DMC (Destination Management Company), Tour Operator, Incentive House dan Organizer.

Menangani MICE Pariwisata pasti membutuhkan tingkat pengetahuan dan keahlian tertentu. Hal ini membutuhkan profesional dalam perencanaan strategis, dan detail rencana operasi yang berlaku. MICE Tourism memungkinkan pergerakan pariwisata berkualitas secara global karena pendapatan rata-rata per turis dan per acara lebih tinggi dibandingkan dengan pengeluaran rata-rata turis reguler. Terkait dengan pengiriman Impor MICE, kami tidak hanya membutuhkan keterlibatan profesional dari Industri Perhotelan, tetapi juga profesional dari Industri Logistik & Rantai Pasokan. Hal ini memungkinkan praktik lintas industri untuk memperluas manfaat bagi industri global dengan inovasi sebagai keunggulan kompetitif, yang lebih relevan dengan permintaan saat ini terhadap bisnis yang berkelanjutan.

**Kata Kunci:** Pariwisata MICE, bisnis pariwisata berkelanjutan, pengiriman impor, dokumen pengiriman wajib, model komunikasi.

**Abstract:** The research aims at determining the vital steps in handling MICE Tourism import shipment in Bali for smooth clearance, ease process and in time delivery to MICE venue. MICE Tourism, as one of hospitality levers has become vital sector to manage for economical purpose, in this case is revenue generation which is driven by the movement of MICE (Meeting, Incentive, Convention, and Exhibition). This would be needed especially for economic recovery post economic decline, which is impacted by COVID-19 pandemic in Bali. According to central bank, Bank Indonesia, Bali's GDP contributed negative growth at -4.1% YOY in Q1 2020. Significant declines occurred in Q2 2020 by -11.02%, Q3 2020 by -12.28% and Q4 2020 by -12.21%.

As stated earlier, MICE tourism would be one of the fastest solutions for tourism recovery. The handling of MICE Tourism, in Bali is very much related to venue management, event management, professional in-house officers including registration process, media relations, pre and post MICE activities. However, chaotic situation arises from the miss-handling of MICE Tourism import shipments in Bali. Limitation of information, knowledge, system and technology used in import process plays critical roles in the miss-handling. Thus, service failure would affect to MICE Tourism satisfaction level in associated with hotels or MICE venues, DMC (Destination Management Company), Tour Operator, Incentive House and Organizers respectively.

Handling MICE Tourism would definitely require certain level of knowledge and skill set. It requires professionals in strategic planning, and detail applicable operating plan. MICE Tourism enables the movement of quality tourism globally as the average revenue per tourist and per event is higher compare to regular tourist average spend. In associated with MICE Import shipment, we will not only require professional involvement from Hospitality Industry, but also professional from Logistics & Supply Chain Industry. This enable a cross-industry practice to extend benefit to global

industry with innovation as a competitive advantage, which is more relevant to today's demand towards sustainable business.

**Keywords:** MICE tourism, sustainable tourism business, import shipping, mandatory shipping documents, communication model.

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## Introduction

Tourism has been fused in the daily life of the local community in Bali. It has developed very much as seen in the number of tourist arrival in Bali almost 6.3 million (Statista, 2021) in 2019, before Covid-19 outbreak in Bali. It has contributed significant growth toward Indonesia number of international tourist arrival 16.10 million in 2019. Indonesia tourism industry in the same year has also contributed USD 69.8 billion with growing annual rate of 8.24% annually. Meanwhile total Indonesia's GDP in the same business year is USD 1,119 billions in 2019 (World Bank, 2020).

According to an International Congress and Convention Association (ICCA) report, the expenditure of MICE tourists is recorded average 53% larger than leisure travelers. Further on that, the length of stay of MICE tourists is average 5 days longer compared to leisure travelers (ICCA, 2020). MICE tourism segment will continue to grow. As MICE has significant contribution toward the industry it is necessary to have detail and a more complete planning in the handling on MICE tourism. This will not only in its basic element such as accommodation, transportation, attraction, and venue arrangement, but more into its mandatory support such as its logistics sectors, as a vital section, in this case refer to MICE import shipment handling. MICE tourism in Bali received logistics or goods from overseas, in this case is the origin countries. The logistics involves marketing material, conference display, exhibition, items to launch, machinery, large-size items as well as merchandise to distribute to MICE delegates. By means, most of items will not be sent back to its origin country and some will be sent back to its origin country.

According to Ricci, P. R., & Holland, S. M. (1992), incentive tourism aims at awarding an employee or a person both recreation and motivation. Incentive travel obviously use unique fantasy travel and recreation experience as a reward for employees who deliver excellence performance in productivity and sales. This is normally awarded to high performers (hi-po) in a company. Miller, G., & Ward, L. T. (2005) have emphasized that to facilitate an effective performance of sustainable tourism, practitioners need to keep side by side and abreast of new knowledge as well as understanding of all components and practices in associated with sustainable development. That means tourism practitioners must be able to establish a clear track of sustainable tourism development journey from small beginning to mainstream international advance practice. Torres-Delgado, A., & Saarinen, J. (2014) stated that indicators is mandatory to be implemented for the assessment and measurement of sustainable tourism development, that is called Sustainable Tourism Indicators (STI). Meanwhile, Tanguay, G. A., Rajaonson, J., & Therrien, M.C. (2013) warned that the use of STI could raise several issues due the interpretation of these indicators and the results as well as multiple interpretation of the concept of sustainable tourism itself. According to Hall, C. M. (2019) A "heterogeneous constructionism" approach needs to be adopted in sustainable tourism development. This is to examine the managerial ecology of tourism and the UNWTO SDGs. Heterogeneous construction in this case means a variant of idea and information intersecting processes, that in turn, is an attempt to tourism discipline without suppressing the unruliness (lack of discipline) of complexity. All should be interpreted as one single contributing link in the construction of tourism behavior.

This research will bring the details information, mandatory steps and vital fundamental guidelines and to see the best practical solution in associated with communication for the MICE import shipment handling and the best communication model to implement within Tourism industry, especially MICE practitioners in Bali.

## Method

Despite the importance of MICE import shipment handling, there are not many studies done in supply chain on MICE tourism. MICE shipment handling does have comprehensive guidance, which mainly generated from Indonesia customs authority. This would include; shipment content, weight, total value and mandatory shipping documents. I found it challenging to locate literature in associated with MICE Tourism import shipment handling. However, literature that are very much close to this research and those in associated with these four levers; the importance of MICE in tourism industry, logistics & supply chain literature, workflow & paper works of importing to Indonesia and Indonesia Customs Regulation (Restriction & Prohibition).

According to Smagina, N. (2017), tourism business definitely create link of relationship between tourism components and business, in this case international business program, which is known as MICE (Meeting, Incentive, Convention and Exhibition), that will significantly influence the development of historical and cultural tourism that impact to the increase of the attractiveness of global tourists to a particular region that offer MICE tourism. Based on Swarbrooke, Horner (2001), Weber, Chon (2002), Davidson, Cope (2003), UNWTO (2006), and Rogers (2008), the concept of Meeting Industry (MI) or in this case is more popular as MICE was first introduced by the International Congress and Convention Association or ICCA, the Meeting Professionals International (MPI), the Reeds Travel Exhibitions and the World Tourism Organization (UNWTO) in the efforts of generating a clear understanding and a standardised concept as well as for a stronger image on Meeting Industry in tourism sector globally. The acceptance and implementation of MICE as part of global tourism sector has been proven to be the key driver of tourism destination development. It is an important lever and generator of employment, revenue as well as foreign direct investors (FDI), which has always been directed develop a country (Endo, K., 2006). Besides contribute to the economic growth, MICE tourism offers opportunities of knowledge exchange, capacity building, business networking, social fellowship, leadership sharing as well as cooperation opportunity. Those are important keys for intellectual development in a country, region and global tourism industry.

MICE shipment movement is very much associated with logistics and supply chain process that will become a key value in the relocation and delivery of MICE goods (conference consumer goods, displays, temporary import equipment, and other MICE- related goods). According to Christopher, M. (2016), an effective development and management of supply chain networks will help businesses with cost efficiency, effective process as well as enhancing customer value. In this case, import shipment process for MICE tourism purpose must be handled in the most effective management and flow for the most efficient cost.

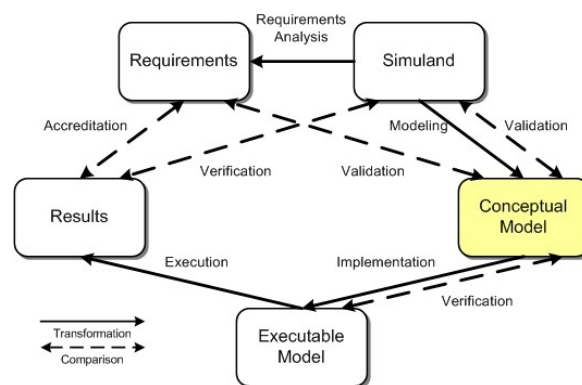


Figure 1. Conceptual model by Wiley, 2010

The research will be conducted in PT Bimasena Agung (Moritz Logistics Indonesia), located in Jl By Pass Ngurah Rai No. 137, Sanur, Denpasar Bali. This company business portfolio is focusing on tourism especially MICE shipment, both for import, re-export as well as courier on board for MICE purposes. While object of the research is MICE tourism import shipment handling in Bali to gain a prototype of a proper MICE tourism import shipment to for the use of tourism practitioners in the industry. Data collection is divided into two;

Primary data is data gained from main or primary recourse whom contribute direct to both interview process as well as questionnaires. This data is generated from DMC (Destination Management Company), PCO (Professional Convention Organizers), PEO (Professional Exhibition Organizers), Travel Agents, Hotels in the area of ITDC (Indonesia Tourism Development Corporation), MICE Venue ; BICC (Bali International Convention Centre) and BNDCC (Bali Nusa Dua Convention Centre). In this case primary data refer to the result from the questionnaire and the interview. Secondary data in this research is to support primary data generated from main resource. The secondary data source in this case is gained from various literatures, books, official websites, newspaper, and convention booklets. In this case, the secondary data refers to mandatory document for MICE import shipment and data in associated with effective communication model. Data collection techniques are In the process of obtaining data, the writer set 11 (eleven) questions into 1 (one) page of questionnaire and send to respondents via google form. The questionnaire is responded by 50 respondents from tourism industry in Bali, they are from;

- DMC (Destination Management Company)
- CO (Professional Convention Organizers)
- PEO (Professional Exhibition Organizers)
- Travel Agents
- Hotels in the area of ITDC (Indonesia Tourism Development Corporation)
- MICE Venue ; BICC (Bali International Convention Centre) and BNDCC (Bali Nusa Dua Convention Centre).

Interview process was also conducted. In this process, the writer is targeting 10 (ten) respondents. In the interview session writer will address 18 (eleven) main questions which are subject to development and extension of discussion, which is very much related to the research questions. They are mainly decision makers and operation of MICE Tourism practitioners.

To gain supporting data, the writer conducts close and deep observation in associated with MICE import shipment process via workflow of carriers, customs regulation in conjunction with MICE tourism shipments, as well as documents required upon clearing MICE import shipment in Bali. Although, it is quite challenging to have journal on MICE import shipments, the writer believes with deep analysis and observation, the writer would be able to generates insights and information from respective related sources.

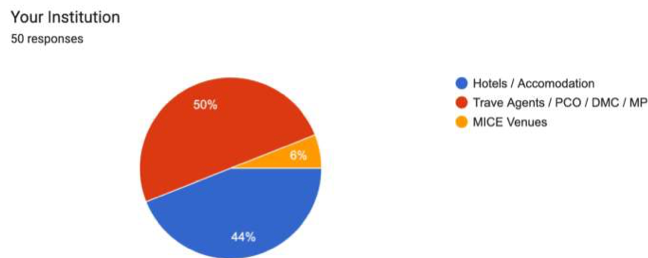
For analysis data, the writer uses quantitative analysis and qualitative analysis. The writer uses statistical model, measurement to understand responses from 48 respondents. The writer will represent real data in numerical value generated from the questionnaire. Most of the questions exhibit 5 (five) options, for example; extremely understand, quite understand, moderately understand, slightly understand and not at all understand. These 5 (five) option would then be translated into numerical option from 1 to 5 to generate simple statistical modelling and the use of SPSS for the validity and reliability of the questionnaire.

- A. Validity Test.** Measurement used in validity test is the Pearson correlations. In this term, the writer correlate selected scores towards total scores. This evaluation uses validity limit 0,2723, which is generated from r table to residual df number 50. The writer shares validity evaluation result from the questionnaire as follows; Pearson correlation above 0,2723 meaning statement is VALID Person correlation below 0,2723 meaning statement is INVALID
- B. Reliability Test.** Reliability test is used in this thesis to check the consistency of variables use in the evaluation or questionnaire. Reliability level is seen through Cronbach Alpha value. Refer to Ghozali (2005), variable is reliable when it the value is above 0,6.

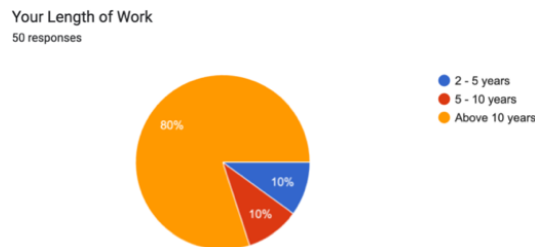
## Result and Discussion

In having feedback, the writer has invited 50 (fifty) respondents from hotels (accommodation), Travel Agents, PCOs, DMCs, MPs as well as MICE Venues in Bali, that are based in south Bali area. Total of 50% are

respondents from Travel Agents, PCOs, DMCs and MPs. The rest are coming from hotels as well as MICE venues. The writer also wants to have feedback from those who are experienced in tourism industry, thus respondents are divided into 3 (three) categories in length of works; 2-5 years, 5-10 years and above 10 years. In this thesis, 80% feedback are gained from tourism practitioners who have been working in the industry for more than 10 years. The writer did not mention gender here as feedback will not be derived by different gender. This would also be referring to the United Nation campaign on EDI (Equity, Diversity and Inclusion).



**Figure 2.** Respondent’s institution



**Figure 3.** Respondent’s length of work

In this section, the writer draw questions in associated with how familiar tourism practitioners with critical steps of MICE import shipment handling in Bali, what is their level of understanding about restricted and prohibited commodities for importing into Indonesia, problem they had when handling MICE import shipment to Bali, as well as if they have lost MICE business opportunity due to lack of understanding on MICE import shipment processor import regulation. The writer differentiates responses into 5 (five) categories; extremely familiar/understand, quite familiar/understand, moderately familiar/understand, slightly familiar/understand and not at all familiar/understand. From total responds, 66% are not familiar with critical steps in handling MICE import shipment to Bali and 28% is in the level of quite familiar but indicating uncertainty. Seeking the level of understanding of respondents to information on restricted and prohibited commodities for importing into Indonesia, the writer also found that 66% do not have understanding on those restricted and prohibited commodities, while 26% result suggest that they quite understand but it does indicate certain level of uncertainty, and 16% has no understanding at all.

In this section, the writer is seeking more on knowledge and understanding level of respondents to documents required for MICE import shipments, especially invoice and packing list. Total of 62% indicates low level of knowledge about invoice and packing list and 34% indicate that they quite understand. In associated with the level of understanding about mandatory import documents, 76% indicated low level of understanding, while 20% indicated that they quite understand. For the fact that knowledge and information about import document are required, the writer is seeking for the level of respondent’s efforts in seeking for 3rd party’s assistance (from shipping company). In this case, 12% says extremely preferred, 34% quite preferred and the rest 54% do not prefer to seek for 3rd party support in regards to MICE shipment import documents. A question mark maybe addressed to this certain circumstance.



## Conclusion

In conclusion, MICE Tourism Stakeholders in this case has no sufficient information regarding the vital steps need to be taken when having MICE import shipment to Bali. This would include information on the vital steps required by tourism practitioner in both destination country and origin country.

### 1. **Shipment preparation**

In this stage, shipper needs to do proper preparation of items to be shipped. This would include the quality and the quantity of each item.

### 2. **Item listing**

Item listing would be required for invoice and packing list document preparation. Quantity must be captured in an accurate manner.

### 3. **Checking prohibited and restricted commodities to destination country**

By doing this checking step, shipper would have better control of potential problem regarding prohibited and restricted items in advance. This would avoid shipper or receiver to expense unnecessary cost.

### 4. **Checking HS codes and document require as of item listed**

Checking HS codes of each item will give the visibility of estimate percentage of customs duty at destination country. This is also required by exporter upon export declaration in origin country.

### 5. **Packing to meet airline cargo regulation**

Type of packing must meet airline cargo regulation. This would include the maximum size per piece and maximum weight per piece. For several airport it may be different and much depending on aircraft type use for the cargo shipment.

### 6. **Checking packing standard; carton, wooden packing, wrap**

Ensuring the packing material of every single collie would enable shipper to do better packing in term of shipment safety and security. This would include the document and treatment require once shipment is packed with wooden crate or wooden box.

### 7. **Checking physical & volume weight**

Shipper and receiver would need to check both physical and volume weight to enable to calculation of rechargeable weight by carrier. Whatever heavier will be used to calculate freight cost.

### 8. **Checking de-minimus value and total shipment value**

It is mandatory to check shipment value regulation at destination country. De-minimus shipment will not subject to customs duty. This would be vary from one country to another. For Indonesia, shipment value below USD 1,500 would enable clearance company or broker to process using Consignment Note (CN) , which is faster. Above the stated value, shipment needs to comply with mandatory import document.

## Acknowledgment

A sincere gratitude I would like to definitely address to Ida Shang Hyang Widhi Wasa for keeping His tremendous lights and guidance during my years in the University of Angers and Politeknik Negeri Bali. It has been both amazing and comprehensive learning journey, not only about Tourism Industry but also about cross-cultural life that positively correlate and contribute to life satisfaction and self-esteem. This business model or prototype is written for the finalization of Double Degree Program between the University of Angers and Politeknik Negeri Bali. This prototype also aims at supporting one of vital process in importing MICE (Meeting, Incentive, Convention & Exhibition) shipment to Denpasar, Bali, which is considered to be one of top MICE tourism destination in South East Asia.

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