

Industry Paper

Micro Impacts and Benefits of Business Tourism in Malaysia: A Comparative Analysis for 2011-2012

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Abstract: The paper investigates the micro impacts and benefits of business tourism in terms of delegates spending and their experiences in Malaysia. It compares the results of two years of data collected during 2011 & 2012 at Kuala Lumpur Convention Centre (KLCC). Descriptive analyses such as frequencies, percentages, means, and standard deviations are calculated, and patterns and trends in the responses for structured open-ended questions are observed. The findings of the study are discussed in detail with conclusion and recommendations for the industry.

Key words: Micro impacts, benefits, business tourism, KLCC, Malaysia

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Introduction

The *economic importance* of the tourism industry should not be underestimated. Travel & tourism is set for a milestone year as the industry's direct contribution to the global economy is expected to surpass \$2 trillion in GDP and 100 million jobs. According to a study by the World Travel & Tourism Council (WTTC, 2014), the global travel & tourism industry has grown by 3.2% in 2013, marginally faster than the global economic growth rate, predicted to be 2.4%. This rate of growth means that the travel & tourism industry is expected to directly contribute US\$2 trillion to the global economy and sustain some 100.3 million jobs. When the wider economic impacts of the industry are taken into account, travel & tourism is forecasted to contribute some US\$6.5 trillion to the global economy and generate 260 million

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jobs – or 1 in 11 jobs on the planet. In 2012, the total economic contribution of travel & tourism, taking account of its direct, indirect and induced impacts, was US\$6.6 trillion in GDP, 260 million jobs, US\$765 billion in investment and US\$1.2 trillion in exports. This contribution represented 9% of GDP, 1 in 12 jobs, 5% of investment and 5% of exports (WTTC, 2014). Thus the sector is an important driver of growth and prosperity, and, particularly within developing countries, it can also play a role in poverty reduction.

According to United Nations-World Tourism Organisation (UN-WTO, 2013), international tourist arrivals (i.e. overnight visitors) grew by 4% in 2012 to 1035 million, up from 995 million in 2011 when arrivals increased by 6.4% and international tourism receipts reached a record US\$1,075 billion, up from US\$1,042 billion in 2011. While international tourist arrivals in Asia and the Pacific reached a historic high of 233.6 million in 2012, about 15.3 million more than in 2011, international tourism receipts reached US\$224, about US\$74.5 billion more than 2011 (World Tourism Organisation, 2013).

According to UN-WTO (2013), '*tourism* comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited'. According to International Congress and Convention Association (ICCA, 2013), the tourism industry can be divided into *leisure tourism* and *business tourism*. ICCA's adapted definition of *business tourism* is 'the provision of facilities and services to the millions of delegates who annually attend meetings, congresses, exhibitions, business events, incentive travel and corporate hospitality'. ICCA also highlights that there is no commonly used or universally accepted definition available for the term *business tourism* (www.iccaworld.com).

UN-WTO, in its Glossary of Terms, has no specific term that defines business tourism (2013). The various literature on business tourism describe it according to its scope of business activities in relation to tourism. For example, Haven-Tang, Jones and Webb (2007) in their study, stated that business tourism consists of all trips related to a traveller's employment or business interest, for example, conferences and meetings; exhibitions, and trade fairs; corporate hospitality events. Similarly, Hankinson (2005) also cited business tourism as travel associated with attendance at meetings, conferences, exhibitions and incentives events.

Some countries describe business tourism in relation to their existing practices. According to Tourism Research Australia (2013), business tourism is any business that relies significantly on tourists for both direct and indirect consumption of products or services (www.tra.australia.com). On the other hand, the Northern Ireland Tourism Board (2013) bases its concept of business tourist as a traveller whose main purpose for travelling is to attend an activity or event associated with

his/her business of interest. It further adds that the main components of business tourism include conferences, exhibitions and trade fairs, incentive travel, corporate events and meetings as well as individual or corporate travel (www.nitb.com).

The concepts previously cited are very important in establishing why UN-WTO may not consider it as a solely business tourism industry but instead classify it as *meetings industry*. UN-WTO (2013) refers it as meetings industry if the main purpose of a trip is business/professional and includes attending meetings, conferences, congresses, trade fairs and exhibitions and other business and professional activities. According to UN-WTO, the term *meeting industry* is preferred by International Congress and Convention Association (ICCA), Meeting Professionals International (MPI) and Reed Travel, over the acronym MICE (Meetings, Incentives, Conferences and Exhibitions) which does not recognize the industrial nature of such business (www.unwto.org).

Another interesting concept of business tourism can be derived from the Tourism Satellite Account (TSA) of UN-WTO. A Briefing Paper prepared by McNicoll (2004) on “UN-WTO” pointed out two perspectives from the demand and supply sides. From a demand perspective, business tourism is generally defined as “expenditures made by or for an individual associated with a visit which satisfies the criteria to be defined as a business tourism trip”. The paper also mentions that TSA literature gives little (if any) consideration to a supply-oriented definition of business tourism. The supply-side of business tourism emphasizes the range and volume of activities and commodities produced and supplied specifically for business tourism purposes.

There are some contentious issues as to which perspective should be used to measure business tourism. Han and Fang (1997) explained some of these issues in measuring tourism contributions to the economy. Their study showed that to correctly measure the size of tourism and estimate its contribution to GDP, a business tourism demand was initially introduced. This concept avoids double counting and hence can be comparable with GDP. This developed method was consistent in its estimates for both the size of tourism and its contribution.

The purpose of this study is to investigate the micro impacts and benefits of business tourism in Malaysia. The objective of the study is to highlight the micro areas of delegate spending and their experiences specifically in the case of Kuala Lumpur Convention Centre (KLCC). The study then compares the results of two (2) years of data collected during 2011 and 2012.

The paper further aims to assist stakeholders of the tourism industry, in general, and business tourism sector, in particular, to improve their services and develop strategic plans as a catalyst for the country's economic growth. This is a gigantic task for KLCC to be on the wings of the Malaysian government to sustain its competitiveness in the so-called meeting industry worldwide. KLCC is using its international events to provide input so that more information can be generated

that can be used to develop future strategies and plans. With this study, KLCC also hopes to contribute more income, investment and employment to other sectors that complement MICE-related activities such as air travel, hotels, shopping centres, bars and restaurants, among others.

Literature Review

The current study's concept of business tourism was derived from the various literature reviewed. Business tourism in the study refers to 'travel-related activities and travel expenditures of business tourists attending international MICE-related events' at Kuala Lumpur Convention Centre (KLCC) either as local or foreign participants. These travel activities refer to MICE-related events such as conferences, congresses, meetings and exhibitions. On the other hand, travel expenditures refer to the amount of money spent on travel-related activities such as transportation, hotel/accommodation, food and beverage, shopping and entertainment. Using this framework on business tourism, the current study examines the micro impacts and benefits of tourism business in Malaysia. Specifically, it aims to analyse the spending patterns and experiences of business tourists in relation to travel-related activities. The study is limited to 10 international MICE-related events held at KLCC in 2011 & 2012 (Table 5 & 6) with respondents comprising of local (Malaysian) and foreign delegates.

The Case of Malaysia

Malaysia's global tourism has grown from RM30 billion in 2004 to RM60 billion in 2012 with a 6.25% growth rate from 2004-2012 placing Malaysia 10th in international tourist arrivals and 14th in global tourist receipts. For 2012, Tourism Malaysia (Facts and Figures, 2012) reported international tourist arrivals at 25.03 million and international tourism receipts at RM60.6 billion. The industry is expected to continue growing with arrivals rising from 25.03 million in 2014 to 36 million in 2020 accumulating in RM168 billion tourist receipts (Economic Transformation Program, 2010).

Despite this strong historical growth, the tourism sector is predominantly dependent on the growth in the number of arrivals rather than on yield per tourist. According to a Malaysian government report in the Economic Transformation Programme (2010), its chapter on tourism (p. 321) noted that although mass tourism arrivals would also contribute to tourism income but its yield per tourist in Malaysia is relatively low at RM2,260 compared to RM3,106 in Singapore and RM3,785 in Thailand. It further explained that the reasons for this trend is the lower average length of stay, lower daily spending and dependence on arrivals from short-haul markets.

The higher yield segment of the tourism sector is found in business tourism. As described earlier, business tourism refers to travel-related expenditure of foreign business tourists who attend MICE-related activities. In fact, business tourism is highly lucrative but is a very competitive sector of the tourism industry. Taking into cognizance this development, Malaysia placed business tourism as one of the 12 Entry Point Projects (EPPs) under the proposed Tourism National Key Economic Area (Economic Transformation Program, 2010) by year 2020. The ETP has five themes and identified 12 high-impact projects. Business tourism falls under the last theme and it has three EPPs, namely, EPP 10- Establishing Malaysia as a leading business tourism destination; EPP 11- Enhancing connectivity to priority medium-haul markets; and EPP 12 - Improving rate, mix and quality of hotels.

All the EPPs cited above are equally important. However, this study focuses on *EPP 10 - Establishing Malaysia as a leading business tourism destination* because of its relevance to the objectives of the study. The main purpose of this paper is to examine the micro impacts and benefits of business tourism in Malaysia among local and foreign business tourists who are in the country for MICE-related activities. The Malaysia Convention and Exhibition Bureau (MyCEB) is the government agency responsible for coordination among various MICE organizations. They work hand in hand with the private sectors whose business tourism activities are directed at attracting foreign organizers and participants to stage their events in Malaysia. The tourism NKEA specifically targets business tourism to contribute RM3.9 billion in incremental Gross National Income (GNI) and 16,700 jobs to the nation by year 2020.

In order to achieve these business tourism economic targets, the government has, through MyCEB, allotted RM50 million this year for the business tourism sector of which RM25 million will be allocated for a subvention programme . This programme focuses on supporting bids for every targeted international business event which offers a high economic value to the nation. This is also to maintain or if not, improve its rank with ICCA whereby in 2012, Malaysia was placed 35th worldwide and 9th in Asia-Pacific whilst Kuala Lumpur was placed 31st worldwide and 8th in Asia-Pacific as one of the top choices for MICE-related events (Table 1). Support of this nature from MyCEB will encourage the business tourism sector to bring the best of Malaysia to foreign business tourists.

Table 1. ICCA ranking and number of international association meetings, Malaysia and Kuala Lumpur, 2010-2012

Year		2010	2011	2012
Malaysia	World ranking	28	29	35
	Asia-Pacific ranking	7	7	9
	Number of international association meetings	119	126	109

Table 1. (cont)

Kuala Lumpur	World ranking	23	21	31
	Asia-Pacific ranking	8	5	8
	Number of international association meetings	79	78	69

Source: International Congress and Convention Association (ICCA, 2013)

However, business tourism in Malaysia will not be able to sustain its growth unless some factors are addressed. In his study, Hankinson (2005) analysed destination brand image from a business tourism perspective in 15 UK destinations that promote business tourism centres. He highlighted eight main clusters of brand image attributes: physical environment, economic activity, business tourism facilities, accessibility, social facilities, strength of reputation, people characteristics and destination size. His study concluded that the most salient destination image attributes - the physical environment and economic activity are more closely related to the environment in which the event takes place.

Another interesting study by Haven-Tang *et al.* (2007) looked at the critical factors for business tourism destinations in UK which include leadership, networking, branding, skills, ambassadors, infrastructure and bidding. The study concluded that leadership is critical in providing a vision for business tourism and a strategy to achieve it. This can be further aided by customized information on the requirements of their different clients as well as networking and sharing information through trade association memberships. The need for high quality skills to underpin business tourism products and services further exacerbates labour market issues in relation to the tourism industry. Ambassadors are crucial to the bidding process. It is likewise important to have the right infrastructure that can support business tourism and facilitate access to and within destinations. And lastly, bidding is a sophisticated activity that requires understanding of the business tourism market, the idiosyncrasies of different associations and detailed product knowledge.

Chin-Tsai and Chiu-Wen's study (2011) used selected Asian countries (Singapore, China, Japan, South Korea, Thailand and Taiwan) to measure the environmental performance of convention destinations via Grey Situation Decision Making (GSDM) and Radar Chart. The GSDM method is a procedure that deals with one event with multiple decisions and chooses the best or the worst situation. The Radar Chart on the other hand, transforms data that is entered into polygon areas that represent better (large areas) or poorer (smaller areas) overall performance.

The findings of the study showed that Singapore has the best performance in Asia while Japan is superior in the entire environmental performance of a convention destination. Some of the recommendations of the study to improve convention destinations are as follows: Singapore should improve its meeting image and convention advertisement while Japan needs to strengthen its macroeconomic

stability and ground transport infrastructure. Other Asian countries like China and Korea need to increase competitiveness in their tourism infrastructure while Thailand and Taiwan should improve its transport infrastructure system and build strongly its attractions and tourism image, respectively.

This literature supports the choice of the research locale for the study and at the same time, helps establish the basis for the survey questionnaire. The destination choices for international MICE-related events are all dependent on the factors cited in the studies of Haven-Tang *et al.* (2007), Hankinson (2005), and Chin-Tsai and Chiu-Wen (2011). The present study derived its list of contributory factors from these studies and utilized them as the basis for the research instrument. Likewise, this paper anticipated similar findings as the previous studies.

According to Malaysia Convention and Exhibition Directory (MICE) (www.micemalaysia.com), MICE-related establishments in the country comprise of the following: auditoriums (6), exhibition halls and centres (30) and hotels with convention and exhibition facilities (163). With MyCEB's support for business tourism, particularly through subvention programmes, establishments that engage in high-yield tourism activities especially those who can cater for foreign organizers and participants are the ultimate beneficiaries. However, not all these establishments have a good reputation in the global meeting market or are affiliated with international organizations such as the ICCA, Professional Convention Management Association (PCMA), International Association of Congress Centres (AIPC), Union des Foires Internationales (UFI) or The Global Association of Exhibition Industry and Union of International Association (UIA).

The Case of Kuala Lumpur Convention Centre (KLCC)

The study is primarily concentrated in Kuala Lumpur Convention Centre (KLCC) as it is a well-known international hub for MICE-related events in Malaysia. It is well recognised as a venue for any meeting activities both in domestic and foreign markets. KLCC has won numerous awards from various reputable tourism and non-tourism organizations recognizing it as one of the best destinations for meetings. In addition, this well-known iconic place in Malaysia has membership in various international associations.

KLCC is located in the busy commercial and business capital of Malaysia, Kuala Lumpur. It started its operation in June 2005 and is managed by Convex Malaysia Sdn Bhd, a joint venture company between Kuala Lumpur Convention Centre (Holdings) Sdn Bhd and AEG Ogden Pty Ltd, Australia. Its facilities and amenities include 2 auditoriums (3,000 and 500 seating capacity), 5 exhibition halls (9,710 m²/104,480 ft² column free space), 1 grand ballroom, 1 banquet hall, 3 conference halls, 20 meeting rooms and 1,641 hotel rooms on site (17,581 rooms in 4- and 5-star properties located 10 mins away).

Table 2 shows that the total number of events held at KLCC, as of January 2014, was 8,210 while the biggest number was recorded in 2013 with 1,565 events. Throughout its eight years of operations, it has played host to 15.7 million delegates and its economic contribution to KL and Malaysia was estimated at RM4.7 billion. Its annual average economic contribution is estimated at RM600 million while annual average number of delegates reached 1.9 million. Its economic contributions to KL has benefited local retailers, hotel/accommodation and airlines and generated many employment opportunities from contractors to event organizers.

Table 2. KLCC events, 2005-2013

Year	2005 (Jun – Dec)	2006	2007	2008	2009	2010	2011	2012	2013	Total
No of events	225	430	628	543	864	1,167	1,346	1,442	1,565	8,210
Total delegates	787,016	1,459,112	2,133,444	2,056,820	1,955,639	1,959,218	1,720,763	1,670,875	1,969,584	15,712,471
Total delegate days	835,902	1,593,283	2,225,138	2,199,191	2,031,420	2,144,678	1,913,260	1,897,303	2,175,225	17,015,400
Total economic contribution (In Million RM)	318	441	469	568	404	762	547	590	697	4,796

Table 3 shows the type of events held in KLCC and reveals that 33% of them are MICE-related events (i.e., convention, exhibition, meetings and events).

Table 3. Type of events held in KLCC, 2005-2012

Type of event	2005 (Jun –Dec)	2006	2007	2008	2009	2010	2011	2012	Total
Banquet & Functions	76	146	219	153	106	134	140	127	1,101
Convention	24	24	22	45	36	35	29	34	249
Exhibition	26	39	64	63	58	65	67	64	446
Meetings & Events	96	206	293	255	244	195	120	100	1,509
Entertainment	3	15	30	27	24	38	28	23	188
TenOnCall	-	-	-	-	396	700	926	1,049	3,071
PlenaryOnCall	-	-	-	-	-	-	36	45	81
Total	225	430	628	543	864	1,167	1,346	1,442	6,645

Table 4 shows that KLCC has already been booked for eight international conferences in 2014-2016, mostly in the field of medical sciences.

Table 4. List of future events, 2014-2016

Name of Event	No. of Delegates	Dates
Million Dollar Round Table Conference	4,000	13 – 15 February 2014
Lamp Asia	2,500	16 – 17 February 2014
12th International Congress on Obesity	2,200	17 – 20 March 2014
CPA Australia Career Expo 2014	3,000	19 April 2014
The Digital Education Show Asia 2014	3,000	27 – 28 May 2014
Congress and General Assembly of the International Federation of Surveyors (FIG Congress)	3,000	9 – 16 May 2014
Powergen Asia & Renewable Energy World Asia 2014	10,000	10 – 12 September 2014
Automechanika Kuala Lumpur 2015	6,000	19 – 21 March 2015
International Human Genome Meeting 2015	1,000	16 – 19 March 2015
10th Asia Pacific Congress of Allergy, Asthma and Clinical Immunology 2016	1,500	5 – 8 November 2016

KLCC recorded an increase in international delegates by more than 1,000 guests to 19,750 in 2011, compared to 18,725 in 2010. Datuk Peter Brokenshire, General Manager of KLCC said, “the steady increase in the number of delegates recorded over the last two years reinforces KLCC’s reputation, not only as a venue of choice for Malaysia, but also internationally. However, the continuing growth in head count signals the need for larger space. To meet this demand, KLCC has acquired 2,600 square meters of additional space through a semi-permanent marquee adjacent to it, known as Hall 6, thus enabling it to accommodate larger exhibitions, conferences, concerts and other events” (<http://www.exhibitcitynews.com>).

Methodology

Research methodology refers to the nature of research design and methods. Methodology guides researchers on ways to gain knowledge about the world and instructs researchers in constructing and conducting research (Sikes, 2005). Methodology is, therefore, a vital part of any research project because it reflects upon, evaluates and justifies the methods used in the research (Wellington, 2003). The methodology used in a research project is often influenced by practicality, feasibility, situational factors and also by personal predilections and interests (Sikes, 2005). The methodology and methods employed in any research usually rely on the purpose and area of inquiry. The best methodology and methods must meet the needs of the research purpose and answer the research questions. Both qualitative and quantitative research approaches in developing a research methodology have their unique functions.

The current study used both qualitative and quantitative research approaches. However, in order to serve the aims and objectives of the study, the current study mainly relied on the quantitative research approach. According to Veal (2005), “quantitative research involves the gathering and analysis of numerical data” (p. 25), as it relies on numerical evidence to provide socio-economic demographic statistics, *descriptive statistics*, draw conclusions or to answer research questions. Therefore, the survey instrument used in this study is mainly quantitative. On the other hand, the current study also employed some qualitative research approaches by asking a few structured open-ended questions. According to Veal (2005), the qualitative research approach normally does not relate to numbers. Instead, it collects a large amount of information about a small number of people rather than a limited amount of information about a large number of people.

The survey instrument composed of three major sections and demographics. The first section gathered “travel information” with categorical data questions (Questions 1-11) about ‘traveling to KL, Malaysia’, ‘airline/s used’, ‘air class’, ‘reason of choosing a particular airlines’, ‘flying passage’, ‘travelling with companions’, ‘number of adults

traveling with', 'number of children traveling with', 'booking pre or post tours', 'number of nights stayed' and 'name of hotel stayed'. The second section looked at "delegate spending in US\$" with categorical data questions (Questions 12-19) about 'conference registration fees', cost of 'airfare' and 'hotel/accommodation', spending on 'local transportation, 'food and beverage', 'shopping', 'entertainment/activities', and 'other spending'. The third section measured "delegate experience" with Likert-type questions (Questions 20-26) with one (1) being poor and five (5) being excellent. This section asked about 'The Centre facilities and services', 'airline/s company', 'hotel/accommodation', 'local transportation, 'restaurants', 'shopping facilities', and 'entertainment/activities' in the city. In addition, respondents were asked their recommendations for improvement as well as the 'best' and 'least' liked things about KL (Question 27 & 28) and their 're-visit intentions' (Question 29). The final question (Question 30) asked about the respondents' satisfaction regarding 'spending on this particular convention/meeting justify your visit/experience' in the city. The demographics section of the questionnaire gathered data about 'gender', 'age', 'income level', and 'country of origin'.

The sample of the study comprised of local (Malaysians) and foreign delegates who attended MICE-related events in KLCC, or as referred to in the study, business tourists. Ten events were selected from the list of events at KLCC for 2011 and 2012. In order to set a benchmark, five events were picked from each year—these selected events were held from June to November 2011 (Table 5) and from March to September 2012 (Table 6).

Table 5. Selected sample events for 2011 (n=907)

No.	Name of event	Date	No. of attendees
1.	5th CINP Asia Pacific Regional Meeting 2011 by International College of Neuro-Psychopharmacology	19-22 June 2011	300
2.	70th Institute of Internal Auditors International Conference 2011 by Institute of Internal Auditors Malaysia (IIA Malaysia) and Institute of Internal Auditors (International)	10-13 July 2011	2,000
3.	SIFE World Cup 2011 by Ministry of International Trade & Industry (MITI) and Student in Free Enterprise (SIFE)	3-5 October 2011	1,500
4.	Asia Pacific Congress in Maternal Fetal Medicine (APCMFM) 2011 by Persatuan Pendidikan Obstetrik & Ginekologi Kuala Lumpur and The Fetal Medicine Foundation	14-16 October 2011	500

5.	21st Asia Pacific Cancer Congress 2011 by Malaysian Oncological Society (MOS)	9-12 November 2011	1,000
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Note: Population (N=5,300); sample size (n=907)

Table 6. Selected sample events for 2012 (n=775)

No.	Name of event	Date	No. of attendees
1.	15th Ottawa Conference 2012	10-13 March 2012	1,200
2.	1st World Congress on Healthy Ageing 2012	19-22 March 2012	1,000
3.	Royal Australasian College of Surgeons 81st Annual Scientific Congress 2012	7-11 May 2012	2,000
4.	8th Design & Health World Congress 2012	9-12 September 2012	1,000
5.	14th Congress of the International Society for Peritoneal Dialysis 2012	9-12 September 2012	3,000

Note: Population (N=8,200); sample size (n=775)

The sample of respondents were selected using the non-probability convenience sampling technique (Aaker, Kumar, Day & Leone, 2010), the most practical method to gather primary data. The fieldwork was carried out with a team of five trained junior researchers (masters & degree students), hired on daily basis, at the premises of KLCC.

The study looked at a total of 1,584 usable surveys collected in 2011 and 2012. In 2011, a total of 950 survey questionnaires were collected from delegates who attended the listed five MICE-related events. However, only 809 surveys were found to be useful, representing a 85.15% response rate from the original sample (n=950) and a 15.26% response rate from the original population (N=5,300). This indicates that the sample size is more than the acceptable level of 10%. In 2012, a total of 950 survey questionnaires were collected again from delegates who attended the listed five MICE-related events. However, only 775 surveys were found to be useful, representing a 81.58% response rate from the original sample (n=950) and a 9.45% response rate from the original population (N=8,200). This shows that the actual sample size is almost at the acceptable level of 10%.

For quantitative data analyses, the current study employed SPSS 21.0. Descriptive statistics such as frequencies, percentages, graphs, means, and standard deviations were calculated for both the 2011 and 2012 data, and compared. For the qualitative data analysis of structured open-ended questions, we observed patterns and trends in the responses for both years to reach some overarching conclusions.

Findings

Demographics of the Sample

Results showed that for both 2011 and 2012, most of the respondents were female (50.6% for 2011 & 51.9% for 2012). For 2012, the majority of the respondents were below 30 (30.9%), a young group whilst for 2011, the majority were in the age group of 41-50 (30.5%), reflecting more mature personalities. With respect to income level (monthly), for 2011, 33.9% of the respondents were earning below US\$2,000, and for 2012, 51.4% of the respondents were earning US\$4001 or more. The reason for this variation in the age group and income level can be related to the fact that most of the attending delegates in 2011 were students. In terms of country of origin, for 2011, 30% of the respondents were of Malaysian nationality, while the remaining 70% were foreign nationalities. On the other hand, for 2012, 16.1% were of Malaysian nationality, while the remaining 83.9% were foreign nationalities. The foreign delegates came from 278 cities (states/provinces) and 83 countries around the globe such as Africa, America, Asia, Europe, Middle-East and Oceania.

Delegate Travel Information

Results showed that for both 2011 and 2012, most of the respondents travelled to Kuala Lumpur/Malaysia by air (76.9% and 85.3%, respectively). In the case of the respondents' preference to traveling with a specific airline(s) company, for both 2011 and 2012, all of these delegates travelled with 48 different airline companies but with Malaysian Airlines (23.2% for 2011 & 35.2% for 2012) as the top preference. Other preferred airlines mentioned include AirAsia (6.8% for 2011 & 7.9% for 2012), Emirates Airlines (5.3% for 2011 & 5.7% for 2012), Cathay Pacific Airlines (4.9% for 2011 & 3.2% for 2012), Singapore Airlines (4% for 2011 & 6.1% for 2012), Cebu Pacific Air (4.1% for 2011) and Thai Airlines (12.1% for 2012). Other interesting travel information that emerged include: the majority of the respondents used economy class (63.4% for 2011; 84.5% for 2012); the reason given for choosing a particular airline(s) was either it was recommended by their company/conference organizer (18.9% for 2011) or it was considered to be a trusted airline (25.6% for 2012). In the case of flight route, the respondents had the opportunity to take direct flights (45.4% for 2011 & 50.6% for 2012); however, 21.9% (for 2011) and 25.5% (for 2012) of the respondents had to use connecting flights as they came from 83 countries around the world. In the case of delegates traveling with companion(s), 53% (for 2011) and 34.7% (for 2012) of the respondents travelled with friends, which means that the majority of them attended these conferences/meetings in groups; however, a notable percentage (14.5% for 2011 & 23.9% for 2012) of respondents preferred to travel with family (e.g. spouse/partner or children). Among them, for

2011, 34.2% of the respondents travelled with more than 3 persons (adults) in their travel party, and for 2012, 25.6% of the respondents travelled with at least 1 person (adult) in their travel party, while 4.2% (for 2011) and 4% (for 2012) of respondents travelled with 1 child in their party. The majority (68% for 2011 & 74.1% for 2012) of the respondents had no booking while the rest had booked pre or post tours. The average length of stay of the delegates ranged from 3-5 days (55.8% for 2011 & 62.5% for 2012) in 85 hotels in Kuala Lumpur. The most preferred hotels include Traders Hotel (9.1% for 2011 & 18.8% for 2012), Mandarin Oriental Hotel (7.4% for 2011 & 14.7% for 2012), Impiana Hotel (7% for 2011 & 11.7% for 2012), Hotel Novotel (5.2% for 2011 & 8.5% for 2012) and Crown Plaza (8.9% for 2012). A notable percentage of respondents (5.1% for 2011) stayed with family or friends. Although, the respondents had lower average length of stay, however, the next section will show that they showed a higher yield of spending.

Delegate Spending

This section presents the findings on delegate spending when attending conferences/meetings at KLCC. The results in Table 7 show that for 2011, 31.9% of respondents paid less than US\$500 for their conference/meeting registration fees and for 2012, 41.4% of respondents paid US\$501-1000 as their conference/meeting registration fees. Conversely, 18.3% (for 2011) and 15.5% (for 2012) of respondents had their conference/meeting registration fees paid for by the sponsor. A number of respondents 29.1% of the respondents (for 2011) paid less than US\$500 for their airfare cost while 33.3% (for 2012) paid US\$501-1000 as their airfare cost. However, 23.9% (for 2011) and 29.3% (for 2012) paid more than US\$1001. With regard to the cost of hotel/accommodation, 33.1% (for 2011) and 45.5% (for 2012) of the respondents paid less than US\$500 while 4.9% (for 2011) and 18.6% (for 2012) of them paid more than US\$1001. Moreover, the number of respondents who spent less than US\$100 on local transportation and food and beverage was 46.2% (for 2011) and 55.2% (for 2012), and 31.9% (for 2011) and 33.4% (for 2012), respectively. Furthermore, respondents spent less than US\$500 on shopping (46.1% for 2011 and 54.2% for 2012), and entertainment activities (52.8% for 2011 and 55% for 2012). For other various items not mentioned, 27.9% (for 2011) and 33% (for 2012) of the respondents spent less than US\$500.

On average, a majority (37.3%) of respondents (business tourists) who visited KLCC spent approximately US\$3,200 (RM9,731, currency conversion rate as of 28 January 2013) in 2011. Another 12.1% spent approximately US\$6,408 or more (approximately RM19,486, currency conversion rate as of 28 January 2013). In comparison, in 2012, the majority (43.8%) of respondents (business tourists) visiting The Centre spent less than US\$3,700 (RM11,448, currency conversion rate as of 16

December 2013) and 15.2% spent US\$6,408 or more (approximately RM19,826, currency conversion rate as of 16 December 2013).

The findings show business tourists attending MICE-related events at KLCC have higher spending thus generating more income for the domestic economy of Malaysia. This implies that MICE-related events at KLCC attract high-yield business tourists, an important factor for the sustainability of Malaysia's tourism industry.

Table 7. Delegates spending (in total, US\$)

	2011		2012	
	Frequency	Percentage	Frequency	Percentage
<i>Conference/Meeting registration fee(s)</i>				
None	0	0	0	0
Less than 500	258	31.9	158	20.4
501-1000	194	24	321	41.4
1001 or more	209	25.8	176	22.7
Paid by the sponsor	148	18.3	120	15.5
Total	809	100.0	775	100.0
<i>Cost of airfare</i>				
None	187	23.1	114	14.7
Less than 500	236	29.1	176	22.7
501-1000	193	23.9	258	33.3
1001 or more	193	23.9	227	29.3
Total	809	100.0	775	100.0
<i>Cost of hotel/accommodation</i>				
None	270	33.4	9	1.2
Less than 500	268	33.1	353	45.5
501-1000	231	28.6	269	34.7
1001 or more	40	4.9	144	18.6
Total	809	100.0	775	100.0
<i>Spending on local transportation</i>				
None	160	19.8	95	12.3
Less than 100	374	46.2	428	55.2
101-200	197	24.4	170	21.9
201 or more	78	9.6	82	10.6
Total	809	100.0	775	100.0
<i>Spending on food and beverage</i>				
None	119	14.7	61	7.9
Less than 100	258	31.9	259	33.4
101-200	235	29	230	29.7
201 or more	197	24.4	225	29.0
Total	809	100.0	775	100.0

Table 7. (cont)

<i>Spending on shopping</i>				
None	160	19.8	74	9.5
Less than 500	373	46.1	420	54.2
501-1000	187	23.1	195	25.2
1001 or more	89	11	86	11.1
Total	809	100.0	775	100.0
<i>Spending on entertainment/activities</i>				
None	278	34.4	242	31.2
Less than 500	427	52.8	426	55.0
501-1000	83	10.2	80	10.3
1001 or more	21	2.6	27	3.5
Total	809	100.0	775	100.0
<i>Other spending</i>				
None	513	63.4	443	57.2
Less than 500	226	27.9	256	33.0
501-1000	51	6.3	44	5.7
1001 or more	19	2.4	32	4.1
Total	809	100.0	775	100.0

Delegate Experience

The results demonstrated that for 2011, respondents had relatively high perception scores (mean ≥ 3.5) regarding 'KLCC's facilities and services' and 'shopping facilities'. However, there was a relatively low perception score (mean ≤ 3.5) for 'airline(s) company', 'hotel/accommodation', 'local transportation', 'restaurants', and 'entertainment/activities'. Similarly, for 2012, respondents showed relatively high perception scores (mean ≥ 3.5) regarding 'KLCC's facilities and services', 'hotel/accommodation', and 'shopping facilities'. There was also a relatively low perception score (mean ≤ 3.5) for 'airline/s company', 'local transportation', 'restaurants', and 'entertainment/activities' for 2012. The low perception scores imply that the delegates who participated in MICE-related events at KLCC were particularly sensitive in the highlighted low perception areas and these need to be improved considerably to sustain a fruitful delegate experience.

In addition to these perceptions, respondents had provided some feedback such as 'traffic jam and parking problems in the city', 'monorail facilities to be expanded and improved', 'attitude of immigration officers at the airport', 'long waiting queues in customs hall of the airport', and 'welcome reception of some hotels was poor and hotels to improve on the services'. These were some of the issues raised by the respondents that would be useful for concerned authorities in improving their services and facilities in the future.

Furthermore, the results also revealed respondents' opinion regarding the best and least liked aspects of Kuala Lumpur. The delegates appreciated 'the city to be very attractive and modern looking', 'business development in the city and the government's strategy for development', 'the architecture and infrastructure of the city', 'tourist attractions and downtown city centre', 'the natural beauty of the city and sightseeing attractions', 'friendliness and hospitality of the local people', 'cultural diversity (and unique respect among religions) of the local people and city', 'amazing shopping and entertainment (restaurants and bars) facilities', 'a very rich cultural and modern food and restaurant facilities', 'hygiene and cleanliness in the city', 'the fair (cheap) prices of shopping and dining', 'convenience of transportation facilities and its integration', 'distance from Singapore and Thailand', and 'amazing weather'. Other delegates responded that they disliked mainly the 'rising pollution in the city', 'traffic problems' and 'taxis' (e.g. drivers not using taxi meters) etc. Some of these aspects are listed both in the best and least liked aspects (such as issues related to 'cleanliness' and 'transportation'). It should be noted that these are just perceptions of the delegate, thus are subjective to each individual's judgment.

Results also showed that about 40.5% (for 2011) and 47% (for 2012) of the respondents are likely to re-visit Kuala Lumpur within next three years as shown in the respondents' overall experience. This only validates the respondents' high perception (mean=4.39 for 2011 & mean=4.63 for 2012) for their responses on 'their spending at convention/meeting to justify their visit/experience in Kuala Lumpur' and implies that delegates were overall satisfied and happy.

Conclusion and Recommendations

In view of these findings, the current study arrives at a number of conclusions. Based on the review of literature, business tourism can be defined according to the scope of business activities in relation to tourism and existing practices or one may refer to it as a meeting industry or use the demand side perspective that refers to the expenditure made by an individual associated with a business tourism trip. The study, however, operationally defined business tourism as 'travel-related activities and expenditure of business tourists attending international MICE-related events' at KLCC either as local or foreign participants. The study limited its scope specifically to 10 MICE-related events conducted at KLCC in 2011 & 2012 to compile a better understanding of the micro impacts and benefits of business tourism in Malaysia. Simple qualitative and quantitative methods were applied to answer the research questions of the study.

One of the highlights of the study was that the majority of the respondents (70% for 2011 & 83.9% for 2012) were foreign nationalities from 278 cities around the world while the remaining were local Malaysians. Respondents of the study highly preferred Malaysian Airlines as recommended by their company/conference

organizer. The majority of them travelled by direct flight via economy class; however, 21.9% (for 2011) & 25.5% (for 2012) of the respondents had to use connecting flights. The majority of the respondents had no booking arrangements for pre or post tours. Most preferred hotels include Traders Hotel, Mandarin Hotel, Impiana Hotel, Hotel Novotel and Crown Plaza. For both years, the average length of stay was only 3-5 days while the average spending amounted to less than US\$3,200 for 2011 and US\$3,700 for 2012 during their period of stay. Their average spending on various items such as conference registration, airfare, hotel/accommodation, local transportation, food and beverage, shopping and entertainment were US\$500 or more. The study found that business tourists attending MICE-related events in KLCC displayed higher spending thus generating more income for the domestic economy of Malaysia.

Furthermore, with regard to the perceptions of the respondents' travel experiences in Malaysia, they gave high ratings regarding 'KLCC facilities and services' and 'shopping facilities' for both years, 2011 and 2012; however, 'hotel/accommodation' was also seen to receive high ratings in 2012. Low ratings were given for airlines, hotel accommodation (only for 2011), local transportation, restaurants and entertainment/activities.

Some notable concerns raised by the respondents include 'traffic jam and parking problems in the city', 'monorail facilities to be expanded and improved', 'attitude of immigration officers at the airport', 'long waiting queues in Customs hall of the airport', and 'welcome reception of some hotels was poor and hotels to improve on the services'. Conversely, they found Kuala Lumpur to be 'very attractive and modern looking', 'appreciate business developments in the city and government's strategy for future development', 'the architecture and infrastructure of the city', 'tourist attractions and downtown city centre', 'natural beauty of the city and sightseeing attractions', 'friendliness and hospitality of the local people', 'cultural diversity (and unique respect among people of various religion and race)', 'amazing shopping and entertainment (restaurants and bars) facilities', 'very rich cultural and modern food and restaurant facilities', 'hygiene and cleanliness in the city', 'the (cheap) prices of shopping and dining', 'convenience of transportation facilities and its integration', 'distance from Singapore and Thailand', and 'amazing weather'. Some other delegates disliked the 'rising pollution in the city', 'traffic problems', 'taxis' (e.g. divers not using taxi meters) and a number of other aspects. However, a number of respondents have affirmed to re-visit Kuala Lumpur within next three years.

The study revealed that business tourists stayed at an lower average length of (3-5 days); however, this can be offset by the higher yield of spending per tourist (US\$3,200 for 2011 & US\$3,00 for 2012) which generates more income for the domestic economy of Malaysia and is an important factor for Malaysia's tourism sustainability. Some of the issues raised by the respondents should provide useful

feedback for the relevant authorities in helping them improve their services and facilities. In addition, these suggested improvements will definitely encourage more business tourists to revisit Kuala Lumpur and other parts of Malaysia.

The recommendations listed below are based on the concerns raised by the respondents as observed by them during their short stay in KL and as a participant in the various international MICE-related events at KLCC.

- Although some tourism-related projects were already in the pipeline, the relevant local and national agencies should act quickly in implementing and operating the said facilities and infrastructure;
- The immigration agency should review its existing policies with regards to the point of entry of foreign tourists to solve long queues and other customs-related problems;
- Airline companies should review its destination routes to minimize connecting flights to accommodate business tourists who usually face time constraints;
- Hotel associations should further support and encourage hotels to improve their facilities and infrastructure by adopting a more effective customer care service;
- Relevant authorities should also carefully look at common problems such as traffic jam, pollution and cases of taxi drivers asking for exorbitant fares and formulate ways to address or eliminate these problems;
- There should be more public and private financial and administrative support to undertake similar studies to further boost the growth of the meeting industry.
- Further studies should look at international conferences/meetings at various convention centres in the country and a comparative study among the major players in the industry may provide further insightful findings for the advancement of the meeting industry.

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