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MASTER THESIS

**MICE Tourism and Sustainable Development - The Challenge and
Potential for Belgrade**

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Introduction

The MICE tourism refers to meetings, incentives, conferences and exhibitions. It is one of the most important sectors within global tourism industry. Driven by the globalization and increase in cross border trade, business tourism has been growing over the past few decades and becoming one of the most rewarding type of tourism for the development of a certain destination. This type of industry also creates employment opportunities and generates foreign exchange.

Even of this very important impact for development of economy and balance of payments for each country, until 80s, business travel did not have right position on the tourism market. According to R. Davidson: “Despite the huge economics importance and its very considerable contribution to the development of world trade and commerce, business travel in its many forms has remained, until recently, the Cinderella sector of the travel and tourism industry- at least in academia.”¹

Nowadays, business industry as integral part of tourism industry is recognized and highly valued in theory and practice as generator of development and vital source of income for many countries. For this reason business travel and tourism in many countries holds a very important position in development strategies.

Austrian National Tourist Office has been promoting Austria as “convention land” with opportunities to” combine work and pleasure” and “offers something to fit every taste”²

With the slogan “There is nothing like Australia. For incredible business events” Australia is promoting business tourism.

Beyond all these simple sentences is a great effort and coordinating action from supply side which is reflecting in clear strategy, marketing mix approach, precise focus on the segmented market, appropriate infrastructure, tax and law regulation, applicable statistics, sustainable system of education, budgeting and controlling.

The importance of business tourism is recognized by The United Nations World Tourism Organization (UNWTO) in following definition of tourism:

“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 any activity remunerated from within the place visited”

Depending on way to approach, within tourism industry, different categorization can be found. According to the UNWTO, travel purpose can be categorized as follows:

- Leisure and recreation

¹ Davidson, R., and Cope B., 2003. Business Travel: Conferences, Incentive Travel, Exhibitions, Corporate Hospitality and Corporate Travel. Harlow, England: Financial Prentice Hall, preface

² <http://convention.austria.info/>

- Other tourism purpose, including visiting friends and relatives (VFR), religion, study and health tourism and
- Business and professional, including the Meeting, Incentive, Conference and Exhibition (MICE) activities

Due to constant growth and the fact that travel industry is the one of the fastest growing industries in the world, tourism is recognized as the world's largest and the most diverse industry. The MICE tourism as integral part of tourism industry represents the most complex and demanding industry in the world.

Together with economic benefits, an investment and employment opportunity, business tourism has been creating very intensive and extensive influence on all other industries and total environment of a certain destination and sometimes to other regions.

All changes in tourism activities are producing direct or indirect effects on economic, political, social, cultural and natural environment. In some cases, these impacts could be very dramatic and negative for the rest of community with extended influence to the future.

Due to constant pressure from different institutions, NGOs, associations and intensive spending of resources, sustainable development as a concept in the last two decades are becoming the response to the different interests between economic development and environmental protection.

Figure 1 MICE tourism and sustainability



Source : <http://themiceworld.com/news/mice-tourism/>

Sustainable development offers the opportunity of economic development with the environment protecting at the same time. In accordance with this concept, we could talk about break- even point of development and economic growth.

Without joint action of government, public sector and private sector, NGO, educational institutions with clear strategy, detailed action plan, tax and law regulation, applicable statistics, sustainable system of control, and chances for sustainable development are quite weak.

System approach is very important and the only possible, because of awareness that everything is connected with impact to the whole environment with extended consequences for the future. Stakeholders who have accepted the concept of sustainable development and idea that we do not have an authorization to waste the future, have chances to remain the leaders and important players in generating economic growth. In long term basis business does not have a future without concept of sustainable development and corporate social responsibility.

Subject of the research

The subject of this work is MICE tourism in theory and practice and overview of Belgrade in contest of destination for business tourism with potential and challenges. In introduction we pointed out the importance and complexity of tourism as well as subject and goal of the research with hypotheses and methodology had been used in the study.

This research study is divided in three parts.

- Part one contains achievements in theory and practice with example of Vienna as MICE tourism destination. Definition with typology in connection with all stakeholders and characteristics of the market has been considered in this part.
- Par two explains the importance and must have concept of sustainability in development of MICE tourism through connections and specific role of each stakeholder in process of sustainable development.
- Par three represents Belgrade with its characteristics on the tourist market, focusing on MICE tourism with all relevant resources and actions have to be done in order to increase the level of consuming Belgrade as business destination. Through the SWOT analyses are presented main points of potential and challenge for Belgrade as MICE tourism destination.
- Part four is an overview of Belgrade MICE industry in the frame of sustainable development. Importance of participation in international institutions, adoption of standards and joint action of stakeholders and leading role of Government sector are some of the main steps on the road to sustainable MICE tourism.
- Part five is summary of conclusions and proposals in order to Belgrade become a more important sustainable destination among MICE European market.

Goal of the research

The goal of this research is to show through academic literature and examples in practice importance of MICE tourism which could be generator of economic growth of the city or region. System approach and consolidation of all potentials of one city, region, country, could lead to successful MICE destination.

The aim is to present great potential of the MICE industry in Belgrade together with challenges this city is facing with. In the same time with potentials, tasks are knocking on the door. It is the same package which has to be open and crucial thing is importance of having a strategy, plan, organizational tool, budget, control and statistics.

Research hypothesis

Our research includes few hypotheses:

- Belgrade has a great recourse to become a regional leader in MICE tourism
- Belgrade is top destination of MICE tourism in Serbia
- The largest number of accommodation facilities and conference venues has excellent location within radius of 5 kilometers.
- Air Serbia, rebranded and new carrier and airline of Serbia has the great impact on tourism development
- Lack of system approach in sustainable development of Belgrade MICE tourism
- In the race of sustainability, Belgrade MICE tourism is a far away from the best players

Research methods

In accordance with the aim of this work and satisfaction of the main methodological requirements: objectivity, reliability, generality and systematic, we used different methods for the research.

To collect the relevant data and facts following methods were used: the method of theoretical analysis, generalization, synthesis, deduction, description, comparative and content analysis methods.

Data collection was based on foreign and domestic literature, articles in journals, statistics, information from the internet and interviews.

1. MICE TOURISM IN THEORY AND PRACTICE

1.1. Definition of MICE tourism

In the context of travel, the term MICE is an acronym for Meetings, Incentives, Conferences and Exhibitions. The term MICE represents a sector of tourism which includes business events and activities. These activities are dedicated to planning, booking and facilitating conferences, seminars and other events.

The most relevant definition of business tourism is written by IAPCO (the International Association of Professional Congress Organizers). The IAPCO have published the book "Meetings Industry Terminology" which functions as a dictionary for the meetings industry. Following are the definitions as put out by IAPCO:³

³ <http://mice-contact.com/definition-of-mice.html>

Meeting

General term indicating the coming together of a number of people in one place, to confer or carry out a particular activity. Frequency: can be on an ad hoc basis or according to a set pattern, as for instance annual general meetings, committee meetings, etc.

Incentive

Meeting event as part of program which is offered to its participants to reward a previous performance.

Conference

Participatory meeting designed for discussion, fact-finding, problem solving and consultation. As compared with a congress, a conference is normally smaller in scale and more select in character - features which tend to facilitate the exchange of information. The term "conference" carries no special connotation as to frequency. Though not inherently limited in time, conferences are usually of limited duration with specific objectives.

Event

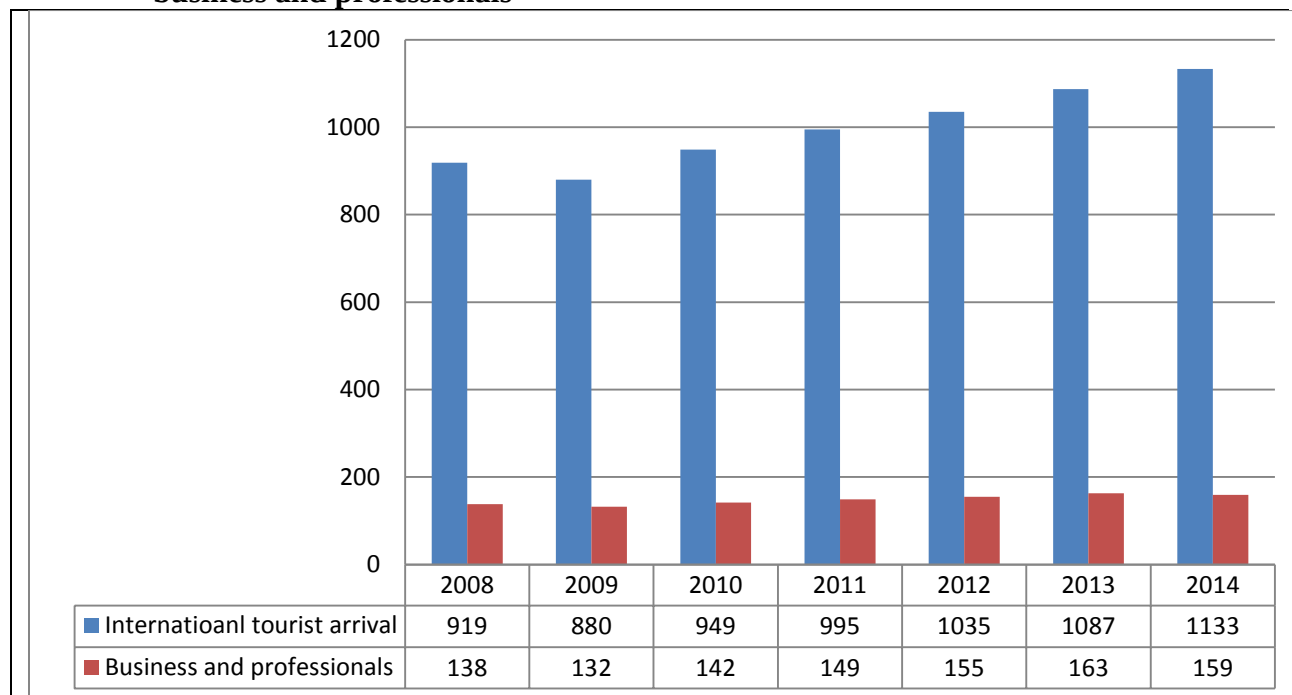
Events at which products and services are displayed.

1.2. The MICE industry in figures

In accordance with the fact that international tourist arrivals have shown growth – from 25 million in 1950, to 278 million in 1980, 529 million in 1995, 677 million in 2000 and 1,035 million in 2012, tourism is definitely the key to development and prosperity.

UNWTO's figures for 2008-2014 in the chart below, indicate participation of business and professionals in the total amount of international tourist arrivals.

Chart 1 International tourist arrival in million from 2008 to 2014 and participation of business and professionals

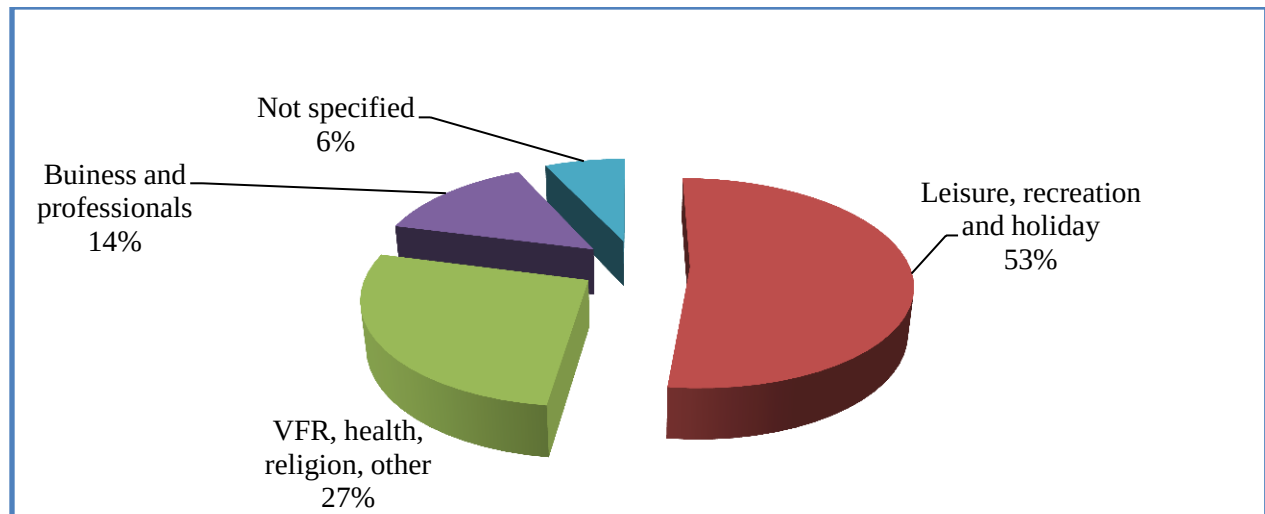


Source: Adapted by author according to the data from UNWTO Tourism Highlights, 2010 and 2015 Edition

Because of global financial crisis in 2008, international tourist arrivals declined by 4, 2% in 2009 to 880 million but with fast recovery and increase in 2010. Vitality is one of the main characteristics of this market, due to fact that international tourist arrivals have shown uninterrupted growth over the six decades in spite of occasional shocks and different political and economical crises.

In accordance with these figures we could conclude that proportion of business and professionals in total international arrival remains the stable, between 14% and 15%.

Chart 2 Inbound tourism by purpose of visit in 2014



Source: UNWTO Tourism Highlights, 2015 Edition, page 5

According to the latest UNWTO World Tourism Barometer, international tourist arrivals grew by 4,4 % in 2014, reaching a record 1,133 million arrivals and international tourism receipts US\$ 1.245 billion.

For 2015, UNWTO forecasts international tourism to grow by 3% to 4%, contributing further to the global economic revival.⁴

1.3 . Typology of MICE tourism

In time of globalization with increasing number of companies, organizations, goods and services which are spread all over the world, MICE events are the way and place of survival with coordinated action of many players in supply chain.

They include corporate meeting planners, meetings and convention departments of hotels, conference centers or cruise ships; food and beverage managers; logistics firms, private tour operators and transfer companies, trade and tourism organizations and tourism boards.⁵

Because of need for systematic planning, focus on segmented market, in the following chapter we are going to present main characteristic of each business event.

⁴ UNWTO Annual Report 2014, page 13

⁵ tourism.about.com/od/specialtourism/g/What-Does-The-Term-Mice-Mean-In-The-Context-Of-Travel.htm

1.3.1. Meetings

Millions of people travel each year around the globe in order to attend meetings. Some of them are truly global with characteristic of mega events, while the others quite local in nature such as management meeting, training seminars or meeting with partners. But the main purpose of all meetings is the same. Communication and doing business in order to increase the level of profit.

Through the history, organized meetings have a long tradition. The origins of today's meeting industry lie in the political and religious meetings in earlier centuries. One of the highest profile events in the past two centuries was the Congress of Vienna in 1814 held for strategic and diplomatic purpose. The meeting called to re-established the territorial divisions of Europe after the defeat of Napoleon I.

Increasing number of associations and meetings of merchants and industrials especially after the Industrial Revolution had a great impact for developing meeting industry.

In the USA, between 1900 and 1920, work force more than doubled in size, from 5, 1 million to 10, 5 million and many professional groups and associations were formed. For example, American Association of Advertising Agencies (established an1917); National Association of Accountants (established 1919).

Increasing number of associations were some of the infrastructural factors for the establishing meeting industry.

“The meetings market is the most diverse of all the sectors of business travel and tourism. Demand for meetings extremely varied in terms of size and purpose of the meetings. This can range from a small to big event. ”⁶

The global nature of the meeting industry is illustrated by figures provided by the International Congress & Convention Association (IC CA). The ICCA with headquarter in Amsterdam and the Union of International Associations (UIA) based in Brussels, began in 1972 to collect information on international association meetings.

This association has detailed information about more than 11 thousand international meetings. The data base allows ICCA to provide rankings by country and city showing the market share of individual countries and cities.

It should be mentioned that ICCA rankings are based on meetings that meet the following criteria:⁷

- Must rotate on a regular basis
- Attract a minimum of 50 participants
- Rotate between at least 3 countries.

⁶ Davidson, R., and Cope, B., 2003. Business Travel: Conferences, Incentive Travel, Exhibitions, Corporate Hospitality and Corporate Travel. Harlow, England: Financial Prentice Hall, page 76

⁷ <http://www.iccaworld.com/aeps/aeitem.cfm?aeid=3>

Table 1 Number of meetings per country - Worldwide rankings

No	Country	2013	2012	2011	2010	2005
1	U.S.A.	829	833	759	623	680
2	Germany	722	649	577	542	430
3	Spain	562	550	463	451	360
4	France	527	469	428	371	360
5	United Kingdom	525	477	437	399	406
6	Italy	447	390	363	341	328
7	Japan	342	341	233	305	236
8	China-P.R.	340	311	302	282	231
9	Brazil	315	360	304	275	187
10	Netherlands	302	315	291	219	234
11	Canada	290	273	255	229	202
12	Republic of Korea	260	229	207	186	139
13	Portugal	249	213	228	194	155
14	Austria	244	278	267	212	194
15	Sweden	238	233	195	192	159
16	Australia	231	253	204	239	187
17	Argentina	223	202	186	172	99
18	Turkey	221	179	159	160	98
19	Belgium	214	194	179	164	149
20	Switzerland	205	241	240	244	200
21	Singapore	175	150	142	136	114
22	Finland	171	174	163	150	115
23	Poland	170	150	165	98	118
24	Denmark	161	185	140	136	110
25	Mexico	158	163	175	140	110
26	Norway	136	161	138	125	89
27	Czech Republic	145	131	122	103	105
28	India	142	150	105	100	80
29	Colombia	139	138	113	95	55
30	Thailand	136	150	101	88	101
31	Ireland	136	134	105	83	84
32	Hungary	132	124	125	124	113
33	Chinese Taipei	122	117	131	138	69
34	South Africa	118	97	84	86	80
35	Malaysia	117	109	126	119	65
36	Chile	110	101	87	97	85
37	Indonesia	106	73	51	64	41
38	Greece	100	114	127	119	126
39	Hong Kong, China	89	96	79	82	92
40	Russia	83	94	69	48	52
41	Croatia	69	74	72	50	37
42	Serbia	66	52	55	46	12
43	Peru	64	51	55	44	32
44	United Arab Emirates	62	63	43	48	22
45	Uruguay	62	56	46	42	43
46	Slovenia	57	51	54	44	43
47	Philippines	53	48	33	33	27
48	Romania	44	54	53	39	21

Source: ICCA Statistics Report 2000-2010, 2012 and 2013; Country & City Rankings

Table 2 Number of meetings per city - Worldwide rankings

No	City	2013	2012	2011	2010	2005
1	Paris	204	181	174	147	132
2	Madrid	186	164	130	114	69
3	Vienna	182	195	181	154	144
4	Barcelona	179	154	150	148	135
5	Berlin	178	172	147	138	106
6	Singapore	175	150	142	136	114
7	London	166	150	115	97	104
8	Istanbul	146	128	113	109	60
9	Lisbon	125	106	107	106	86
10	Seoul	125	100	99	91	83
11	Prague	121	112	98	85	87
12	Amsterdam	120	122	114	104	103
13	Dublin	114	97	76	60	62
14	Buenos Aires	113	99	94	98	61
15	Brussels	111	107	93	80	70
16	Copenhagen	109	137	98	92	83
17	Budapest	106	98	108	87	94
18	Beijing	105	109	111	98	100
19	Rome	99	98	92	72	72
20	Stockholm	93	110	93	89	72
21	Bangkok	93	105	70	55	59
22	Sydney, NSW	93	86	57	102	57
23	Hong Kong	89	96	77	82	92
24	Helsinki	85	100	71	67	44
25	Munich	82	78	55	66	56
26	Rio de Janeiro	79	83	69	62	43
27	Tokyo	79	69	50	68	68
28	Taipei	78	80	83	99	56
29	Shanghai	72	64	72	81	54
30	Montreal, QC	71	67	50	57	47
31	Sao Paulo	70	77	60	75	30
32	Toronto, ON	69	60	44	44	28
33	Oslo	62	74	61	49	30
34	Zurich	44	70	63	56	32
35	Kuala Lumpur	68	69	78	79	50
36	Warsaw	65	46	65	28	38
37	Santiago de Chile	58	61	49	58	54
38	Vancouver, BC	57	49	55	58	39
39	Edinburgh	55	67	52	66	58
40	Vancouver, BC	57	49	55	58	39
41	Boston, MA	56	49	44	43	30
42	Bali	55	47	23	27	20
43	Washington, DC	53	48	51	36	33
44	Belgrade	52	38	42	33	25
45	Melbourne, VIC	52	54	62	49	52
46	Athens	49	52	55	69	56
47	Bogota	47	50	44	38	16
48	Kyoto	43	61	29	42	25

Source: ICCA Statistics Report 2000-2010, 2012 and 2013; Country & City Rankings

According to statistical figures, number of meetings per country and per city worldwide is constantly increasing. In terms of absolute number of meetings, the U.S.A. and Germany are remaining the number one and two over the past nine years. Germany is decreasing its gap with the USA. Besides the USA and Germany France, Italy, Spain, the UK hold places in the top 10 over the decade. Japan and China are moving forward in the ranking list.

The most significant increase in the last nine years had Germany, Spain, Brazil, the USA and France. In terms of relative figures, the best results have been recorded in Serbia, United Arab Emirates, Argentina, Turkey, Indonesia and Croatia.

Paris retains the top rank, with Vienna swapping places with Madrid and moving up from three to two, and Berlin and Barcelona swapping places at four and five respectively.⁸

In terms of absolute number of meetings, Madrid, Istanbul and Berlin had the biggest increase in the last eight year, while in terms of relative figures, the best results have been recorded in Warsaw and Belgrade.

According to ICCA 2014 statistics released from May 2015, Paris remains number one city and USA top country.

Table 3 Top 20 city and country ranking by number of meeting organized in 2014

Rank	City	Meetings in 2014	Rank	Country	Meetings in 2014
1	Paris	214	1	U.S.A.	831
2	Vienna	202	2	Germany	659
3	Madrid	200	3	Spain	578
4	Berlin	193	4	United Kingdom	543
5	Barcelona	182	5	France	533
6	London	166	6	Italy	452
7	Singapore	142	7	Japan	337
8	Amsterdam	133	8	China-P.R.	332
9	Istanbul	130	9	Netherlands	307
10	Prague	118	10	Brazil	291
11	Brussels	112	11	Austria	287
12	Lisbon	109	12	Canada	265
13	Copenhagen	105	13	Australia	260
14	Beijing	104	14	Sweden	238
15	Seoul	99	15	Portugal	229
16	Hong Kong	98	16	Switzerland	226
17	Budapest	97	17	Republic of Korea	222
18	Rome	97	18	Argentina	191
19	Stockholm	95	19	Turkey	190
20	Taipei	92	20	Belgium	187

Source: ICCA Press Releases www.iccaworld.com/npps/story.cfm?nppage=4852

⁸ <http://www.iccaworld.com/npps/story.cfm?nppage=4852>

1.3.2. Incentives

The incentive travel represents unforgettable and entertaining trips paid by employers, with the main purpose of motivating employees to give additional effort at work in order to reach challenging business goals of the company. Employees are travel for pleasure, due to excellent results of their company. The main and basic generator of the trip is profit.

Incentive trip represents a distinctive travel product, due to its definitive work- related purpose, belongs in the category of business travel.

The cradle of incentive travel is USA. The National Cash Registers company of Dayton (now AT&T), in 1906 awarded 70 sales people a free trip to company headquarters.

Incentive travel is rewarding and motivating type of travel and it is recognized as a useful management tool. Travel based incentives are more effective at motivating employees than other forms of reward. The main and the most important company's message for the employee is "We really take care of you." Very often incentive travel is paid for family member/partner as well, for tolerance for the long hours needed to achieve reward.

Incentive travel has advantages for both sides: employer and employee.

Advantages for the employer: to foster loyalty to the company, corporate culture, increasing communication and networking opportunities, generate enthusiasm.

Advantage for the employee: status and prestige motivation, possibility to meet and visit other people and culture.

Incentive travel remains one of the least recognized and most poorly measured segments of the business travel market due to existing problem in data collection. Sometimes, situation is getting dusty when company in order to avoid taxation, used accounting techniques that are available to it.

1.3.3. Conferences

While meetings usually refer to corporate meetings which are held by companies, conference is a formal meeting with higher number of people discussing about ideas or problems related to a particular topic, sometimes for several days. Conferences are held by different national and international associations, administrative organizations, and government authorities. According to subject, conference could be academic, business, trade, political, news conference.

Political and religious congresses of earlier centuries followed by business meetings and trade and professional association are foundations of conference industry. Some of the very important conference industry associations were founded as follows:

- International Association of Exhibitions and Events (IAEE) 1928
- Professional Convention Management Association (PCMA) 1957
- International Congress and Convention Association (ICCA) 1963
- European Federation of Conference Towns (EFCT) 1964
- International Association of Professional Congress Organizers (IAPCO) 1968
- Association of British Professional Conference Organizers (ABPCO) 1981

Conference is:⁹

- 1) Participatory meeting designed for discussion, fact-finding, problem solving and consultation.
- 2) An event used by any organization to meet and exchange views, convey a message, open a debate or give publicity to some area of opinion on a specific issue. No tradition, continuity or timing is required to convene a conference. Conferences are usually of short duration with specific objectives, and are generally on a smaller scale than congresses or conventions.

1.3.4. Congresses

The International Meeting Industry Glossary, maintained by the Convention Industry Council as part of its Accepted Practices Exchange comes up with definition of congress:¹⁰

- 1) The regular coming together of large groups of individuals, generally to discuss a particular subject. A congress will often last several days and has several simultaneous sessions. The length of time between congresses is usually annual, although some are on a less frequent basis. Most international or world congresses are latter type; national congresses are more frequently held annually.
- 2) European term for convention.

Congress is a formal, usually annual meeting of the representatives of different nations, states, independent organizations or groups in order to discuss or solve the problem. Congress of Berlin in 1878 or Congress of Vienna in 1815 was formal meetings of representatives of different nations.

Sometimes, congress is included in the name of several political parties, especially those in former British colonies: Indian National Congress, African National Congress and Ugandan People's Congress. Political parties also have a party congress to make decisions for the party and elect governing bodies or promote the party especially during election year. This is sometimes called a political convention.

1.3.5. Conventions

In International Meetings Industry Glossary a convention is defined as:

“Gathering of delegates, representatives, and members of a membership or industry organization convened for a common purpose. Common features include educational sessions, committee meetings, social functions, and meetings to conduct the governance business of the organization. Conventions are typically recurring events with specific, established timing”¹¹

Despite different definition of convention, congress and conference, in real live it is a matter of similar events. Convention is a large event often lasting for several days and organized by associations usually each year. Those interested in registering for the convention can pay the association a fee for all the sessions, discussions, food and beverage, dinners, and site visits.

⁹ <http://www.conventionindustry.org/StandardsPractices/APEX/glossary.aspx>,

¹⁰ <http://www.conventionindustry.org/StandardsPractices/APEX/glossary.aspx>,

¹¹ <http://www.conventionindustry.org/StandardsPractices/APEX/glossary.aspx>

Conventions are also known as conferences or congresses. Because, conventions are usually held by an association, they can be organized into different levels: international, national, regional.

1.3.6. Exhibitions

Exhibitions are important and increasing sector within business tourism, stimulating travel for visitors and exhibitors. Davidson defines exhibitions, which may be divided into two categories: trade fares/shows and consumer fair/shows as:

“Shop windows”, where on a regular basis, those who produce the product or services can display them, explain them and sell them to potential customer.”¹²

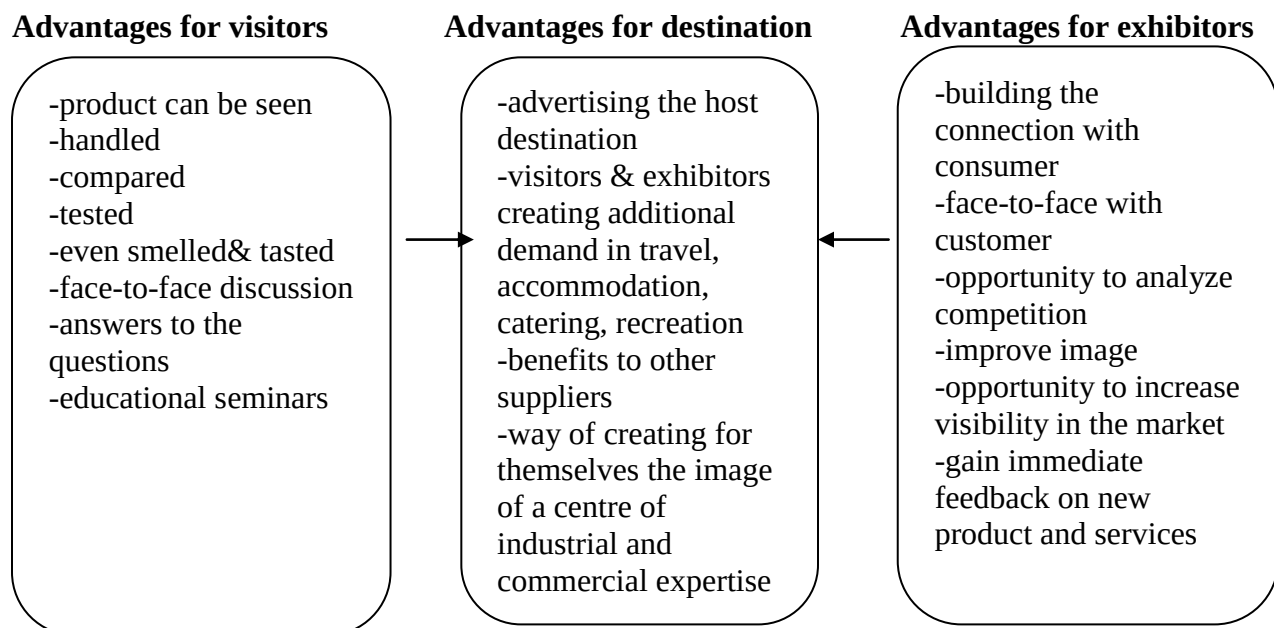
Exhibition also knows as “expositions”. These events usually lasting from a few days to a week and generate high level of demand for travel, catering and accommodation in the host city from both sides visitors and exhibitors.

Some examples of the major world travel trade shows are:

- the International Tourism Exchange of Berlin (ITB);
- the European Incentive Business Travel and Meeting in Barcelona (EIBTM) ;
- the International Conference Exchange in London (CONFEX);
- the World Travel Market (WTM) in London

Exhibition is a business event with advantages for visitors and exhibitors and the host destination as well.

Figure 2 Advantages of Exhibitions



Source: Adapted by author from Davidson R. and Cope B., 2003. Business Travel: Conferences, Incentive Travel, Exhibitions, Corporate Hospitality and Corporate Travel, page 193-195

¹² Davidson, R. and Cope, B., 2003. Business Travel: Conferences, Incentive Travel, Exhibitions, Corporate Hospitality and Corporate Travel. Harlow, England: Financial Prentice Hall, page 193

Exhibitions and trade fairs are marketplaces of product and services usually annual events held on the same location, or in rotation between cities.

“The main purposes of exhibitions are to generate sales, promote new products, maintain or create industry contacts and to act as places that facilitate the exchange of ideas and information between exhibitors, industry experts and visitors”¹³

1.3.7. Non-Standardized Terminology

The description of the acronym MICE listed above was attempt of understanding the nature of different kind of those business events. It is obviously that there is no standardized terminology and adopted definition. Due to lack of an appropriate and standardized terminology in this field, MICE sector is plagued by varying definitions.

The lack of an appropriated and standardized terminology all around the world makes the comparison of data very difficult. For instance, the same event would be classified as a meeting in the USA while in the UK it would be classified as conference. The word “conference” in the USA is used to describe small and large events. By many countries in Europe the word “congress” is used to describe a large conference, while in USA and UK is used word convention.

“Clearly it is vital that any potential confusion over terminology is minimized, enabling, statistics and data to be collected and interpreted in a standardized way on a worldwide level, as befits a truly global industry”¹⁴

1.4. The Stakeholders of the MICE Industry

The MICE industry is a generator of economic, social and cultural development with a huge number of stakeholders influencing each other. MICE industry is characterized by its high complexity and diversity where lots of buyers, suppliers, many agencies and organizations playing always different roles for the new events. Key players of the sector are:

- Suppliers on the supply side
- Buyers on the demand side
- Intermediaries on the demand & supply side.

1.4.1. Suppliers

In order to respond to the extensive, flexible and high profile demand for meetings, suppliers offering a wide range of facilities and supporting services which must operate in coordination with all player in the sector.

The suppliers in this market are those who make available for external hire the venues and many other specialist services without business event could not take place. Special services include the

Davidson, R. and Cope, B., 2003. *Business Travel: Conferences, Incentive Travel, Exhibitions, Corporate Hospitality and Corporate Travel*. Harlow, England: Financial Prentice Hall, page 193

¹⁴ Rogers, T, 2008. *Conferences and Conventions: A global Industry second edition*. Oxford UK: Elsevier, Butterworth-Heinemann, page 21

audiovisual contractors, telecommunications companies, translators, floral contractors, exhibition contractors and many others.

Destination

“Conference organizers attach greater importance to location than to any other single criterion when selecting their sites”¹⁵

Location is synonymous for “city”, “town”, “region of the country” or even “entire country”.

Due to intensive and very strong competition on the MICE market destinations are constantly improving their facilities together with marketing mix strategy.

Venues

Starting point after selection of destination is choice of venue.

“The fact is that the choice of a suitable type of venue is one of the most crucial decisions to be taken in the organization of any meeting. The meeting facility market is represented by a wide range of venues of differing sizes and levels of equipment and services.”¹⁶

Conference centre-purpose built centre is the most visible indicator that city is active market player and designed to host meetings, conferences and all other business events for hundred or even thousands of delegates. Characteristics of this centers is multipurpose function reflecting in possibilities to providing services such as cultural, political, sport events, exhibitions.

The rise of conference centers as venues is linked to the explosive growth of the association market from the 1960s. Conference facilities were constructed in response to the needs of this rapidly developing market.

During the 1960s and 1970s, in cities throughout Europe and North America, conference centre were built. In the 1980s and 1990s similar large scale conference centre projects were undertaken across Asia and the Pacific with developing facilities state of the art with locations such as Hong Kong and Singapore. During the same period, new conference centers were built in a number of Eastern European countries, such as Hungary and the Czech Republic, as well as in South Africa following the end of its apartheid system.

Countries of BRIC (Brazil, Russia, India and China) despite the size of their population, land and political strength are relatively poor in their supply of state-of-art conference facilities

With their striking architecture, vast dimensions and prominent locations, conference centre are called “palaces” in several European languages.

Very important for development of this conference centers is owned to the International Association of Congress Centers known as the AIPC from French name, Association Internationale des Palais de Congress. Founded in 1958, for its members, it serves to improve their skills and knowledge in the fields of conference centre management, organization, operation, marketing and environmental issues.

According to World Luxury Tourism Magazine the five best Convention Centers of the world are:¹⁷

1. Orange County Convention Center, Orlando, Florida, USA

¹⁵ Rogers, T., 2008. *Conferences and Conventions: A global Industry second edition*. Oxford UK: Elsevier, Butterworth-Heinemann, page 59

¹⁶ Davidson, R. and Cope, B., 2003. *Business Travel: Conferences, Incentive Travel, Exhibitions, Corporate Hospitality and Corporate Travel*. Harlow, England: Financial Prentice Hall, page 89

¹⁷ <http://www.worldluxurytourism.com/mice/five-best-convention-centres.html>

2. Adelaide Convention Center, Australia
3. Vancouver Convention Center, Canada
4. Dubai International Convention and Exhibition Center (DICEC), Dubai
5. The Hong Kong Convention and Exhibition Center (HKCEC), Hong Kong

Another international association the Historic Conference Centers of Europe (HCCE) is active in promoting conference centre. The very exclusive membership of the HCCE comprises 18 conference facilities housed in historic buildings in 12 European countries.

The alliance was set up in October 1996, and in May the members created a joint marketing organization with a central database to promote their properties. Based in Graz, the HCCE attract new business for its membership through the website and by exhibiting at major trade fairs. Has a permanent sales office in USA.

To qualify as an HCCE member, a conference centre must meet strict criteria:¹⁸

- The conference centre must be located in a unique, well maintained building that is at least 100 years old.
- The core activity is the staging of conferences.
- A professional management and price structure must be present.
- The conference centre must be open for business all year round.
- It must have one plenary hall to accommodate a minimum of 150 persons, with 3 to 4 addition breakout (syndicate) rooms.
- State of the art technology must be provided.
- Situated in an area renowned for its architectural heritage and cultural life.
- Be bound to or have strong links with good hotels and tourist infrastructure.
- Agree to join the Right and Fair Sustainability code.

The Hofburg Congress Center in Vienna a former imperial palace, The Popes Place International Congress Centre in Avignon, Europe`s largest surviving medieval palace, Amsterdam`s former stock exchange, The Conference and Exhibition Centre of Cordoba a Moorish style monastery are some of HCCE members.

Hotels are very important venues and most dominate in corporate market sector, due to opportunity to satisfy accommodation and venue needs at the same time. Selection of the hotel depends on the type of the event.

The main types of hotel in the conference market are:¹⁹

Business hotel are usually located in downtown or business district.

Airport hotels coming in second place as venues for corporate meetings

Resort hotels are usually located in the mountains, on an island, or in some other exotic locations away from city. These hotels have recreational facilities, scenery, golf, tennis, sailing, skiing and swimming.

¹⁸ <http://www.hcce.com/about-us/membership/venue-membership-criteria>

¹⁹ <http://setupmyhotel.com/about-hotel-industry/classification-of-hotels-by-there-type.html>

Taking in consideration advantages of hotel such as: time saving for buyers and consumers due to fact that accommodation, catering and event are at the one place and trained staff capable to provide high level of services, it is understandable why hotels are an important segment in supply chain.

Due to strong competition, hotels have invested in their assets in order to respond to demanding meeting industry.

Four issues, in particular, stand out as relevant and defining for hotels over the next ten years: operational complexity, cost pressures, the need for consistency, and the overall speed of innovation in the sector.²⁰

Hotels that standardize operations will be able to implement new solutions quickly and more consistently.²¹

Academic venues have a long tradition in UK with 150 and in Germany with more than 300 universities available for use as meeting venues. They can create important links between the university and the local community and industry.

Civic venues are town halls, committee rooms or other civic facilities available for external use.

Unusual venues (museums, historic houses, art galleries, sport venues), sometimes could be described as unique venues. These places are normally used for quite different purposes.

Other suppliers

Transport operators (air lines, cruise lines provides, taxi firms, railway)

Ancillary services such as: audio-visual contractors, telecommunications companies, interpreters and translators, video-conferencing specialists, floral contractor, entertainment specialist, catering companies and others.

Accommodation suppliers are hotels, motels and hostels where housing is provided for attendees during MICE activities. It is very important when event take place in non-residential venue.

1.4.2. Buyers

The buyers with their specific demand and great influence on this market play very important role in supply segmentation. The market could be segmented by different categories: by size of the event, people who attend the meeting or the purpose of the meeting. In any case the buyer is initiators of meeting.

According to T. Rogers the buyers are defined as:

*“Conference organizers and meeting planners who buy, or more accurately hire conference venues and related services in order to stage their events”.*²²

²⁰ IBM Global Services, 2011. Hotel 2020: The personalization paradox. USA, page 6

²¹ IBM Global Services, 2011. Hotel 2020: The personalization paradox. USA, page 8

²² Rogers, T., 2008. Conferences and Conventions: A global Industry second edition. Oxford UK: Elsevier, Butterworth-Heinemann, page 34

Table 4 Characteristics of business tourist

- Is the consumer who uses service but not the customer (it is usually the employer who makes the decision that the business tourist will travel and pays the cost of the trip)
- Does not usually chose their destination
- Travels relatively frequently
- Takes trips which are generally shorter in duration
- Trip planning period can be very short (hours) to very long for conference delegates (several years)
- Less budget – conscious as not paying the cost of the trip
- Usually more experienced demanding customer

Source: Swarbrooke, J. and Horner, S., 2007. *Consumer Behavior in Tourism*. 2nd Edition, page 146

The system of segmentation used most commonly defines the different types of demand primarily according to the type of buyer involved. Under this system, the two main segments- meeting of business corporations and meeting of professional or trade associations²³

There are slight differences between corporate and association buyer. Corporate buyer is usually profit organization with mandatory attendance of their consumers, while association buyer is usually non-profit organization with usually voluntary attendance.

The public sector buyer also called the government buyer, has much in common with the association buyer. The organizations are mainly local authorities, central government departments, educational and health. Government buyers have high price sensitivity and usually with tight budget. The entrepreneurial buyer are publishing houses, trade associations, academic bodies and independent conference organizers which hold these conferences .The entrepreneurial buyer is “someone who identifies hot topics in the business and academic world and then plans and produces a conference at which the topics can be presented, discussed and debated by high profile speakers and experts”.²⁴

²³ Davidson, R. and Cope, B., 2003. *Business Travel: Conferences, Incentive Travel, Exhibitions, Corporate Hospitality and Corporate Travel*. Harlow, England: Financial Times Prentice Hall, page 77

²⁴ Rogers, T., 2008. *Conferences and Conventions: A global Industry* second edition. Oxford UK: Elsevier, Butterworth-Heinemann, page 53

1.4.3. Intermediaries

Linking the demand and the supply-side, intermediaries are organizations which could act on behalf of suppliers or buyers.

Figure 3 Intermediaries working on behalf of the suppliers and buyers

Intermediaries working on behalf of the suppliers

- **Destination marketing organizations (DMOs)** bring destinations to the attention of potential buyers and sell the destination and play important role in the marketing of a city. The DMOs can be on different levels:
 - The National Tourism Organizations (NTOs), which are in charge of the management and marketing of tourism at a national level.
 - The regional, provincial or state DMOs which manage and market a specific region that can be a county, a state or a province.
 - The local DMOs, also called Convention Visitor Bureaus (CVBs), which manage and market a small geographic area which is usually a city or a town. They are playing significant role in networking all suppliers, creating marketing multiplication on the destination. CVBs represent the destination in the market place with main aim to market destination effectively to increase visitor numbers and business tourism expenditure

Intermediaries working on behalf of the buyers

- **Professional conference organizers PCO** used especially for national and international association events and governmental conferences. The PCO act as **the** project manager for the whole event.
- **Venue –finding agencies** have much more limited role than the PCO. They only need to identify suitable venue for the meetings, producing shortlist from which the buyer makes the final decision.
- **DMCs- Destination Management Companies**, often work in collaboration with PCO or marketing planner. They can find accommodation, transfer, exciting pre-conference and post-conference tours and excursions.
- **Conference production companies** are for high profile events with specialized skills and knowledge to design for example design a conference set, provide audiovisual support and special effects, preparing computer graphics.

Source: Adapted by author from Davidson R. and T. Rogers, 2006. Marketing Destinations and Venues for Conference, Convention and Business Events. Oxford, UK Elsevier Ltd, page 11-16

1.5. The concept of marketing and its importance for MICE industry

“Welcome to marketing! Your passport to success! Today marketing isn’t simply a business function. It’s philosophy, a way of thinking, and a way of structuring your business and your mind...Marketing’s task is to provide real value to targeted customers, motivate purchase, and fulfill consumer needs”²⁵

The tourism industry is the largest, one of the most challenging and demanding, market segmented, customer orientated industries in the world. Because of very sensitive demand, high profile of service, defined market, precise focus on the customer, concept of marketing is very important for MICE tourism. It is a way of survival. The main differences between selling and marketing concept are shown bellow. According to S. Unkovic new marketing concept should be foundation for tourism organization on macro and micro level.²⁶

Table 5 The selling and marketing concepts

The selling concept			
Starting Point	Focus	Means	Ends
Factory	Existing products	Selling & Promoting	Profits through sales volume
The marketing concept			
Starting Point	Focus	Means	Ends
Market	Customer needs	Integrated marketing	Profits though customer satisfaction

Source: Kotler P., Makens J., Bowen T.J., 2010. Marketing for Hospitality and Tourism, page 19

Customer satisfaction is a result of appropriate marketing strategy, detailed market plan realized through market research as well as projected budgets and financial statements. This financial function with financial control and with risk management is very important issue for MICE industry because of great investments in conferences venues.

Successful marketing concept depends on mix of controllable elements, which usually refers to 4P: Product, Price, Promotion and Place.

This traditional concept of the marketing mix was developed for the fast moving consumer goods sector. As service sectors have become more aware of marketing, and customer oriented than ever before, additional Ps have been developed and added.

Some authors, for example A. Morison has suggested 8P instead of 4P: Product, Price, Promotion, Place, People, Programming, Packaging and Partnership.²⁷

²⁵ Kotler P., Makens J., Bowen, T.J., 2010. Marketing for Hospitality and Tourism, 5th edition, Harlow, England: Financial Times Prentice Hall, page 6

²⁶ Unković S., Zecević B., 2009. Ekonomika turizma, 12th edition, Ekonomski fakultet, Beograd, page 129

²⁷ Popesku, J., 2013. Marketing u turizmu i hotelijerstvu. Univerzitet Singidunum, Fakultet za turistički i hotelijerski menadžment, page 122

Due to fact that service sector has come dominate economic activity worldwide, this additional Ps are particularly relevant to this new extended service mix.

After adopting marketing concept, following are characteristics distinguishing services from goods.

Table 6 Characteristics distinguishing services from goods

GOODS	SERVICES
Are manufactured	Are performed
Goods are tangible at the point of sale, can be inspected prior to sale	Services are intangible at the point of sale and cannot be inspected
Separable: Production and consumption are separate	Inseparability: Action of production and consumption occurs at the same
Goods are delivered to places where customers live	Customers must go to the place where the service is delivered
Homogeneity: each product are standardize, following the scheme of production	Variability/ heterogeneity: each service performance differs from each customer. The performance is unique.
Product can be stored	Services cannot be stored or kept in inventory for future t consumption

Source: Adapted by author from Popescu, J., 2013. Marketing u turizmu i hotelijerstvu. Page 6-7

Final goal of marketing concept is profit through customer satisfaction with the result of perfect product.

“The perfect product must provide value for the customer. This value in the eye of the beholder – we must give our customer what they want, not what we think they want. The successful company will find out what customers need or want and then develop the right product.”²⁸

²⁸ The Chartered Institute of Marketing 2009, Marketing and the 7Ps, Moor Hall, Cookham Maidenhead, Berkshire, UK, page 4

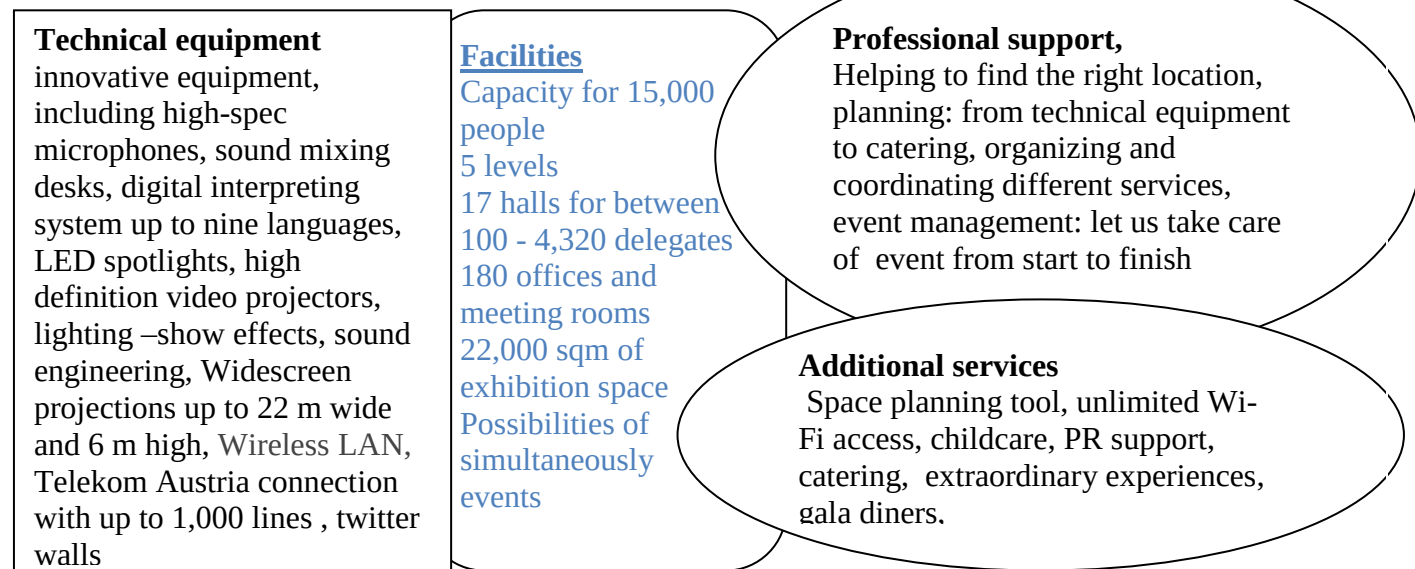
1.6. Austria Center Vienna

Austrian capital Vienna has been ranked among the top cities for business tourism, especially for the number of conferences and other type of meetings. According to ICCA in Vienna in 2012, 195 meetings were held, 14 more than second ranked Paris.

Vienna has three conference centers: Austria Center Vienna, Hofburg Vienna and Messe Wien Exhibition & Congress Center. Opened in 1987, Austria Center Vienna is the biggest conference venue in Austria with exclusive location right next door to one of the four international United Nations headquarters. From the opening till July 2013 has welcomed more than five million international visitors.

Listed below are main facilities characteristics and service structure of ACV.

Figure 4 ACV Facilities and services



Source: Adapted by author from Austrian Center Vienna <https://www.acv.at/planen/organise.html>

Organizational structure, clear strategy, government support, highest profile of services, great quality of facilities, flexibility and innovation, very well organized website are some of the reason for great success of ACV on the global meeting market. For many years, ACV plays the most dominant role in beating the national and international competition and keeping Vienna among the most successful business destination.

According Meeting Industry Report 2012 issued by Vienna Convention Bureau, in 2012, Vienna hosted a total of 3.376 congresses and corporate events, which generated a total of 1,521,170 overnights and induced gross domestic product of 914.66 million EUR.

With the results for 2012 and focus on flexibility and innovation, with plan of digitalization of every congress in the future, Vienna definitely will stay top destination for business tourism.

“The engagement of the Vienna Convention Bureau as a certification licensee for “Green Meetings” reveals just how innovative the Vienna meetings industry is. The congress metropolis is therefore continuing on the course that has made Vienna one of the world’s most livable cities, and the “smartest city in the world”²⁹

²⁹ Meeting Industry Report 2012, Vienna Convention Bureau, page 28

2. IMPORTANCE OF SUSTAINABILITY IN THE MICE INDUSTRY

2.1. Definition of sustainable development

Due to fact that approach to sustainable development is still evolving, there are many definitions of sustainable development.

The most frequently used definition is from The Report of the World Commission on Environment and Development: Our Common Future from 1987.

*Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.*³⁰

This report is, also known as the Brundtland Report in honor of former Norwegian Prime Minister Gro Harlem Brundtland, who had the leading role in the World Commission on Environment and Development. The report consists of two main concepts:³¹

- the concept of **needs**, in particular the essential needs of the world's poor, to which overriding priority should be given; and
- the idea of **limitations** imposed by the state of technology and social organization on the environment's ability to meet present and future needs.

Tourism as one of the world's fastest growing industries, strong generator of development of each economy, people-oriented industry, has very important role in developing concept of sustainability. Together with positive impact, knowledge about the negative effects must exist. Loss of cultural heritage, socio-cultural imbalance and ecological degradation are some of them.

According UNWTO, sustainable tourism can be defined as:

*"Tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities"*³²

Essentially, sustainable tourism involves the minimization of negative impacts and the maximization of positive impacts.³³

Tourism respects both local people and the traveler, cultural heritage and the environment.³⁴

All these definitions are results of the importance of sustainable development and dramatic environmental, socio-cultural and economical changes our planet and tourism industry are facing with.

³⁰ The Report of the World Commission on Environment and Development: Our Common Future, 1987 page 16, <http://www.un-documents.net/our-common-future.pdf>

³¹ The Report of the World Commission on Environment and Development : Our Common Future. page 41, <http://www.un-documents.net/our-common-future.pdf>

³² <http://sdt.unwto.org/content/about-us-5>

³³ Weaver D., 2006. Sustainable Tourism. Oxford UK: Elsevier, Butterworth-Heinemann page 10

³⁴ http://www.unesco.org/education/tlsf/mods/theme_c/mod16.html

2.2. The concept of sustainable development and its importance for MICE industry

Sustainable development in tourism is more than set of words, the adopted law regulations, standards and procedures. It is the way of living, thinking and doing business.

There is no sustainability without system approach and awareness that everything is connected in space and time with multiple effects into the future.

Acceptance and implementation of the concept of sustainable development means that all resources (natural, cultural, infrastructural) and driver factors (government, public authorities and awareness of society) have to be considered.

Tourism industry is the largest and the most complex industries in the world with the highest impact to the environment. Positive impact is reflecting in increasing the level of revenue and employment rate. At the same time, tourism can threaten local communities by overdevelopment, reducing water and air quality, destroying wildlife, local culture and decreasing the quality of life.

The biggest danger for local community is destroying of natural, cultural and social resources.

The main task of sustainable tourism is protecting and conserving natural and cultural resources with increasing pressure to government, public sector and all stakeholders in tourism to take active role in creating and supporting the concept of sustainable development.

With addition to very sensitive demand, high profile of service, defined market, precise focus on the customer from one side and the fact from the other that sustainability is passport to success and future, concept of sustainable development is very important for MICE tourism.

Respecting the concept of sustainable development is a way of presence in the future.

Joint action of the whole community with dominant government role and public sector are main driver factor of sustainable development.

Some MICE destinations, like Australia, Canada, Austria or Singapore have made great and significant efforts in developing strong sustainability policies and practices in order to conduct sustainable tourism with clear vision and detailed strategy plan on the all levels of community.

2.3. Economic benefits and environmental issues

According to definition and concept of sustainable development in MICE industry, main challenge is balanced approach to economic activity, environmental responsibility and social progress.

As a result of these three different but connected segments, in literature we have “the triple bottom line”. “The triple bottom line” was first mentioned in 1994 by John Elkington, the founder of a British consultancy called Sustainability.

Triple bottom lines (TBL) are referred to: profit, people and planet. These three lines are measuring financial, socio-cultural and environmental performance of the destination.

Only communities that measure their financial, social and environmental impact will have socially responsible behavior and chances for sustainable development.

All MICE tourism activities have pros and cons generating direct and indirect negative and positive impact to development of destination.

Listed below are economical, socio-cultural and environmental benefits and costs from tourism activities:³⁵

Economic benefits

- Provides governments with extra tax revenues
- Employment opportunities through jobs directly related to tourism and indirectly by supporting industries like retail, food industry, civil engineering...
- The multiplier effect: percentage of every tourist dollar earned is returned into the economy over and over again
- Diversification of local economy
- Generates foreign exchange
- Increase in cross border trade

Economic costs

There are many hidden costs to tourism, which can have unfavorable economic effects on the host community. Often rich countries are better able to profit from tourism than poor ones. Whereas the least developed countries have the most urgent need for income, employment and general rise of the standard of living by means of tourism, they are least able to realize these benefits. Among the reasons for this are large-scale transfer of tourism revenues out of the host country and exclusion of local businesses and products.

- Leakages:
 - Import leakage usually occurs when host destination does not have an appropriate supply industry in accordance with venues standards. In that case, usually in less-developed countries, equipment, food and drinks must often be imported.
 - Export leakage as a result of financing the resorts and venues by multinational companies and overseas investors and their collection of profit which is going back to their country of origin.
- Infrastructure cost occurred because of tourism infrastructure development which requires huge financial resources. Money and time consuming, price of infrastructure development usually is paid by taxpayers.
- Increase in prices of goods and services and also increase in real estate demand resulting sometimes dramatic changes in the ethnic structure of local community
- Employment seasonality
- Economic dependence of the local community which is making great pressure upon tourist industry and all stakeholders.

³⁵

<http://www.unep.org/resourceefficiency/BusinessSectoralActivities/Tourism/FactsandFiguresaboutTourism/ImpactsofTourism/EconomicImpactsofTourism/NegativeEconomicImpactsofTourism/tabid/78784/Default.aspx>

Socio-cultural benefits

- Educational element, provide cultural exchange between hosts and guests.
- Additional income to support local community facilities and services
- May foster pride in cultural traditions and help avoid urban relocation by creating jobs.
- Encourages the preservation and celebration of local festivals and cultural events.
- Encourages the learning of new languages and skills.
- Supportive force for peace

Socio-cultural costs

- May change individual behavior, family relationships, traditional life styles, morality and ceremonies
- May create crowding, reducing the availability of resources and facilities

Environmental benefits

- Way to increase awareness of environmental values and improvement of environmental management and planning
- Way to foster conservation and preservation of natural, cultural and historical resources.
- Encourages community beautification and revitalization.

Environmental costs

- Noise, water and air pollution.
- Solid waste pollution and sewage overload
- Natural habitat and ecosystems can be damaged
- Climate change and air travel as a main factor of the greenhouse effect
- May threaten specific natural resources or historical sites.
- Construction of tourism facilities could lead to land degradation
- Overuse of resources like energy, food, and other raw materials

Due to constant increase of tourism industry and its great and complex impact to economy, society and environment to the destination and region, these positive and negative impacts should be considered very carefully.

Sustainable development means the existence of the limits of development, not absolute limits, but the limits of technology achievement and social organization in relation to the environment, as well as an ability of the biosphere to absorb the effects of human activities.³⁶

³⁶ Popesku, J., 2013. Menadžment turističke destinacije. Univerzitet Singidunum, Fakultet za turistički i hotelijerski menadžment, page 10

2.4. The stakeholders of the MICE Industry and their role in the sustainable Development

MICE industry as one of the most rewarding type of tourism for the development of a certain destination and the most complex and system orientated industries in the world has one of the dominant role in sustainable development. Connecting all industries of the destination or even the whole region, effecting economical, environmental, socio-cultural life and linking all stakeholders, MICE industry has great potential and challenge to become spiritus movens for creating and maintaining strategy, policy and action plan of sustainable development in tourism.

With a huge number of stakeholders influencing each other, MICE industry is characterized by its high complexity and diversity where lots of buyers, suppliers, many agencies and organizations playing always different roles for the new events. The most important players of the sector are:

- Suppliers on the supply side
- Buyers on the demand side
- Intermediaries on the demand & supply side.

Awareness of sustainable development, rapidly growing interest in corporate social responsibility (CSR) are some of the main trends and issues of the further tourism development supported by the United Nations World Tourism Organization (UNWTO) celebrating “World Responsible Tourism Day” each year during World Travel Market in November.

The aim of the Day is to simulate actions by tourism companies, tourists and public tourism stakeholders to promote tourism in terms of its economic, social and environmental sustainability.³⁷

President of Vancouver Convention & Exhibition Centre (VCEC), Barbara Maple in article entitled “Green Meetings: Does anyone really care?” published on February 2007 when she was the President of the International Associations of Congress Centers concluded:

“Finally, the whole area will increasingly be a matter of law, as communities and governments in many parts of the world strengthen their regulations around how businesses manage their environmental and social impacts...The results of this will affect many different areas of facility management: everything from building operations and environmental control measures to how new facilities are designed and constructed, and even how we market and sell our facilities. We will, for example, likely have to get more involved with our clients to make sure that they comply with community sustainability expectations when they hold their events in our cities.”³⁸

³⁷ Rogers, T., 2008. Conferences and Conventions: A global Industry second edition. Oxford UK: Elsevier, Butterworth-Heinemann, page 320

³⁸ http://www.aipc.org/mediacoverage/126_Events%20Asia%2007.2-3%20Green%20meetings.pdf, Maple, B., 2007. “Green Meetings: Does anyone really care?”

2.4.1. Suppliers

2.4.1.1. Destination

Destination is the starting point and the most important and complex element of MICE industry. Sustainable destination is a question of government and all stakeholders' decision of certain destination and their joint action. Appropriate management, marketing mix strategy and improvement in facilities are important factors for competition. But to remain on the MICE market, destination need something more- the balance.

Achieved balance between resources and opportunities without disturbing environment and economical and socio-cultural needs of the local community. Sustainable destination is managed by well trained staff and lead by dedicated government and public sector. Sustainable destination has strategy, plan, processes and tools for implementing adopted plan and functions of financial and environmental control.

Due to fact that is sustainable tourism is on the rise and increasing number of stakeholders in tourism industry, The Global Sustainable Tourism Council (GSTC) under the umbrella of the United Nations has developed criteria for sustainable destinations.

The Global Sustainable Tourism Criteria are established for tourism management organizations in order to achieve sustainable destination. To achieve the idea of sustainable destination in practice, requirement of system approach consist of four main objectives to: ³⁹

- demonstrate sustainable destination management;
- maximize social and economic benefits for the host community and minimize negative impacts;
- maximize benefits to communities, visitors and cultural heritage and minimize impacts; and
- maximize benefits to the environment and minimize negative impacts.

The criteria are designed to be used by all types of destinations.

Some of the expected uses of the criteria by tourism management organizations include the following: ⁴⁰

- Serve as basic guidelines for destinations which wish to become more sustainable
- Help consumers identify sound sustainable tourism destinations;
- Serve as a common denominator for information media to recognize destinations and inform the public regarding their sustainability;
- Help certification and other voluntary destination level programs ensure that their standards meet a broadly-accepted baseline;
- Serve as basic guidelines for education and training bodies, such as hotel schools and universities.
- Offer governmental, non-governmental, and private sector programs a starting point for developing sustainable tourism requirements

³⁹ <https://www.gstccouncil.org/en/gstc-criteria/criteria-for-destinations.html>

⁴⁰ <https://www.gstccouncil.org/en/gstc-criteria/criteria-for-destinations.html>

2.4.1.2. Venues

Conference centers and hotels as the most important and the most dominate in corporate market sector are visible indicator that destination is active market player. Conference centers with their specific approach to the events and marketing mix strategy have played active and one of the main roles in creating brand of certain place as MICE destination.

Hotels from the other side represent great force for establishing, monitoring and improving system of sustainability development.

Because of its large footprint, the hospitality sector exercises an enormous influence over destination sustainability. The decision to build a particular type and size of hotel in a particular location, for example, will help to shape tourism landscape by influencing the type and number of tourists in a particular location as well as their spatial activity patterns.⁴¹

Creating the landscape of destination and providing the most visible evidence of MICE activity, conference centers and hotels are one of the greatest consumers of resources and waste producers at the same time.

Venues have negative impact on environment, aggregated in three sections: energy, water and waste. These three areas are matter of monitoring, analyzing and space of improving through decreasing usage of these limited resources.

In accordance with sustainable tourism raising awareness and impact on the environment, conference centers and hotels have set list of procedures, tools, actions plans to improve environmental and business performance at the same time.

Some countries like Austria, Australia, Singapore, and Netherland have gone further more in developing and implementing sustainability procedures and standards. World first zero carbon free conference centre opened in Dublin in 2010.

Conference centers and achievements they have done in the field of sustainable tourism showing that environmental protection is a high priority.

Austria Center Vienna

- Green electrical and IT devices with TCO-certified, energy-saving Samsung monitors among the latest new arrivals at the venue
- Official green meetings certification body able to certify event as "Green Meetings and Green Events" with possibility to display the Austrian Eco-label in published materials and on the event website due to the guideline UZ62 and according seven criteria:
 1. Travel and CO₂ balancing,
 2. Accommodation,
 3. Venue,
 4. Procurement, materials and waste management,
 5. Exhibitors and stand assembly companies,
 6. Catering,
 7. Communication and social aspects



⁴¹ Middleton and Hawkins according to Weaver D., 2006. Sustainable Tourism. Oxford UK: Elsevier, Butterworth-Heinemann, page 84

Adelaide- Australia's convection city

“Benchmarking, research and continuous improvement are fundamental to achieving our sustainability goals – and living up to our ‘Gold Service, Green Attitude’ philosophy.”⁴²



In accordance with their high level of social and corporate responsibility, The Adelaide Convention Center has achieved following improvements:⁴³

- Waste minimization: glass and plastic bottles, corks and bottle tops are recycled; printers are set to duplex, we buy recycled paper, and we use scrap paper for notepads; food donation to OzHarvest and Foodbank SA; worm farm, recycling of organic waste
- Water conservation-using a chemical-free cleaning and sanitizing system called ‘E-water’ in kitchens and public toilets to reduce the use and cost of cleaning products; water sensor taps, low volume with high-pressure spray taps; water tanks.
- Energy efficiency-purchase of a minimum 25% of certified green electricity mostly wind generated
- Sustainable meetings-sustainable meeting packages including carbon emission offsets; certified green electricity; catering produce sourced from local markets; recyclable conference bags and notepads and paper barrel pens.
- Donations and sponsorships- sponsor of Variety SA the Children Charity
- Trees for life- partnership with SA premier environmental organization TFL
- Apprenticeships, traineeships and employment initiatives- opportunities for residents and international students and new migrants to Australia

Together with convention centers, hotels, especially big hotel chains have very proactive approach to sustainable development.

Over the past few years, hotel companies have made a determined effort to deal with the impact their business activities have on the environment, particularly by measuring and reducing their carbon and water footprints. Both major international hospitality companies and small business recognize that there are tangible benefits in doing this, including real efficiency gains and an improved corporate reputation. Another closely linked challenge for companies is how to manage the ethical operation of their business. Ethical issues arise in four main areas: the supply chain, the local community (in the tourism destination), the workplace and the customers.⁴⁴

Fairmont Hotels & Resorts, Hilton Worldwide, InterContinental Hotels Group, Accor Hotels, Marriott International, Hong Kong Hotel Association are some of the hotels that are launched a code of conduct for suppliers, code of ethics, developing and implementing program for sustainable development mainly focusing on nature, carbon, health and safety, innovation, local development, employment, management system and dialogue. Taking care about environment and ecosystem, corporate responsibility forcing venue to demonstrate practical examples of their contribution to local communities, supply chain and customer behavior.

⁴² <http://www.adelaidecc.com.au/about-us/environmental-sustainability>

⁴³ <http://www.adelaidecc.com.au/about-us/environmental-sustainability>, Gold Service, Green Attitude, p.1-3

⁴⁴ Sloan, P., Legrand, W. and Chen, S. Joseph, 2013. Sustainability in the Hospitality Industry, 2nd edition, Routledge, London, page 16

2.4.1.3. Other suppliers

Transportation industry as integral part of tourism industry has a great influence on the environment and represents one of the most important factors of sustainable development. Link between climate change and carbon dioxide emission, create obligation for travel companies to give an extra effort for minimizing negative impact on the environment.

Airport Carbon Accreditation launched by ACI EUROPE, encouraging the airports' efforts to manage and reduce their CO₂ emissions, enforces the accreditation criteria for airports on an annual basis.

Counteracting global warming, the International Air Transport Association (IATA) adopted carbon neutral growth in 2020 while the European Environment ministers set the target to cut greenhouse gas emissions from aviation by 10 % by the same year.⁴⁵

Also there is Green Sustainable Airports (GSA), an international project with following goals:⁴⁶

1) Build an international network in which knowledge will be developed, shared and implemented; 2) Measure the current and future Carbon Footprint of all partner airports; 3) Implement 'Quick wins' - energy saving measures that are cheap and easy to implement with fast results on energy saving; 4) Develop and test sustainable innovative applications contributing to a sustainable 'greener' exploitation of all partner airports.

Airline industry is just one segment of transportation. Due to environmental problems caused by cruise ships, great attention has to be done in order to achieve progress in this area. Seriousness of the problem is reflected in the fact that very often environmental issues are supported by groups or organizations like Friends of the Earth, an international network of environmental organizations in 74 countries.

Ancillary services with awareness of sustainable development, appropriate educational program, adoption of standards and management tools could make significant contribution in the race of sustainable development.

2.4.2. Byers

Due to the rapid growth of international activities and the fact that business and profit are impossible without contacts, MICE tourism is one of the fastest growing sector of tourism industry. Corporations and associations as very powerful and influential sector, has great impact to the supply, producing strong connections between wishes form demand side and satisfaction of these same needs.

The MICE industry is a generator of economic, social and cultural development, but at the same time is generator of environmental, economical and socio-cultural changes. In recent years, almost every company or association has adopted corporate social responsibility policy and sustainable program of development.

With high level of awareness that business event can have a negative impact on the environment and their potential to influence tourism policy, MICE demand has a great possibilities to act as environmental responsible partner.

⁴⁵ <http://www.greenairports.eu/about-gsa/project-history/>

⁴⁶ <http://www.greenairports.eu/about-gsa/vision-goals/>

2.4.3. Intermediaries

Destination Marketing Organizations (DMOs) as intermediaries acting on behalf of supplier's side are starting point, base and foundation of sustainable development strategy of each destination.

National, regional or local tourism organizations have dominant influence in increasing the awareness of what responsible tourism means for suppliers. Their main role of DMO is creating, implementing, controlling and conducting activities of all stakeholders on the market which are connected into sustainable development action plan.

The challenge for destinations is to identify the environmental constraints and impacts of tourism development, and to then engage local destination suppliers, buyers (foreign and domestic) and all visitors in embracing sustainability as a key element of the tourism proposition. The opportunity is to make excellent environmental management part of consumer motivation, in order to help ensure the sustainable development of tourism.⁴⁷

According to PriceWaterhouseCoopers report from May 2014, Stockholm and Sydney are the most sustainable cities in the world, a ranking driven by air quality, recycled waste efforts and public park space.

Government of these countries and cities are playing dominant and very important role in attracting international visitors, both for leisure and business and in the same time implementing the concept of sustainable development through the advertising activities, PR and media programs, trade shows and industry programs, consumer promotions, online communications and consumer research.

According to the Tourism Australia Act lead by the Government, issues of interests are:⁴⁸

- To influence people travelling to Australia to also travel throughout Australia;
- To help foster a sustainable tourism industry in Australia; and
- To help increase the economic benefits to Australia from tourism.

The City of Stockholm's Environmental Program for 2012-2015 supported by Government is based on the vision of Stockholm as an attractive and sustainable city, where the needs of people and nature complement each other in an environment characterized by functionality, quality and biological diversity. The Environment Program focuses on six key priorities:⁴⁹

- Environmentally efficient transport
- Goods and buildings free of dangerous substances
- Sustainable energy use
- Sustainable use of land and water
- Waste treatment with minimal environmental impact
- A healthy indoor environment
- Other priorities of the Environment Program are: encouraging cycling and walking, reducing noise levels, increasing the amount of ecological food products purchased by the city by at least 25 percent, reducing greenhouse gas emissions to less than 3 tons per Stockholmer, and reducing incorrectly recycled waste

⁴⁷ Font, H. and Carey, B. 2005. Marketing Sustainable Tourism Products, United Nations Environment Programme and Regione Toscana, Italy, page 14

⁴⁸ http://www.tourism.australia.com/documents/corporate/tacp7579_corporateplan_13-16_web.pdf

⁴⁹ <http://international.stockholm.se/city-development/european-green-capital-2010>, Environment Program p.5-7

3. THE CHALANGE AND POTENTIAL FOR BELGRADE

3.1. Position of Belgrade on the tourist market

Figure 5 Positions of Serbia and Belgrade in Europe



Source: <http://siepa.gov.rs/en/index-en/start-a-business/maps/serbias-position-in-europe.html>

Belgrade with around 1, 6 million population is the economical and political centre, capital and largest city of Serbia. It is situated in South-Eastern Europe, on the Balkan Peninsula, at the confluence of the Sava and Danube rivers. One of the oldest cities in Europe has been an important point for traffic, an intersection of the roads of Eastern and Western Europe. The aquatic route is connecting the countries of Western and Middle Europe to the countries of the South-eastern and Eastern Europe. After Istanbul and Athens, Belgrade is the third biggest cities in the region.

According to those very important facts for tourism development but disturbing by political and economical crises during nineties, Belgrade has not yet taken appropriate share on the tourist market.

With 1.133 million of tourist arrivals worldwide in 2014 our planet has reached its maximum.

With market share of 51% of all international arrivals worldwide, Europe reached 584 million tourist arrivals in 2014. From a point of UNWTO, Serbia is in the Southern Mediterranean sub region. Southern Mediterranean Europe in 2014 posted a 7% increase in international arrivals. Following are some of the important figures which are determining actual position of Serbia and Belgrade on the tourist market in our sub region.

Southern Mediterranean Europe in 2013 posted a 6% increase in arrivals with the very good results for Croatia (+4%), Portugal (+4%), Spain (+3%) Turkey (+3%) and of course Serbia (+6%) recorded growth in arrivals above the average for the sub region

In order to increase level of tourism industry many countries have development programs, often as a part of long term strategies.

Table 7 International Tourist Arrivals from 2010-2014

	in Mio							Change (%)			Share (%)	
Destination	2010	2011	2012	2013	2014	11/10	12/11	13/12	14/13	2014		
Europe Total	488,9	516,4	540,2	566,4	581,8	6,4	3,9	4,9	2,7	100		
Northern E	62,7	64	65,5	67,4	71,3	2	1,5	2,9	5,9	12,3		
Western E	154,3	161,5	166,2	170,8	174,5	4,6	3,6	2,8	2,2	30,0		
Central/Eastern	98,4	103,9	118,2	127,4	121,1	9,4	9,1	7,7	-4,9	20,8		
South/Mediter	173,3	187	190,4	201,0	214,9	7,9	1,9	5,6	5,6	36,9		
Albania	2,2	2,5	3,2	2,9	-	12,6	27,8	-9,5	-	-		
Andorra	1,8	2,2	2,2	2,3	-	24	-0,2	4,1	-	-		
Bosnia& Herzegovina.	0,4	0,4	0,4	0,5	0,5	7,2	11,9	20,5	1,5	0,1		
Croatia	9,1	9,9	10,4	11	11,6	9	4,5	5,6	6,2	2,0		
Cyprus	2,2	2,4	2,5	2,4	2,4	10,1	3	-2,4	1,5	0,4		
FYR Macedonia	0,3	0,3	0,4	0,4	0,4	25,1	7,3	13,8	6,4	0,1		
Greece	15	16,4	15,5	17,9	22,0	9,5	-5,5	15,5	23,0	3,8		
Israel	2,8	2,8	2,9	3,0	3,0	0,6	2,3	2,6	-1,2	0,5		
Italy	43,6	46,1	46,4	47,7	48,6	5,7	0,5	2,9	1,8	8,3		
Malta	1,3	1,4	1,4	1,6	1,7	5,7	2	9,6	6,8	0,3		
Montenegro	1,1	1,2	1,3	1,3	1,4	10,4	5,3	4,8	2,0	0,2		
Portugal	6,8	7,4	7,7	8,3	9,3	8,5	3,7	8,3	12,3	1,6		
San Marino	0,1	0,2	0,1	0,1	0,1	30,3	10,9	1,5	6,3	0		
Serbia	0,7	0,8	0,8	0,9	1,0	11,9	6	13,8	11,6	0,2		
Belgrade	0,4	0,4	0,5	0,5								
Slovenia	1,9	2	2,2	2,3	2,4	9	5,8	4,8	6,7	0,4		
Spain	52,7	56,2	57,5	60,7	65,0	6,6	2,3	5,6	7,1	11,2		
Turkey	31,4	34,7	35,7	37,8	40,0	10,5	3,0	5,9	5,3	6,8		

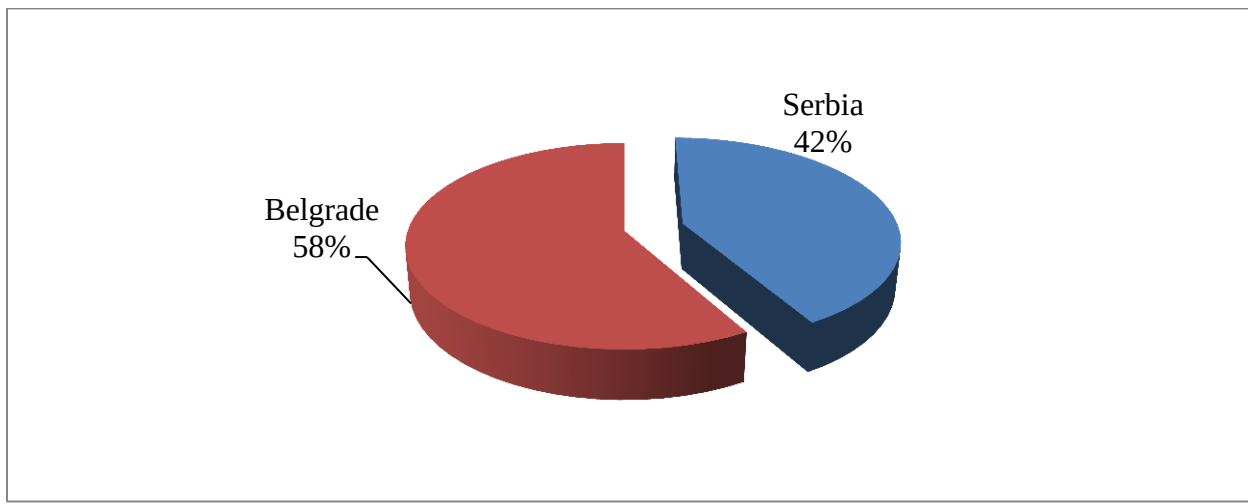
Source: UNWTO Tourism Highlights 2014 Edition, 2013 Edition, 2012 Edition, 2012 Edition, Tourist Organization of Belgrade

“Serbia is looking at a number of themes e.g. nature, culture, wellness, food and drink, adventure, MICE etc. The importance of cross border tourist itineraries e.g. the Danube, and Roman Emperors’ Road has also been noted.”⁵⁰

International tourist arrivals in Europe as well as in Serbia have shown uninterrupted growth. In the frame of sub region of Southern Mediterranean, these countries are ranked among top 10 tourist destination in the world: Spain, Italy and Turkey. All three are Mediterranean countries. When ranking and comparing Serbia and Belgrade it is preferable to start with countries and cities in the neighborhood, like Hungary, Romania, Slovenia, and Bulgaria which have higher market share in international tourist arrivals and international tourism receipts.

Belgrade is top destination in Serbia, aggregating around 60% of total international tourist arrival and more than 50% of overnights.

Chart 3 Market Share in Serbia by International Arrivals in 2014



Source: Tourist Organization of Belgrade

⁵⁰ Working Together in Europe – A Shared Leadership, UNWTO Madrid 2014

Table 8 Number of tourists by type of destinations in Serbia in 2013 and 2014

	Total in 2014	Total in 2013	Change % 14/13	Domestic in 2014	Change % 14/13	International in 2014	Change % 14/13
Republic of Serbia	2,192.268	2,192.435	0 %	1,165.536	- 8 %	1,028.732	+ 12 %
Belgrade	719.993	687.547	+ 5 %	139.328	- 15 %	580.665	+ 11 %
Novi Sad	130.733	117.499	+ 11 %	46.132	+ 4 %	84.601	+ 16 %
Spas	386.345	405.768	- 5 %	323.635	- 8 %	62.170	+ 13 %
Mountains	372.672	398.841	- 7 %	301.704	- 11 %	70.968	+ 17 %
Other tourist destinations	489.026	494.630	- 1 %	297.784	- 5 %	191.242	+ 6 %
Other places	93.499	88.150	+ 6 %	54.953	- 7 %	38.546	+ 31 %

Source: Statistical Office of the Republic of Serbia

Table 9 Overnights in Serbia by type of destination

	Total in 2014	Total in 2013	Change % 14/13	Domestic	Change % 14/13	International	Change % 14/13
Republic of Serbia	6,086.275	6,567.460	- 7 %	3,925.221	- 14 %	2,161.054	+ 9 %
<i>Belgrade</i>	<i>1,337.322</i>	<i>1,277.692</i>	<i>+ 5 %</i>	<i>231.237</i>	<i>- 16 %</i>	<i>1,106.085</i>	<i>+ 10 %</i>
Novi Sad	266.543	240.512	+ 11 %	87.544	+ 13 %	178.999	+ 10 %
Spas	1,852.036	2,134.497	- 13 %	1,650.862	- 15 %	201.174	+ 11 %
Mountains	1,411.822	1,558.126	- 9 %	1,196.851	- 12 %	214.971	+ 11 %
Other tourist destinations	995.332	1,130.999	- 12 %	621.077	- 17 %	374.255	- 2 %
Other places	223.220	225.634	- 1 %	137.650	- 15 %	85.570	+ 35 %

Source: Statistical Office of the Republic of Serbia

All destinations in Serbia in 2014 were recorded higher arrival numbers of international guests than domestic. Comparing to 2013, all type of destinations were recorded higher overnights number of international guests in 2014 except other tourist destinations.

Comparing to 2013, all type of destination except other tourist destinations were recorded higher overnights number of international guests in 2014. Belgrade has shown uninterrupted growth of international tourists. 58% of total number of international guest in 2014 stayed in Belgrade.

Table 10 The most dominate visitors - countries from 2012 to 2014

Countries	Number of overnights in 2012	Number of overnights in 2013	Number of overnights in 2014	Change % 2014/2013.
Bosnia & Herzegovina	148.784	155.868	163.695	5%
Italy	148.147	105.985	103.573	-2%
Montenegro	132.083	137.520	137.084	0%
Slovenia	115.718	121.997	112.237	-8%
Germany	103.325	107.840	114.997	7%
Croatia	91.645	100.483	116.921	16%
Russia	91.517	120.899	153.811	27%
Bulgaria	76.622	74.232	88.953	20%
FYR Macedonia	68.087	71.079	77.328	9%

Source: Statistical Office of the Republic of Serbia

Russian market, Bulgaria and Croatia and Romania were seen as generating rapid growth for Serbia. According to the information of Belgrade's Office for information and statistics, the rising markets are Turkey (increase by 72% in 2013, and 49% in 2014 with 81.710 of overnights) The most numerous visitors came from Bosnia and Herzegovina, Slovenia, Montenegro, Russia, Germany and Croatia.

The very important project document for tourism development in Belgrade is the Tourism development strategy of Belgrade from 2007, done by Institute of Economic Sciences in Belgrade for the purpose of City of Belgrade. The main goal of the project is reaching better position and competitive advantage of Belgrade among the metropolitan cities and capitals of Central, East and Southeast Europe.⁵¹

Strategy of Belgrade's Tourism development in Belgrade from 2007. has underlined the six key tourism products:

1. Business tourism and MICE
2. City breaks
3. Cruise Tours
4. Events
5. Special interests tourism (SIT)
6. Marine

⁵¹ Tourism Development Strategy of Belgrade, 2008. Institute of Economic Sciences in Belgrade

3.2. Characteristics of MICE industry in Belgrade

MICE tourism has been ranked among top tourist product of Belgrade. As economical, administrative, cultural center with great geopolitical position and respective recourses, Belgrade has been the most important center of business tourism in Serbia and Former Yugoslavia.

After the Second World War and till nineties, Belgrade was the leader in the region from the perspective of MICE tourism, where the geopolitical and economical capacity has been used on the best way. During this period, the biggest congress center Sava in the region was built and tourism industry had constant growth.

In the period of nineties, the medieval of recent history, Belgrade has been at the center of a national economic crisis: hyperinflation, economic sanctions, war in Croatia and Bosnia, bombing, thousands of thousands of refugees. Tourism and image of the country and the city has been totally destroyed.

Very recently, in the last decade Serbia has shown signs of tourism recovering from the crisis. Belgrade has started to rebuild itself and improve its infrastructure. The main airport has been renovate and now hosts an increasing number of international flights, including budget carrier Easy Jet, Wiz air. Various other public transport improvements have made in Belgrade: reconstruction of Gazela Bridge, new Ada Bridge, and bypass around Belgrade.

Till nineties, the Congress Center Sava was the main venue used for MICE industry. This center has hosted a number of large international congresses such as OSCE, World Bank-IMF Annual Meeting, UNESCO General Assembly, and 9th Summit of the Non-Aligned Countries.

Over the last decade the usage of meeting facilities in hotels has been increasing especially with increasing number of international companies and foreign investors in the region of Serbia.

Figures above are based on the ICCA Association Database and include meetings organized by international associations.

Table 11 Number of meetings 1963-2012, 5-year aggregated data

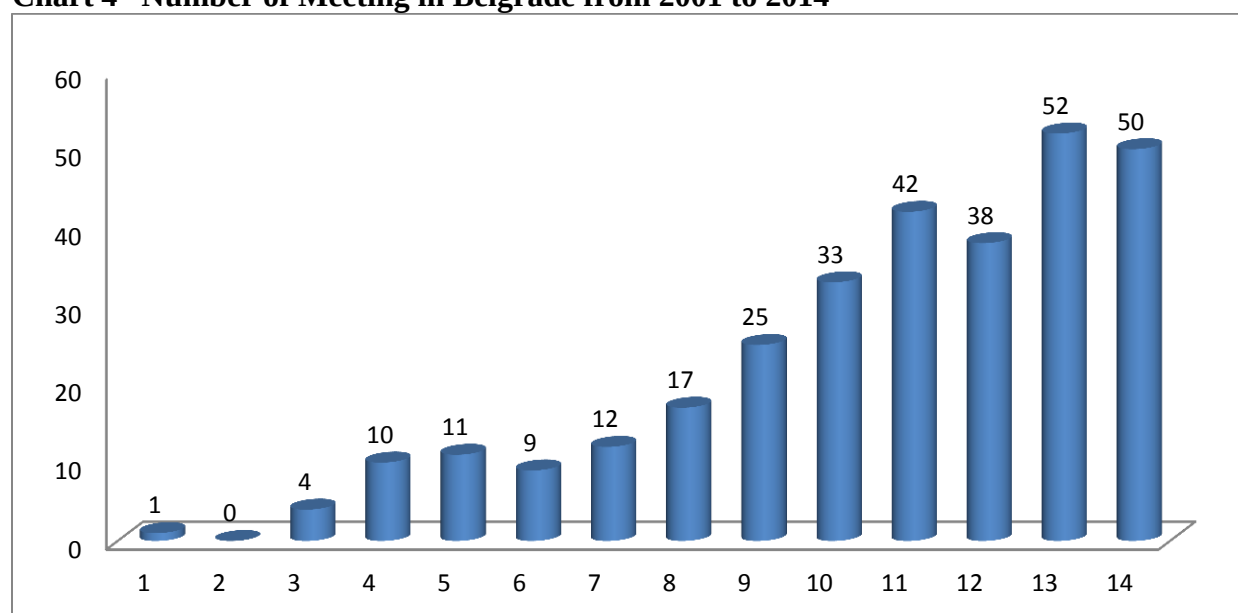
Year	No of meetings world	No of meetings Belgrade	Market share
63-67	1,795	N/A	
68-72	2,695	N/A	
73-77	4,057	N/A	
78-82	5,977	N/A	
83-87	8,585	N/A	
88-92	12,260	N/A	
93-97	16,861	N/A	`
98-02	25,535	N/A	
03-07	40,823	46	0.11%
at08-12	54,844	155	0.28%
Total	173,432		

The number of meetings in the ICCA Association Database has grown exponentially, the number of meetings doubled each 10 years. The ICCA Association Database contains 173,432 meetings taking place between 1963 and 2012. More than 30% of these meetings took place in the period 2008-2012.

In the last two accounting period, Belgrade has hosted 46 and 155 meetings and market share has been increased from 0.11% to 0.28%.

Source: Adapted by author from ICCA Statistics Report 2000-2010 and Modern History of International Association Meetings 1963-2012

Chart 4 Number of Meeting in Belgrade from 2001 to 2014



Source: ICCA Statistics Report 2000-2010, 2012, 2013 and National Tourism Organization of Serbia
www.srbija.travel/srbija-rekordno-na-godisnjoj-icca-listi/

The city of Belgrade has a long tradition in organizing all levels and all kinds of meetings, including corporate and associations. Great resources, political and economic instability during nineties , struggle with bad image, and unused potenital are just some of the features of MICE tourism in Belgrade.

3.3. Stimulating environment – Reasons for choosing the city of Belgrade for MICE destination

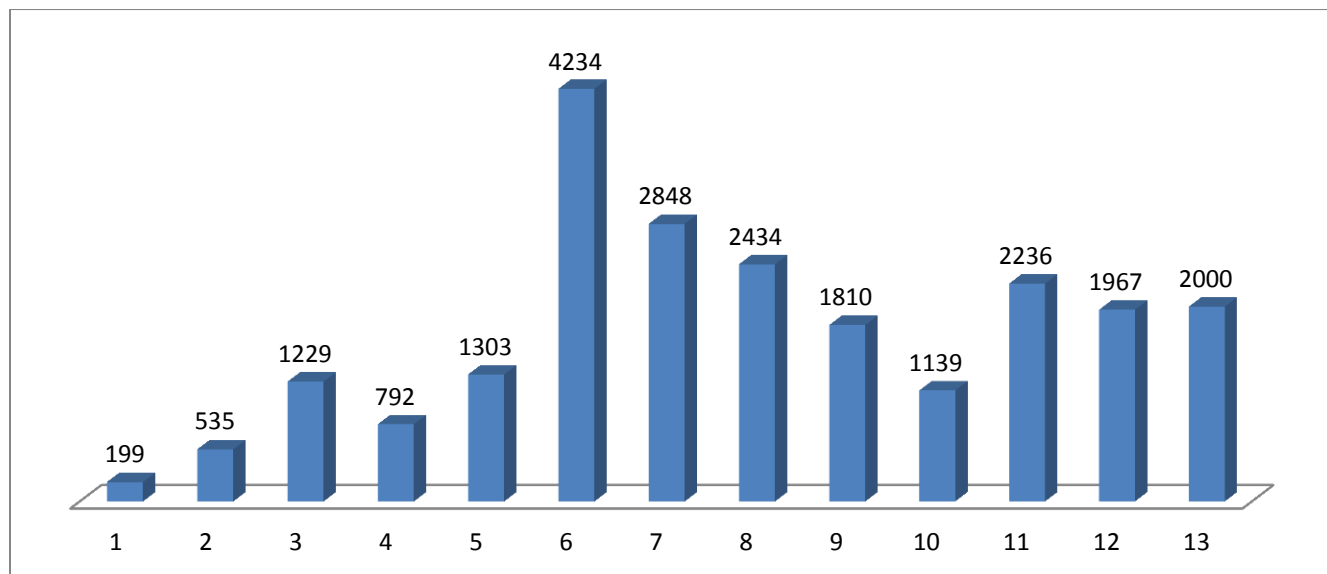
Figure 6 Achieved results and opportunities of doing business in Serbia

<u><i>Strong FDI figures</i></u> A list of leading foreign investors is topped by world-class companies such as Telenor, Microsoft, Coca-Cola, Delhaize, Michelin, Gazprom, Bosch, Siemens, Intesa Sanpaolo, Mobikom Austria, FIAT, and many others.	<u><i>Home of the biggest Greenfield projects in South East Europe awarded by OECD</i></u> -Airport City Belgrade (Israel) real estate project <u><i>Internationally recognized leader in business reforms.</i></u> Belgrade, was named the City of the Future for Southern Europe by fDi Magazine in 2007 based on its economic potential, cost effectiveness, human resources, IT and telecommunications, transport, quality of life, and FDI promotion.	- Competitive tax regime - Investment incentive - Skilled and competitive workers - Customs Free Access to the 15% of the World Market - Business Friendly Certification Program (BFC)
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Source: Adapted by author from <http://siepa.gov.rs/en/index-en/invest-in-serbia/why-serbia.html#Belgrade>

Since year 2001, Serbia has attracted nearly €23 billion of inward foreign direct investment.

Chart 5 Amount of FDI in Serbia from 2001 to 2013 in million



Source: National Bank of Serbia and (f) SIEPA

3.4. Resources of MICE tourism

Known as the gate of the East and door of the West, Belgrade is a mixture of eastern and western cultures, architectures and influences. It is situated at the confluence of navigable rivers the Sava and Danube and along European corridors 10 and 7.

With current accommodation capacity, transportation links, venues as conference centre, fair, exhibition centre, Belgrade can easily host conferences and other meetings up to five thousand participants.

3.4.1. Venues

Sava Center is the largest international congress, cultural and business centre in Serbia.

The construction of the congress Sava Center started in 1976 and finished in 1979. Supporting infrastructure such as roads and highways were also built during this period around the Sava Center complex.

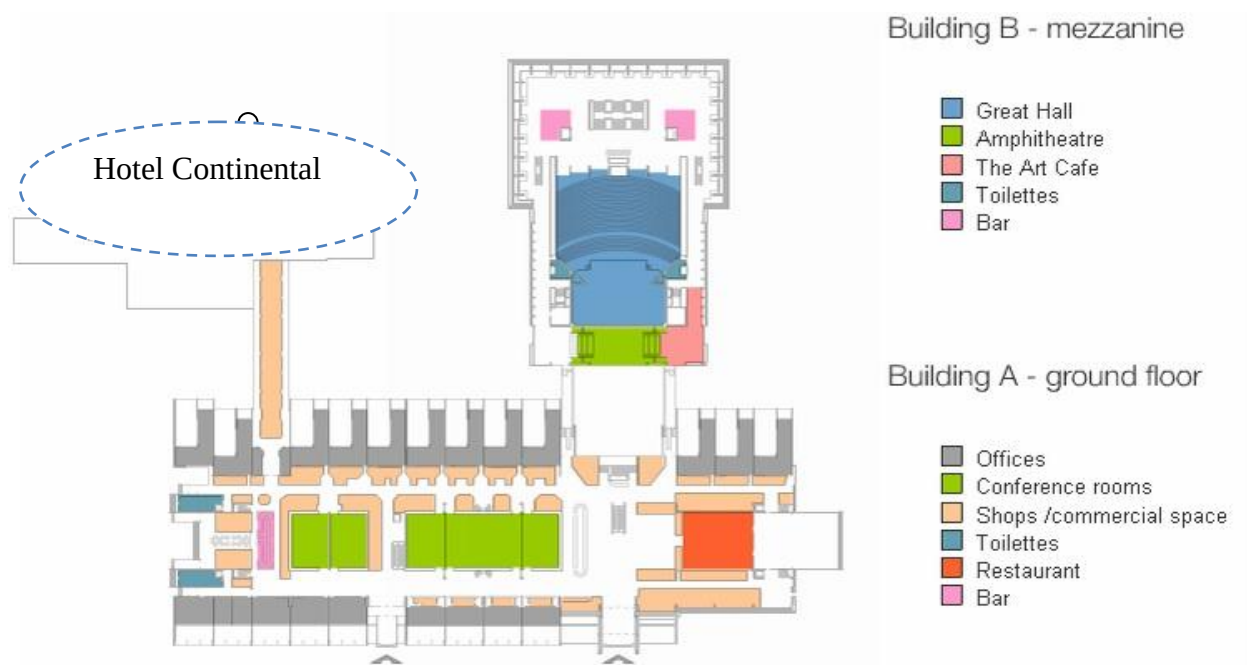
Sava Center is located in the business district of New Belgrade near river Sava. This congress center is only 5 minutes away from city centre and 15 minutes away from Nikola Tesla Airport.

With the Hyatt Regency Hotel nearby, hotels IN and Holiday Inn within walking distance and the Hotel Continental Belgrade as integral part of Sava Center complex, Belgrade has unique position and high quality supply on the MICE market.

Sava Center complex is divided in three units: Building A, Building B and the Hotel Continental Belgrade which is connected to Building A via an underground hallway.⁵²

⁵² http://www.savacentar.net/images/kongres/SC_kongres_katalog.pdf

Figure 7 The map of Sava Center



Source: <http://spos.info/wp-content/uploads/post-content-images/MAPA-SAVA-CENTRA.jpg>

The main facilities characteristics and service structure of SC: ⁵³

Building A

- Ground floor
 1. Largest conference hall with floor area of 1.2360 m² and maximum seating capacity of 1.006 with possibility of dividing into three smaller units
 2. Room 2/0, floor area 300 m² with seating capacity 214, system for simultaneous interpretation 7 channels
 3. Room 3/0, floor area 300 m² with capacity of 162, system for simultaneous interpretation 7 channels
- 1st Gallery
 1. Japanese Lounge, floor area 164 m² with seating capacity 140, system for simultaneous interpretation 5 channels
 2. Hall 3/1, floor area 122 m² with seating capacity 82, system for simultaneous interpretation 5 channels.
 3. Halls 4/I, 5/I, 6/I, floor area 122 m² with seating capacity 112, system for simultaneous interpretation 5 channels. Total area 366 m² and seating capacity 336.

⁵³ http://www.savacentar.net/images/kongres/SC_kongres_katalog.pdf

4. Hall 15/I, floor area 170 m² with seating capacity 144, system for simultaneous interpretation 5 channels
- 2nd Gallery
 1. Press centre, floor area 850 m² with seating capacity 684
 2. Hall 7/II, floor area 106 m² with seating capacity 99, system for simultaneous interpretation 4 channels
 3. Hall 8/II, floor area 54 + 36 m² with system for simultaneous interpretation 4 channels.

Building B-Ground floor

1. Great (Blue) Hall, floor area 3220m² with seating capacity 3672, system for simultaneous interpretation 7 channels. The foyer outside the Great Hall can accommodate more than 4000 visitors and has bars, information desk, separate seating areas and large areas with plants. The hall has ability to change set up depending on the purpose of the event. As a result seats can be taken out. It is also the place major cinema premiers are hosted.
2. Amphitheatre, seating capacity 512 m² with system for simultaneous interpretation 7 channels
3. Art Cafe , area 290 m² with seating capacity 207
4. VIP Lounge

Sava Center has 69,720 m² of useful and 100,000 m² overall area, 15 conference halls, an exhibition area and a number of other facilities: restaurants, bars, offices, shops, art galleries, bookshops, bank, travel and rent-a-car agencies, E-technologies, professional security service.⁵⁴

With more than three decades experience in organizing some of the largest international congresses and art conventions (OSCE, World Bank-IMF Annual Meeting, UNESCO General Assembly, 9th Summit of the Non-Aligned Countries, EBRD General Meeting) Sava Center has hosted more than 8.000 events with more than 1, 6 million attendance, and over 8.000 cultural events which were seen by more than 7.000.000 visitors.⁵⁵

Sava Center also has hosted some of the famous artists of the world:⁵⁶ Plácido Domingo, Montserrat Caballé, Miles Davis, Ray Charles, Jerry Lee Lewis, Nina Simone, Julio Iglesias, Nigel Kennedy, Lou Reed, Sting, Zubin Mehta, Johan Strauss Orchestra, Moscow Philharmonic Orchestra, National Bale of Spain and many others.

Sava Center with its facilities but necessary condition of renovating, enable Belgrade to become one of the most important European MICE destination.

Belgrade Fair is located on the right bank of river Sava and 3 km away from the city centre. In addition to its exclusive location has to be mentioned closeness of highways E70 and E75 just few hundred meters away. Airport Nikola Tesla is only 16km away. The Radisson Blu Old Mill Hotel opened across the Belgrade Fair in august 2014. In addition to a close location all city attractions are reachable in few minutes.

⁵⁴ <http://www.beograd.rs/cms/view.php?id=202215>

⁵⁵ <http://www.kongresniturizam.com/KongresniCentar/sava-centar-beograd-srbija>

⁵⁶ <http://www.beograd.rs/cms/view.php?id=202215>

The Belgrade Fair is occupying 40 hectares in area with numerous halls and buildings. The 14 indoor halls have 60.000 m² of exhibition space. Total area with outdoor facilities is over 100.000 m². The large Hall 4 has two conferences rooms with full technical capabilities audio video and multilingual presentations.⁵⁷

The larger conference hall has seating for 350, while the smaller hall has 50 seats. The main building of the Belgrade Fair also has a conference room with seating for 150 people.⁵⁸

Fair has hosted many trade shows, meetings, concerts, regular events. In addition to that, many business, warehouses, bank, post office, custom office, travel and transportation agencies located under the roof of Belgrade fair. Catering services are also available.

From 1991. Belgrade Fair is a member of World Trade Centers Associations (WTCA)

KOMBANK Arena is located in New Belgrade, the business and commercial center of Belgrade. With quick and easy access to highways E70 and E75, Kombank Arena is 10 km from the airport Nikola Tesla and 3 km from city center, and 15 minute walk from the largest shopping center in Serbia.

Opened in 2004, Kombak Arena is among biggest and most modern multipurpose venue in Europe. Following are presented some of the main characteristics about facility.

Table 12 Facility of Kombank Arena

General Information		Technical information about facility	
Structure:	Arena, universal hall	LARGE HALL:	
Levels	6	Number of levels	6
Floor area:	48.000 m ²	Surface area of level 100	14.864 m ²
Capacity:	18.000 to 25.000 spectators	Internal height of the facility	36 m
Car park:	791 places	Number of seats at level 200	
Past records:		*Fixed seats	3.376
Sports	22.680	*Telescope seats	5.060
Concert	21.342	Number of seats at level 300	860
Other events	25.223	Number of seats at level 400	9.090
Visitors per year	600.000-800.000	SMALL HALL:	
Technology	State of the art	Number of levels	2
Type of use	Universal use: sports, concerts, entertainment, political convections	Surface area	2.275 m ²
		Internal height	10 m
		CAR PARK:	
		Total capacity	791 places
		PRESS CENTRE:	
		Total area	630 m ²
		Available capacity	275 places

Source: <http://www.kombankarena.com/en/page/61/Kombank+Arena+Profile>

⁵⁷ Meetings and Conventions, 2009/2010, Belgrade Tourist Organization of Belgrade

⁵⁸ http://sajam.co.rs/active/sr-latin/home/o_nama_v01/konferencijske_sale_v01.html

BELEXPOCENTAR, suitable for organizing fairs, congresses, celebrations and exhibitions is located in the modern commercial district of New Belgrade. The four- star Holiday Inn Belgrade hotel is located within Belexpocentar. Four business hotels and congress center have situated in the circle of 1 km.

Multifunctional hall Belexpocentar is just 300 m away from highway junction, 500 from Kombank Arena, 1 km from Sava Center, 10 km from the airport and 4 km from the city centre.

Adoptable surface area of 2.500 m² with capacity of 3000 delegates is completely covered with phone and internet installations trough media channels, latest technology, parking spaces for 87 vehicles and additional parking or 110 vehicles near the hall and direct connection through the tunnel with Holiday Inn Belgrade hotel enable this space to be designed for multifunctional events.⁵⁹

3.4.2. Hotels

Due to possibility to provide different facilities for MICE activity, accommodation for business travelers and food and beverage services, roles of hotels are very important as meeting point of every business event. In relation to MICE activities, hotels in Belgrade have been playing different roles depending on their facilities and the size of the MICE event.

Hospitality industry has a long tradition in Belgrade. First hotel was built more than 170 years ago, in 1843 near pedestrian zone in city centre. Hotels supply in Belgrade has passed different stages depending on the historical period. After fast growing hotels capacity between 60s and 80s, period of political and economic crisis during 90s has caused a deep recession in tourism as well. In recent decade, Belgrade has made a great effort in reconstruction and building new hotel capacities. Hotel infrastructure and its quality are increasing every year.

In December 2013, after year and a half of reconstruction a fully renovated rebranded hotel reopened as Crowne Plaza, an InterContinental Hotels Group.

Hotel chain Kempinski submitted its investment and management plan for complex on the bank of river Danube at the place of present hotel Yugoslavia.

In accordance with their business plan, Marriott and Radisson Blu hotel chains have scheduled opening of the hotels during 2014.

Hotels Jump In, 88 rooms and Argo are recently opened (not included in the table below). First two are four - star hotels while the last one is three- star hotel. There are few more hotels in city centre currently under construction: Zepter, Nobel, and Konstantin Veliki.

Listed below are number of hotels per category and market share. Comparison has done between 2008. and 2013.

⁵⁹ Adapted from: <http://www.belexpocentar.rs/en/belexpocentar-hall.htm>

Table 13 Hotels structure per category for Belgrade in 2008

Hotel category	No of hotels	Market share
5 stars	4	8%
4 stars	12	25%
3 stars	19	39%
2 stars	10	20%
1 star	3	6%
Other	1	2%
Total	49	100%

Table 14 Hotels structure per category for Belgrade in 2014

Hotel category	No of hotels	Market share
5 stars	4	6%
4 stars	28	43%
3 stars	21	32%
2 stars	10	15%
1 star	2	3%
Total	65	100%

Source: Tourist organization of Belgrade (www.tob.rs)

Source: Tourist organization of Belgrade (www.tob.rs)

According to statistical figures, total number of hotels in Belgrade is constantly increasing. In terms of absolute and relative number of hotels, 4 star hotels are remaining the number one among hotel categories.

Table 15 Characteristics of major congress hotels in Belgrade

Hotel	Category	Distance from			Conference facilities		No of rooms
		Airport	city centre	Sava Center	sqm	capacity	
Hyatt Regency	*****	up to 15 km	up to 3 km	0.4 km	1041	1487	302
Metropol Palace	*****	up to 20 km	up to 2 km	up to 5 km	1856	1770	236
President,	*****	up to 30 km	up to 15km	up to 20	210	350	27
Square nine	*****	up to 20 km	up to 2 km	up to 5 km			
Crowne Plaza	****	up to 15 km	up to 3 km	0	1300	1780	416
Admiral Club	****	up to 20 km	up to 2 km	up to 5 km	374	300	17
Balkan	****	up to 20 km	up to 1 km	up to 3 km	525	550	81
BW.Hotel M,	****	up to 25 km	up to 6 km	up to 10 km	1205	1260	178
BW. H.Šumadija	****	up to 25 km	up to 7 km	up to 10 km	504	660	104
Falkensteiner	****	up to 15 km	up to 5 km	up to 3 km	636	677	170
Hotel In	****	up to 15 km	up to 5 km	up to 2 km	442	470	187
Majestic	****	up to 20 km	up to 1 km	up to 5 km	263	200	87
Holiday Inn	****	up to 15 km	up to 5 km	up to 2 km	370	310	140
Moskva	****	up to 20 km	0	up to 3 km	702	600	130
Palace	****	up to 20 km	up to 1 km	up to 3 km	355	260	86
Prag	****	up to 20 km	up to 1 km	up to 3 km	350	330	120
Slavija Lux	****	up to 20 km	up to 2 km	up to 5 km	937	830	90
Zira	****	up to 25 km	up to 2 km	up to 5 km	483	380	127
Rex	***	up to 20 km	up to 2 km	up to 5 km	50	35	92
Park	***	up to 20 km	up to 2 km	up to 5 km	350	330	120
Srbija	***	up to 25 km	up to 6 km	up to 6km	491	470	330
Tulip Inn Putnik	***	up to 15 km	up to 5 km	up to 5 km	247	200	105

Source: Adapted from Tourist organization of Belgrade (www.tob.rs), Planner's Guide 2009/2010, TOB and <http://www.planplus.rs/>

Main characteristics of Belgrade`s hotels are:

- they are very well located, close to airport, city centre and all major attractions
- all venues, city centre, airport are reachable from 15 to 30 minutes
- walking distance between hotels in city centre
- walking distance between hotels (Hyatt Regency Belgrade, Crowne Plaza, Falkensteiner, Hotel In) and venues in business area of New Belgrade

3.4.3. Transportation

Transportation is one of the most important generator and spiritus movens of tourism development. Intensive tourism development is enabled by development of transport and infrastruktura. Speed, comfort, security, price, distance are relevant and important factors for determination of type of transport. Transportation plays a strategic role for Belgrade tourism industry and for its destination branding.

The international airport of Belgrade, Nikola Tesla is one of the most important airports in the region of South East Europe. The airport is at the cross roads of major air routes. Air Serbia is the flag carrier and airline of Serbia. The airline is based at Airport. Air Serbia was formerly known as Jat Airways until 2013 when Jat Airways and Etihad Airways made an agreement of strategic partnership.

Etihad acquired a 49% stake in Jat Airways and management rights for a period of five years. The rest of 51% stake remains under control of Serbian government.⁶⁰

Jat Airways was reorganized and renamed to Air Serbia in October 2013.

These structural and organizational changes together with reconstruction of the airport have become a driving force for the development of tourism in the whole country.

Following are the list of airlines operating direct scheduled flights from Belgrade Nikola Tesla Airport.

Table 16 Scheduled flights from Belgrade Nikola Tesla Airport

1. Aegean Airlines,	14. <u>LOT Polish Airlines</u>
2. Aeroflot Russian Airlines	15. Lufthansa German Airlines
3. Air Cairo	16. <u>Montenegro Airlines</u>
4. <u>Air Serbia</u>	17. <u>Norwegian Air Shuttle</u>
5. <u>Alitalia</u>	18. <u>Pegasus Airlines</u>
6. <u>Austrian Airlines</u>	19. <u>Qatar Airways</u>
7. <u>Aviolet</u>	20. Swiss International Air <u>Lines</u>
8. Belavia Belarusian Airlines	21. TAROM Romanian Air <u>Transport</u>
9. Croatia Airlines	22. <u>Tunis air</u>
10. <u>easy Jet</u>	23. <u>Turkish Airlines</u>
11. <u>Etihad Airways</u>	24. Vueling
12. <u>Flydubai</u>	25. <u>Wizz Air</u>
13. <u>Germanwings</u>	

Source: <http://www.beg.aero/en/strana/9851/scheduled-airlines>

⁶⁰ http://www.exyuaviation.com/2014_02_01_archive.html

Due to fact that Belgrade Airport has attracted 10 new carriers operating scheduled air traffic from August 2009 to August 2010, Belgrade Airport has won the prestigious award "Euro Annie". 250 biggest European airports have taken part in the competing for this award.

Table 17 Traffic figures 2012-2014

	Aircraft Movements (Take Offs / Landings)				Number of passengers			
				Index 14/13				Index 14/13
	2012	2013	2014	%	2012	2013	2014	%
January	3.304	3.108	4.150	134	214.579	210.05	270.784	129
February	2.988	2.731	3.701	136	173.606	173.396	232.065	134
March	3.457	3.110	4.209	135	216.025	220.278	282.447	128
April	3.627	3.349	4.663	139	267.354	251.873	368.171	146
May	3.744	3.787	4.987	132	284.522	300.993	383.773	128
June	4.240	4.354	5.602	129	325.896	350.453	451.324	129
July	4.677	5.123	6.047	118	409.807	432.78	539.823	125
August	4.731	5.171	6,003	116	411.34	441.088	576.461	131
September	4.110	4.541	5.516	121	339.4	349.589	485.383	139
October	3.654	3.998	4.908	123	275.583	294.35	406.757	138
November	3.255	3.629	4.325	119	220.938	251.047	314.696	125
December	3.202	3.927	4.584	117	224.869	267.297	326.893	122
Total	44.989	46.828	58.695	125	3.363.919	3.543.194	4.638.577	131

Source: <http://www.beg.aero/en/strana/17651/2014-traffic-figures>

Belgrade Nikola Tesla Airport welcomed 4.638.577 passengers in 2014 which represents an unprecedented increase by 31 percent over the same period last year and in the business year 2014 posted a record net profit in its 52-year history of 27,034,163 Euros.⁶¹

In the first two months of 2015, the number of passengers is increased by 14 percent, the volume of air traffic by 7 per cent, while the turnover of freight traffic is increased by 18 percent. We expect that in 2015 the trend of growth in passenger volume and an increase in the volume of air traffic will be higher than the European average.⁶²

In terms of road infrastructure more specifically, a recent survey, financed by the World Bank., revealed that whilst one third of the road network is in good condition, primarily the main and regional roads, over half the road network is in a poor or very poor condition.⁶³

Even it's the main point of connecting between West and East, railway transport does not have appropriate role in transport of Serbia. Railroad tracks are under reconstruction, and new tracks

⁶¹ <http://www.beg.aero/en/vest/9811/record-profit-of-belgrade-nikola-tesla-airport>

⁶² <http://www.beg.aero/vest/10631>

⁶³ <http://www.worldbank.org/en/news/press-release/2009/07/09/World-Bank-Approves-388-Million-for-Highway-Project-to-Improve-Trade-and-Road-Safety>

have to be built. The European Bank for Reconstruction and Development has given loans to support modernization. New investments took place since 2010.

Railway transport has extremely undominant role in world tourism. Importance of railway transport in world tourism could be classified as very modest with extremely tendency of decrease.⁶⁴

Due to the fact that Belgrade is situated on the confluence of two navigable rivers, the Sava and the Danube, which connect it with the Black Sea, Belgrade has a good perspective for river transport. The Serbian section of the Danube is 588 km long.

3.4.4. Attractions

Tourist attractions together with supporting infrastructure are powerful components of the supply side of tourism. They are the very important factors for destination branding.

One of the most highly-visible and dynamic links between heritage conservation and local economic development lies in the potential for cultural and natural assets to attract tourism investment and spending.⁶⁵

Very often, decision making people take in consideration attractions could offer selected destination.

The combination of following attributes makes Belgrade an attractive tourism destination:

- Attractions: Belgrade fortress, bohemian quarter of Skadarlija, squares, Kosancicev venac, old town of Zemun-sometimes used to be separate town, protected by law pedestrian zone of Knez Mihajlova Street
- Museums: Nikola Tesla Museum, Jewish Museum, National, Museum of Contemporary Art, Residence of Princess Ljubica, Gallery of Frescoes, Complex of museums dedicated to Marshal Tito.
- Monuments: Monument to Prince Mihailo Obrenovic, Monument to Archibald Reiss, Victor, Black Horses at Play
- Architectural: National Museum, National Theatre, Parliament, Restaurant?, Building of the Moskva Hotel
- Sacral: Temple of St. Sava, Church of St. Mark, Church of St. Alexander Nevsky, Synagogue, Barakli Mosque, Church of St. Petka
- Palaces: Royal Palace, White Palace, Old Palace
- Parks: Kalemegdan Park, Topcider Park, Tasmajdan Park, Friendship Park, Ada Ciganlija

Most of the time, a post-conference tour is organized after the meeting. For incentive travels, visiting local attractions might be the main reason of the trip.

The MICE participants and their partners are good potential future visitors for the purpose of special interest tourism.

Many travel agencies in Belgrade or official travel agent will usually be contracted to organize the post-event tour. Supporting infrastructure represents all those invisible but very important players: telecommunications companies, interpreters and translators, video-conferencing specialists, floral contractor, entertainment specialist, catering companies and others.

⁶⁴ Unkovic S., Zecevic B., 2009. Ekonomika turizma, 12th edition, Ekonomski fakultet, Beograd, page 73

⁶⁵ <http://web.worldbank.org>

The quality of technology infrastructure is one of the most important factors for site selection. Convention bureau is under the umbrella of Tourist Organization of Belgrade. It plays a very important role in attracting, organizing, supporting and branding Belgrade as a business tourist destination.

3.5. Destination and venue marketing

Comparing to other industries of the world where few companies hold major market share, tourism industry does not have the characteristics of a monopoly.

Market entry is open and new destinations can acquire market share and the economic and social benefits of tourism... Successful destination planning and marketing can bring hundreds of millions and even billions of dollars in revenue to destinations. New supportive industries and jobs can be created and standards of living can be increased. Tourist destinations do not need spectacular attractions such as an Eiffel Tower, Grand Canyon or Leaning Tower to participate in today's tourism.⁶⁶

With resources we have mentioned above, there can be no doubt that the success of Belgrade destination or venue depends on effective marketing planning.

Taking into consideration economic and marketing concept, tourist destinations are much more than a geographical area or place. It includes a variety of products, services, natural resources, and information generated by the elements that are able to attract a number of visitors in one place.⁶⁷

The quality and relation between these elements of tourist destination will be considered in the visitor's decision-making process.

First of all, Belgrade has to identify its elements of tourist destination. According to UNWTO, there are 6 basic elements of tourist destination.⁶⁸

Figure 8 Destination appeal and experiences offered are shaped by:

<u>Attractions</u> - cultural, natural, built - culture, heritage, lifestyle - emotional triggers	<u>Public & Private amenities</u> - infrastructure, public transport, catering, guides, accommodation, shopping, visitor information, recreation facilities	<u>Accessibility</u> - via road, air passenger services, rail or cruise ships. - Visa requirements, ports of entry
<u>Human Resources</u> - aspect of the tourism experience - well-trained tourism workforce and citizens	<u>Image & Character</u> - image of the destination includes uniqueness, sights, scenes, environmental quality, safety, service levels, and the friendliness of people	<u>Price</u> - cost of transport, food, accommodation, attractions, and tour services - currency exchange

Source: Adapted by author from Practical Guide to Tourism Destination Management, UNWTO, Madrid 2007

⁶⁶ Kotler, P., Makens, J., Bowen, T.J., 2010. Marketing for Hospitality and Tourism, 5th edition, Harlow, England: Financial Times Prentice Hall, page 503

⁶⁷ Popesku, J., 2013, Menadžment turističke destinacije, Univerzitet Singidunum, Beograd, page 26

⁶⁸ UNWTO, A Practical Guide to Tourism Destination Management, Madrid, 2007, page 1-2

In order to become a recognized destination, Belgrade has to face with serious action plan and marketing challenge which means clear strategy, support of government authorities and public sectors, DMO's proactive approach, cooperation of travel agencies, venues and different institutions and coordination of those six basic elements of tourist destination.

National Tourism Organization of Serbia and Tourist Organization of Belgrade have been created to develop a careful planning in order to maximize the benefits of tourism development from one side and to minimize the negative effects of tourism developments from the other side. Creating tourist product of the destination and promoting them in suitable market are main task of these organizations.

The Tourist Organization of Belgrade (TOB) is a public service of the Assembly of the City of Belgrade. Their main activities are⁶⁹

- Analysis of national and foreign tourist market;
- Planning the development of Belgrade tourism;
- Preparation and organization of tourist manifestations;
- Development and distribution of tourist promotional material;
- Organization and operations of the network of tourist information centers;
- Coordination of all participants in the Belgrade tourist offer;
- Promotion of souvenirs, handicraft and old craft products;
- Promotion of Belgrade in national and international tourist fairs;
- Cooperation with other towns in the country and abroad;
- Provision of assistance in congress organization

The Belgrade Convention Bureau is a department of the Tourist Organization of Belgrade⁷⁰ organized and financed by Assembly of City of Belgrade⁷¹.

The Convention Bureau is challenged with actions to put Belgrade on the list of attractive international congress destination. Belgrade Convention Bureau provides direct access to a wide offer of the best congress products and services. Very important role of CB is assistance to local and foreign organizers to plan and set up bidding procedures.⁷²

In structure, conference or convention bureau (variations on the name are to be found) are usually formed and financed as partnerships between public and private sector bodies. In Britain this can include local authorities/councils, chambers of commerce, local enterprise companies/agencies, hotels, venues and other private sector suppliers.⁷³

Serbian market needs intensive partnership between private and public sector. Marketing destination with a public and private partnership is highly beneficial. Good cooperation, joint actions can produce a synergy and create higher opportunities such as a better effectiveness which would not

⁶⁹ <http://www.tob.rs/en/about.php?kat=1>

⁷⁰ <http://www.seebtm.com/kongresni-biro-beograda/>

⁷¹ <http://www.tob.co.rs/turisticka-organizacija-beograda/o-nama-cir/o-tob-u>

⁷² <http://www.tob.co.rs/turisticka-organizacija-beograda/o-nama-cir/o-tob-u>

⁷³ Rogers, T., 2008. Conferences and Conventions: A global Industry second edition. Oxford UK: Elsevier, Butterworth-Heinemann, page 135

be achieved with individual actions. In accordance with this, TOB and CB could have better control of service and quality standards as well as the improvement of community relations.

Benchmarking is useful tool which can help a destination to identify its performance gaps and take action for improvement. The strengths and weaknesses can be compared with other destinations.

Image of destination as intangible asset is very sensitive and dependable from many factors such as: political, economical, cultural, behavioral, and emotional. Image enables the destination to differentiate itself from other MICE destinations. While creation of good image is time consuming and mater of long process, image destruction could be done in one day.

After the political and economical crisis during nineties, Belgrade had stugled more than ten years to get back on the tourist market. The fact is that the effects of a bad image still exist. Within the destination positioning, image is the most important element with highest influence in decision-making process of site selection.

CVB, National Tourism Organization of Serbia and Tourist Organization of Belgrade are responsible for branding and promoting the city of Belgrade as a MICE destination. They have to develop action plan and make sure that the pre and post-event activities are well visible.

Example of good promotion activities in order to improve the destination image and produce positive mental concepts is exhibition match on the Perito Moreno glacier, one of Argentina's top tourist attractions between Rafael Nadal and Novak Djokovic played in November 2013. for Argentina's Ministry of Tourism

3.6. SWOT analysis of Belgrade as MICE tourism destination

SWOT is an acronym for strengths, weaknesses, opportunities, and threats some business or project is facing with. A SWOT analysis can be done for a product, place, industry or person. According to Cerovic, a SWOT analysis should be permanent management research method and monitoring activiy. This analysis and its methodological framework in contemporary enviroment is usually used as a technique in strategic planning and strategic management.⁷⁴

Strengths and Weaknesses are internal factors, while Opportunities and Threats are external factors.

Strengths

- Belgrade is situated on the cross roads and located at the confluence on two navigable rivers
- Strategic Location
- Good accessibility
- Natural potential of excellence- the river Sava and the Danube have, in the city, about 200 km of river banks
- Mineral and thermal waters

⁷⁴ Čerović, S., 2009, Strategijski menadžment u turizmu, Univerzitet Singidunum, Beograd, page 237

- City of parks and green areas
- Ancient town (within Belgrade are one of the most important prehistoric cultures of Europe-Vinca; Roman Emperor was born in Belgrade Flavius Iovianus (Jovian), the restorer of Christianity)
- Unique mix of Ottoman Empire and Habsburg monarchy with influence on architecture, culture, food etc
- Cultural centre of the country
- Spiritual, cultural and intellectual resources of the city give special kind of attractiveness
- Diversity of the accommodation facilities
- The majority of hotels and conference venues are located in the inner city area
- Most of the conference venues are on the walking distance
- A relatively significant number of renovated hotels and new hotels of all categories
- Entrance of hotel-chains on the market
- Great experience in organization of conventions, trade fairs, political and cultural events, festivals, sport competitions and other events
- Experienced in developing cross-border cooperation and networks
- Network of financial institutions and institutions from nearly all economic and non-economic areas,
- For citizens of most European countries visas are not required
- Serbia is in the international insurance system
- Low-cost airlines
- Rates of public transport are favorable
- Public garage, public parking and parking zones in the city center
- According to Lonely Planet, Belgrade is the city of best night life in Europe
- A large number of restaurants ,cafes, pastry shops, bars, etc
- Excellent value for money in restaurants
- High quality of food
- The positive attitude of the population
- Distinctive environment
- Diversity of lifestyle

Weaknesses

- The lack of image and positioning in order to develop business tourism and MICE product
- Lack of specialized DMC (Destination Management Company), as well as the organizers of products, activities and packages for local and foreign tourists
- An insufficient number of specialized PCO (Professional Congress Organisers)
- Lack of public-private partnerships
- Lack of a legal framework and insufficient coordination
- Lack of cooperation and association between the hotel sector, the organizers of travel and travel agencies

- Lack of additional activities and services for business tourism and MICE.
- Insufficient use of cultural resources for tourism purposes
- Small number of inbound tourist agencies
- Unplanned construction along incoming and outgoing routes into the city
- Low quality system for the protection, preservation and maintenance of cultural and natural resources
- The low level of system performance for protection of the urban heritage
- Infrastructure policy
- Local development planning
- Landscape planning
- Inadequate access to some accommodation facilities in the city centre
- Lack of parking in the majority of hotels in the city center
- The low level of specialized shops with local souvenirs and handicrafts .
- Lack of public transport for tourists and visitors
- Rail availability is limited due to the poor quality of the railway infrastructure
- Lack or even absence of a system for recycling
- Absence of public toilets
- Marketing of conventions, trade fairs and other
- Cooperation on the urban-regional level in the country
- Representation and lobbying

Opportunities

- Positive long-term trends in international tourism and in the region
- Long term positive trends in the MICE tourist demand.
- Stabilization of political and economic situation in Serbia and its involvement in the European integration
- Potential of building area, which may contribute to the development of secondary and tertiary activities
- Arabtec Holding opens regional HQ in Belgrade
- New markets can create new impulses for Belgrade`s economy
- Positive changes in the attitude of city Authorities about development of Belgrade as a tourist destination
- Growing level of active foreign direct investments
- Economic and fiscal benefits for domestic and foreign investors,
- The introduction of international standards
- Opening of new hotels within the international hotel chains
- Cooperation in Europe and cooperation with countries from Danube region
- Cooperation of the airports
- Orientation towards cooperation with Central and South-Eastern Europe
- After Istanbul and Athens, Belgrade is the third biggest cities in the region
- the City`s strategic location provides it with the opportunity to promote itself to the transport and warehouse industry as a transport hub.

Threats

- The global economic crisis
- The unstable political, legal and economic environment in the country
- Insufficient regulation of property relations in connection with obtaining various permits
- Destruction of the architectural and ambience units of the city
- Insufficient involvement of private sectors and NGOs
- Decreasing number of Wizz air low cost flights
- High costs required for the development of new accommodation and venues facilities and additional infrastructure
- Risk of growing unemployment
- Low interaction between companies, authorities and education
- Financial support of the EU is limited
- Lack of feasibility studies and cost-benefit analysis
- Urban development and regeneration policy
- Budapest as a potential hub of Central and South-Eastern Europe
- Lack of a legal framework and insufficient coordination
- Lack of required statistical data

4. DIRECTIONS FOR SUSTAINABLE BELGRADE MICE INDUSTRY

4.1. Belgrade MICE industry in the frame of sustainable development

Belgrade tourism industry and MICE industry as well, in the last decade have made significant increase. International tourist arrivals in Belgrade have shown uninterrupted growth.

According to the figures from Statistical Office of the Republic of Serbia number of international tourist for the period January-December 2014 was increased in Belgrade by 11%, comparing to the same period in previous year.

Great progress has made in the MICE sector as well. Number of meetings in 2013 was increased by 37% comparing to 2012. With number of 50 meetings in 2014, Belgrade had slight decrease of 3, 8%

Due to fact that statistical system of collecting and monitoring data in Serbia is not based on the Tourism Satellite Account (TSA) recommended by UNWTO, lack of required statistical data is one of the main issues our tourism industry is facing with. The Tourism Satellite Account (TSA) is a standard statistical framework and the main tool for the economic measurement of tourism taking in consideration direct and indirect effect of tourism activity.

Statistical research in our country is based upon number of arrivals, number of overnights and turnovers, sometimes with insufficient market segmentations. In that situation, the space for financial and environmental control and adequate action plan is pretty much reduced. Awareness of sustainable tourism development at the first place from the Government and public sector and then from all stakeholders is the starting point for the implementing principles of sustainability.

Following are institutions which are in charge of sustainable development in Serbia:

Ministry of Agriculture and Environmental Protection <http://www.eko.minpolj.gov.rs/en/>

The Department of Environmental Protection is formed following units:

Department of planning and management in the environment

Department of Inspection for Environmental Protection

Agency for Environmental Protection

<http://www.sepa.gov.rs>

Institute for nature conservation of Serbia

<http://www.zzps.rs>

Secretariat for Environmental Protection

<http://www.beograd.rs>

The growth of non-governmental organizations is increasing in the last few years. Some of them are:

The Center for International Relations and Sustainable Development (CIRSD) -non-profit public organization

<http://www.cirsd.org>

Centre for Sustainable and Responsible Tourism Development (CenORT)-NGO

<http://www.cenort.rs>

Belgrade Ecological Centre (BEC)

<http://www.bec.org.rs>

All these organizations are dedicated to the protection and improvement of the environment with the aim of education, increasing awareness about the importance of tourism and research projects of the sustainable and responsible tourism development.

General conclusion is that the concept of sustainable development has been the subject of written and adopted laws as well as a lot of publications and discussions, but unfortunately still far away from the achievements of development countries.

According to State Secretary at the Ministry of Agriculture and Environmental Protection, 30% of our total commitments in the accession process into EU referring to environmental protection. Implementing and monitoring the sustainability action plan is time and money consuming.

The system of environmental financing in Serbia is decentralized and relies on budget funds and municipal budgets, financing mainly of the economy and public sector.

General characteristics of the system of financing environmental protection is limited earmarked funds and decentralized sources of funding, particularly from the private sector, and lack of application of financial instruments such as long-term loans, securities, partnership between the public and private sectors and investments in shares. The weaknesses of the system of financing environmental protection resulting from the limited coverage of the application fee for the use of resources, high dependency on the state budget, incomplete legal framework of compliance with EU legislation and limited implementation of incentive instruments.

Investments on pollution abatement and cleaner technologies are insufficient. Companies are not required to report investments to authorities thus there are no adequate data on the nature of industrial environmental protection.⁷⁵

⁷⁵ <http://www.sepa.gov.rs>

4.2. Participation in international institutions and adoption of sustainable development standards

“Promoting the widespread adoption of global sustainable tourism standards to ensure the tourism industry continues to drive conservation and poverty alleviation” is the mission of The Global Sustainable Tourism Council (known as the GSTC or the Council).

GSTC is the international body for establishing and managing standards for sustainable tourism working under the umbrella of the UN, financing from donations, sponsorship and membership fees.

Volunteer non-profit organization, working from 6 different continents, The Global Sustainable Tourism Council represents governments, non-governmental organizations, leading travel companies, hotels, tour operators, academia, individuals and communities.

The GSTC fosters sustainable tourism through the adoption of universal sustainable tourism principles; compiling, adapting and creating the tools and training to engage in sustainable tourism practices; and increasing the demand for sustainable tourism products and services. At the core of its work are the GSTC Criteria⁷⁶

There are two sets of GSTC Criteria: Destination Criteria (GSTC-D) and Hotel & Tour Operator Criteria (GSTC-H&TO).

Following are GSTC objectives:

- Development of International Standards
- Promotion of Market Access
- Sustainability Education & Training
- Accreditation for Standards and Certification Programs

The importance and credibility of the organization is reflected in the fact that some of its members are:

- ABTA, The Travel Association
- American Society of Travel Agents (ASTA)
- AHT- Asociacion de Hoteles de Turismo de la Republica Argentina
- Center for Responsible Travel (CREST)
- European Alliance for Responsible Tourism and Hospitality (EARTH)
- Earthcheck is the world's largest certifier of sustainable travel and tourism operator
- European Centre for Eco & Agro Tourism- ECEAT
- Ecoservices Dominicana
- Ecotourism Australia (EA)
- European Centre for Nature Conservation (ECNC)
- Forests of the World
- GREAT Green Deal is a Certification Program based on the GSTC International Standard.
- Instituto de Turismo Responsable (ITR)- associated with UNESCO and UNWTO
- Pacific Asia Travel Association (PATA)
- Sustainable Travel International (STI)

⁷⁶ <http://www.unfoundation.org/what-we-do/campaigns-and-initiatives/global-sustainable-tourism-council>

- Thailand Department of Tourism
- TUI Travel
- United Nations Environmental Programme (UNEP)
- United Nations Foundation (UNF)
- United Nations World Tourism Organization (UNWTO)
- World Centre of Excellence for Destinations

Due to MICE tourism is mainly dealing with high profile international clients, participation in international organizations, adoption of international sustainable standards and implementation of common labels, certifications and tools is making this business much easier.

4.3. Position of MICE tourism resources in sustainable development

With privilege to have a mixture of eastern and western culture and architecture, together with very good MICE infrastructure, venues which are mostly concentrated in the circle of 5 km, Belgrade has a great opportunities to become more active and influential business centre. Together with the struggle of getting more MICE tourist, awareness of environmental policy and implementation in all activities among all stakeholders into all venues should be the way of improving economic performance, environmental quality in the city and competitiveness. Satisfactory legal framework should be complemented with adequate implementation of international standards and techniques. Fiscal policy and penalties should not be exempt from the process of sustainable development.

Sustainability is imperative for all tourism stakeholders and must translate from words to actions.⁷⁷

4.3.1. Venues

Sava Center, Belgrade Fair, KOMBAK Arena, BELEXPOCENTAR are main venues of MICE industry in Belgrade. Close to the Belgrade airport and city centre with unique location concentrated in the radius of few kilometers to each other they possess comparative advantage comparing to other destinations in the region.

We have already discussed about their capacities and technical characteristics. In this part we will focus on their achievements in the field of sustainability.

Convention centers and in general all venues of MICE industry in the world play active role in creating and implementing standards and policies of sustainable development. Web pages are very carefully designed, organizational structure and management activities are detailed conducted in the manner of corporate responsibility and applicable sustainable development.

What Belgrade has done?

Unfortunately, except paid ecological taxes on monthly level to local community and personal effort and dedication of some managers little has been done. Lack of public-private partnerships,

⁷⁷ <http://www.gstcouncil.org>

insufficient coordination between stakeholders, Government support and sustainability development dedication are some of the weakest point in this process of sustainable tourism.

Following are the aggregated results of the research we have made in January 2015 among following conference venues: Sava Center, Belexpocenter, KOMBANK Arena and Belgrade fair.

Data collection was based on face-to face interview with HAACAP manager from Belexpoceter and telephone interviews with responsible persons from Sava Center, KOMBANK Arena and Belgrade fair.

Table 18 Review of achievements in the field of sustainability among conference venues

<u>Field of research</u>	<u>Achievements</u>
Web page	Without section about sustainability and CSR
Organizational Structure	Without sustainable development department
Responsible person	Without responsible person for sustainable development. HACCAP managers are in charge of sustainability issues or Health and Safety Executive and Fire protection officer
Adopted sustainable development strategy and action plan	No
Certifications	Lack of international sustainability standards
Waste management	Yes • Oil separator. Analyzes have done by certified laboratory. Without industrial hazardous waste • Electronic recycling • Paper, glass and plastic recycling-singed contract with JK Gradska čistoća. Irregularity in waste collection • Organic waste- in accordance with Food safety law unresolved issue for distributing to the other institution
Water management	No
Energy reduction	Partially • Energy-saving lamps and gas heating (BELEXPOCENTER)
Energy reduction	• Energy-saving lamps partially • implemented in the venues
Air quality	Partially • Air-condition control. Flushing of pipelines (BELEXPOCENTER)

	Air quality problems due to inefficient air condition system in Sava Center
Community	No Possibility for distributing the rest of the food does not exist, due to Food safety law and lack of insufficient organizational structure in the inbound institution
Monitoring	Yes
Controlling	No

Source: Done by author according to data collected from the survey

Comparing to convention centers in development countries who take sustainability very seriously focusing to research and continuous improvement as one of fundamental goals in achieving their sustainability policy and development strategy, general conclusion is that conferences venues in Belgrade have a lot of work to do in the future.

For example, Austria Center Vienna as green meeting certification body is able to certify certain event with eco label, has very detailed Guideline UZ62 (https://www.acv.at/planen/green-meeting/Ec62_R2a_Green_Meetings_and_Green_Events_2012_engl.pdf?4cxx82).

This Guideline contains very detailed classifications of events, criteria for the events, basic requirements for the licensees.

Philosophy Gold Service, Green Attitude, Earth Check certification, Environmental Policy are some of the achievements of Adelaide convention center.

The fact that main MICE venues in Belgrade have not established yet basic principles and requirements of sustainable development, actions that should be undertaken involves active role of Government sector supported by appropriate tax regulations, dedicated public sector and better organizations among all stakeholders .

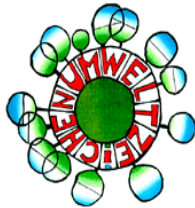
One of the most important issue and challenge for Belgrade MICE venues are obtaining some of the international sustainability certifications like:



Green Globe is the global certification for sustainable tourism for companies and organizations in tourism sector. The Green Globe Standard is based on the following international standards and agreements: Global Sustainable Tourism Criteria, Global Partnership for Sustainable Tourism Criteria (STC Partnership), Baseline Criteria of the Sustainable Tourism Certification Network of the Americas, Agenda 21 and ISO 9001 / 14001 / 19011
<http://greenglobe.com>



EarthCheck Certification is the world's leading program, used by the travel and tourism industry. It is the largest environmental benchmarking, certification and management solution in use by tourism (<http://www.earthcheck.org>)



"Austrian Ecolabel" was created on the initiative of the Federal Ministry of Environment in 1990. In tourism industry the Austrian Ecolabel promote a sustainable way of dealing with energy and water, as well as waste reduction (<http://www.umweltzeichen.at>)

These certifications are recognized by Global Sustainable Tourism Council could obtain international recognition to Belgrade and its venues.

4.3.2 Hotels

World hotel industry has made significant achievements in sustainable development, moving forward the age of improvements and measurable evidence of positive effect to the environment.

Hospitality management associations are paying increased attention to providing the industry with best practices examples and guidelines.⁷⁸

Together with profit goals, corporate social responsibility is integral part of strategy and vision of some hotel. Dedication to the environment and sustainable development are starting point, foundation for development of the hotel.

Number of hotels in Belgrade has shown uninterrupted growth in the past ten years. From the aspect of sustainable development, we have divided hotels in two categories: chain of international hotels and other which are not.

Sustainable development policy of Belgrade hotels are focused on waste and energy savings measures. The level of influence in sustainable development could be much bigger and impact to the environment more important in the case of intensive Government approach through fiscal and economic incentives and regulatory affairs.

There are two main sustainability approaches in Belgrade MICE industry:

- Sustainability development through environmental protection and corporate social responsibility as a part of international chain hotels policies adopted and implemented in accordance with Serbian law.

⁷⁸ Sloan, P., Legrand, W. and Chen, S. Joseph, 2013. Sustainability in the Hospitality Industry, 2nd edition, Routledge, London, page 24

- Sustainability in the hospitality industry as effort of managerial staff depending on personal awareness in the frame of very confused organization between public sector and hotels, lack of government supporting benefits and penalties

Following are general conclusion we have made after the several interview in January 2015 among hotels in Belgrade:

Web page

- In international hotel chains sustainability and CSR are linked with domain webpage. Radisson Blu Old Mill Hotel has on its web page section of CSR (responsible Business). Other hotels are without section of sustainability and CSR

Organizational Structure

- Without sustainable development department

Responsible person

- Without responsible person only for the sustainable development. Depends on hotel, HACCAP managers could be in charge with sustainability issues, Health and Safety Executive and Fire protection officer or PA Manager

Adopted sustainable development strategy and action plan

- International hotel chains in the frame of corporate policy

Certifications

- Absence of international recognized sustainability certificates. Some of the certifications are listed below:



This certification covers organic and regional products in Hotels.



Carbon Neutral Certification



Eco Hotels Certified is certification of sustainably operating tourism businesses.



Environmentally Friendly Label: Croatia

Environmental Label was established to promote development of new technologies, production and consumption of products less adverse to the environment, pollution reduction and a more economical management of raw materials and energy.

International standards

- HACCAP standard is mainly applied in hotels.

Hazard analysis and critical control points or HACCP is a system that helps food business operators look at how they handle food and introduces procedures to make sure the food produced is safe to eat.⁷⁹

Implementation and application of following ISO standards could be more widespread.

- ISO 9001 Quality Management Systems Standard is the world's leading quality management standard and has been implemented by over one million organizations in over 170 countries globally. Key eight Principles of ISO 9001 are:⁸⁰
 1. Customer focus and customer satisfaction
 2. Leadership
 3. Involvement of people
 4. Process approach
 5. System approach to management
 6. Continual improvement
 7. Factual approach to decision making
 8. Mutually beneficial supplier relationship
- The ISO 14001 Environment Management System (EMS) standard is an internationally recognized environmental management standard which provides a framework for environmental management best practice in order to:⁸¹
 - Minimize environmental footprint
 - Diminish the risk of pollution incidents
 - Provides operational improvements
 - Ensure compliance with relevant environmental legislation,
 - Develop business in a sustainable manner
- The ISO 20121 Event Sustainability Management Systems (ESMS) provides specific requirements for the organization of events with lower impact on environment and community, and improved relationship with a broad range of stakeholders: local authorities, suppliers, residents, workers, and of course participants and attendees of the event. This ISO 20121 standard is not a checklist or a reporting framework; it challenges your organization to improve process and calls for continual performance improvement in delivering event-related activities without detracting from the aim of the event.⁸²
- OHSAS 1800 Occupational, Health and Safety Management Certification is an internationally standard which provides a framework to identify, control and decrease the risks associated with health and safety. The OHSAS 18001 standard provides organizations with a framework for health and safety management helping them to:
 - Identify, minimize and control health and safety risks
 - Conform to health and safety legislation
 - Protect the wellbeing of employees.⁸³

⁷⁹ <http://www.food.gov.uk/business-industry/caterers/haccp>

⁸⁰ <http://certificationeurope.com/iso-9001-quality-management-certification>

⁸¹ <http://certificationeurope.com/iso-14001-environmental-management-certification>

⁸² <http://certificationeurope.com/iso-20121-event-sustainability-management-certification>

⁸³ <http://certificationeurope.com/ohsas-18001-occupational-health-and-safety-management>

Waste management

- Oil separators. Analyzes have done by certified laboratory. Without industrial hazardous waste
- Electronic recycling
- Paper, glass and plastic recycling- signed contract with JK Gradska čistoća. Irregularity in waste collection
- Organic waste- in accordance with Food safety law unresolved issue for distributing to the other institution

Water management

- Hotels could increase level of water management. In some hotels following actions are undertaken: reducing water consumption through installation of low-flow plumbing fixtures and efficient toilets, guest involvement and feedback for responsible water consumption on the property.

Energy reduction

- Energy-saving lamps and gas heating are partially implemented in the hotels

Air quality

- Air-condition control and pipelines flushing

Community

- Possibility for distributing the rest of the food does not exist, due to Food safety law and lack of insufficient organizational structure in the inbound institution. Some of the hotels which are not in the international chains participated in the campaign to help the people threatened by floods

Monitoring and Controlling function

- Except international chains, monitoring and controlling function are very weak points.

4.3.3. Transportation

Urgency of transport integration in sustainable development is reflected in the fact that in 2014. United Nations established the Advisory Group on Sustainable Transport in order to provide recommendations on sustainable transport actionable at global, national, local and sector levels.

The Advisory Group, established for a period of three years, will work with Governments, transport providers (aviation, marine, ferry, rail, road, and urban public transport), businesses, financial institutions, civil society and other stakeholders to promote sustainable transport systems and their integration into development strategies and policies, including in climate action. It will promote sustainable transport that is in line with inclusive and equitable growth, social development, protection of the global environment and ecosystems, and addressing climate change.⁸⁴

Due to significant increases in the volume of air traffic during the past few decades and realizing the great impact that air traffic has on pollution producing high level of carbon emission, which makes a great contribution to global warming, some air companies have made effort in trying to reduce the negative effect.

⁸⁴ <https://sustainabledevelopment.un.org/topics/sustainabletransport/highleveladvisorygroup>

Good example is British Airways with section on its webpage dedicated to responsible travel and environment (<http://responsibleflying.ba.com/environment/>). Carbon footprint, climate change, waste management, noise and air quality are points of interests.

Comparing to British Airways, Air Serbia, unfortunately does not have section on its webpage dedicated to the environment (<http://www.airserbia.com/sr-rs/>).

Airport Carbon Accreditation as an independent programme appointed by ACI EUROPE to enforce the accreditation criteria for airports on an annual basis has been playing very important role of increasing the awareness of sustainable transport and importance to reduce their carbon emissions with the ultimate goal of becoming carbon neutral. There are 4 levels of Certification:

Mapping-Footprint measurement

Reduction-Carbon management towards a reduced carbon footprint

Optimization-Third party engagement in carbon footprint reduction

Neutrality-Carbon neutrality for direct emissions by offsetting



Airports in Ljubljana, Dubrovnik, Zagreb, Vienna, Tirana and Rome are some of the airports in the region with carbon accreditation.

According to ACI Europe report for the first half of 2014, Belgrade Nikola Tesla Airport is the second fastest growing capital city airport in Europe with the passenger growth of as much as 32 percent.⁸⁵

During the 2014 Belgrade Nikola Tesla Airport has completed investment of around EUR 3.6 million into the infrastructure improvement such as improving the energy efficiency and the modernization of the terminal building, installation of 11 high-tech visual docking guidance systems.⁸⁶

Even with this significant figures and commitment to achieving higher level of security, comfort and energy reduction, Belgrade airport needs intensive participation in international institutions in order to obtain certifications and accreditations.

General conclusion for recourses of MICE tourism in Belgrade-what is needed is strong Government leadership and credible consistent politics.

⁸⁵ <http://www.beg-aero.ba.rs/media/news.63.html?newsId=997>

⁸⁶ <http://www.beg-aero.ba.rs/media/news.63.html?newsId=985>

4.3.4. Supporting infrastructure

Due to fact that Belgrade is an accent town with very important culture-historical monuments, same are from the Roman period, constant conservations of them are imperative of development of tourism.

Increasing the knowledge that preservation, conservation, restoration, rehabilitation, reconstruction of cultural heritage very much depends on legislation and support of educational institutions are way to sustainable development. Managing cultural heritage and sustainability is going to be the challenging tasks in order to avoid negative impact to the environment.

In order to increase awareness of sustainable development, implementing appropriate educational program for work force and becoming a leader in creating rules and policies in sustainability process, participation and support that should be provided by educational institutions should be much higher.

Lack of partnership between government sector, public sector, business organizations and educational institutions in Serbia have caused absence of adequate educational and training programs in the field of sustainable development in tourism.

Universities in some countries like Germany, Australia, Austria, have very wide range of occupations in the field of environment and sustainable development.

Eberswalde University for Sustainable Development near Berlin with its fifteen programs has a very distinctive profile dedicated to sustainable development. This University is also family-friendly, providing child care for mothers and fathers with children.

Following are few examples of available educational programs dedicated to sustainable development in Germany, Austria and Serbia.

Table 19 Overview of sustainable development educational programs in Germany, Austria and Serbia

<i>Country</i>	<i>Institution</i>	<i>Name of the program</i>
Germany	The University of Applied Sciences in Eberswalde	<u>Faculty of Forest and Environment</u> • Forestry (BSc) • International Forest Ecosystem Management (BSc) • Forest Information Technology (MSc) • Global Change Management (MSc) <u>Faculty of Landscape Management and Nature Conservation</u> • Landscape Management and Nature Conservation BSc • Organic Farming and Marketing (BSc)

		• Management in Organic Agriculture (MSc) • Regional Development and Nature Conservation (MSc) • Sustainable Tourism Management (MA)
Country	Institution	Name of the program
Austria	The Vienna University of Economics and Business Administration- Institute for Managing Sustainability	Environmental Sciences (MSc) Offer: Research, Consulting – for policy makers, public administrators and businesses, Management of events and processes – conceptualization, moderation, mediation and organizing stakeholder dialogues, Communication – publications, internet actions and education MSc in Sustainable Development, Management, and Policy
Serbia	Faculty of Tourism and Hospitality Management, Singidunum University in Belgrade Faculty of Architecture, University in Belgrade	Sustainable Development of Tourist Destination – Module on Business System in Tourism and Hospitality Postgraduate studies - Energy-efficient and green architecture

Source: www.hnee.de/en-alt , <http://www.sustainability.eu>, <http://singidunum.ac.rs>, www.arh.bg.ac.rs

It is obviously that educational institutions supported with government and public sector, joint actions with business partners and all stakeholders as well could fill insufficient number of modules and training programs dedicated to sustainable development.

Importance of educational institutions as one of a leading force in sustainability process is confirmed by the Higher Education Sustainability Initiative supported by United Nation Sustainable Development Knowledge Platform. Since June 2013, 272 organizations in 47 countries from all six UN regions have joined to HESI. Important document, The Nagoya Declaration on Higher Education for Sustainable Development adopted by the participants of the International Conference on Higher Education for Sustainable Development in Nagoya, Japan on November 2014, underlines the “responsibility of higher education for pursuing of sustainable development.”⁸⁷

⁸⁷ <https://sustainabledevelopment.un.org/sdinaction/hesi>

Higher education is one of the key sectors in charge of the implementation of education for sustainable development... With its long history of influencing the development of science and society as well as policy, higher education has a significant role to play in shaping and providing knowledge and learning for today and tomorrow. Ongoing efforts by higher education institutions (HEIs) from around the world to rethink and redesign systems of knowledge must be understood in the context of accelerating environmental, demographic, and geopolitical changes - including associated risks and disasters - as well as new social dynamics and technological advancements that are fundamentally reshaping the ways in which we create and relate to knowledge.⁸⁸

4.4. Sustainability issues

Sustainability issues depend on “specific conditions and stakeholder’s needs of each destination, covering a range of social, economic, environmental and management issues related to sustainability of tourism”⁸⁹

For Belgrade as MICE destination, it is necessary that destination management organization set in accordance with Government and public sector their own priority for issues. In accordance with this, following are some of the sustainable challenges MICE industry in Belgrade is facing with:

- Integration of environmental, economic and social aspects
- Connecting research and practice supported by monitoring and controlling function
- Creation of relevant and applicable knowledge in order to achieve goal-orientated strategy and action plan
- Awareness increase

There are wide ranges of sustainability issues, varying from destination to destination.

In this work we have focused on the few issues, considering that they are the most fundamental and important issues for Belgrade MICE market.

4.4.1. Tourist satisfaction

Tourist satisfaction is main sustainability issue based on many different factors: destination brand, attractions of the destination, quality of services, supporting infrastructure...

Satisfaction is the product of a number of factors:⁹⁰

1. Meeting tourists expectations
2. Providing a sense of good value for money
3. Ensuring a clean, safe and secure environment
4. Hospitality
5. Quality of sites, events, attraction and service related to them
6. Expectations and interests. Many individual responses depend on personal interest

⁸⁸ <https://sustainabledevelopment.un.org/index.php?page=view&type=13&nr=1129&menu=1073> 30

⁸⁹ WTO, 2004. Indicators of Sustainable Development for Tourism Destination, A Guidebook, page 55

⁹⁰ WTO, 2004. Indicators of Sustainable Development for Tourism Destination, A Guidebook, page 87

We have made an exit questionnaire on the airport Nikola Tesla in Belgrade, tailored to the needs of the business tourism (Exit questionnaire see Annex 1).

In accordance with level of satisfaction provided by business visitors, the following responses we have got.

Figure 9 Level of satisfaction among business visitors in Belgrade

Highest level of satisfaction	Average level of satisfaction	Lowest level of satisfaction
• Hospitality • Quality of food • Safety and security • Plain accesability of the destination • Quality of accomodation • The level of service • Short distance from the airport to hotel • Accesability of cultural sites	• Road accesability of the destination and signalization • Shortage of souvenirs and craft shops • Maintenance of cultural sites	• Air and noise polution in the city • Recycling bins • Lack of public toilets • Traffic signalization

Source: Exit questionnaire done by author in January 2015 on the airport Nikola Tesla in Belgrade

The survey was conducted on a sample of 26 international visitors. The biggest response we have got on the questions regarded to hospitality, food quality, recycling bins and traffic signalization.

4.4.2. Community satisfaction and economic benefits

Local satisfaction with tourism is critical for sustainability⁹¹

Tourism sector in Belgrade has shown constant increase in the last fifteen year.

Economic benefits for local community are reflecting in: employment and income opportunities, business and community investments, business cooperation.

Community satisfaction is very often under the shadow of economic benefits. Due to fact that economical benefits are measurable component, in some cases community satisfaction is underestimated.

⁹¹ WTO, 2004. Indicators of Sustainable Development for Tourism Destination, A Guidebook, page 56

In recent year, Belgrade has had very intensive investment in tourism infrastructure .Taking in consideration community satisfaction as one of the most important condition of long-term development of tourism, investing in infrastructure, venues and other supporting facilities requires clear strategy, detailed action plan and defined adequate policy on national, regional and local level.

Community satisfaction is reflecting through: access to job, access to main destination assets, access to cultural and natural resources, changes in lifestyles, equal employment opportunities, family wellbeing, health and safety.

Lack of legal framework and insufficient coordination between stakeholders, sometimes absence of feasibility and sustainability study for the new projects, have produced inadequate landscape planning and negative effect for the community.

Belgrade waterfront as the largest project, after construction of New Belgrade, attracts great public attention and attention of the academic community as well.

Serbian Academy of Sciences and Arts has launched Comments on 22 pages about negative aspects of Belgrade waterfront projects conducted by professor Lojanica. The main concern was created because of reasons mentioned in the Comments and opinion of the recognized experts such as professors Ksenija Petovar, Bojan Kovacevic (architects), Goran Milicevic (economists) and PhD Bojan Milicevic (economists).

This is a list of threats for the community and environment:

- Inadequate and insufficient infrastructure for future facilities
- Transportation problems for rest of the community
- Lack of park areas
- Landscape changing due to planed tower construction of 220 m high and skyscrapers of 100m high
- Lack of ownership structure and detailed profit share plan (in percentage)
- Absence of defined model of financing
- Availability and access to some other services and facilities can also change
- Housing

Listed above are some of the threats of launching a new project, Belgrade is facing with. This scenario is a result of lack of destination planning and controlling supported with inappropriate feasibility and sustainability study.

4.4.3. Destination planning and controlling

System approach in tourism sustainable development is a key for success. Stakeholder's cooperation and integrations, with dominant role of Government sector and very important influence of educational institutions is basic frame for sustainable development in tourism.

Sustainable tourism does not have chances without tourism planning and controlling.

UN has been paying great attention to integrated planning and controlling.

- Agenda 21 is the action plan of the UN Conference on Environment and Development (UNCED) held in Rio de Janeiro in 1992.
- The Charter for Sustainable Tourism on Lanzarote World Conference in 1995, adopted

integrated planning as a key principle of sustainable tourism (<http://www.gdrc.org/uem/eco-tour/charter.html>)

- Rio+20-The United Nations Conference on Sustainable Development in Rio de Janeiro, on June 2012. The document was published with practical measures for implementing sustainable development. Member States decided to launch a process to develop a set of Sustainable Development Goals (SDGs) (<https://sustainabledevelopment.un.org/topics/sustainabledevelopmentgoals>)

The Conference also adopted ground-breaking guidelines on green economy policies.

These are some of the examples of documents and international institutions are dedicated to sustainable tourism.

With highest level of commitment to sustainable development and higher attention to planning and controlling, many of the negative impacts of tourism could be avoided in Belgrade.

This could be the proposal for Belgrade tourism industry.

Over the years, approaches to tourism planning have evolved from rigid master plans, to more flexible, strategic plans with a strong component of local participation, regular review and monitoring using performance indicators. For the sake of great sustainability, this more adaptive approach to planning needs to be supported by up-to date information about environmental, social, cultural and economic issues and priorities affecting the destination⁹²

4.4.4. Sustainability of tourism operations and services

In order to achieve sustainable tourism development, tourism operations and services are covered by number of formal management certification standards.

ISO 9000 for managers, ISO 14000 for environment and ISO 18000 for workplace health and safety, HACCP (Hazard Analysis and Critical Control Point), are reflection of global support for better operation and services system in order to achieve as much as possible adopted strategies and plans of sustainable development.

These certifications are matter of prestige and way of recognition from the marketplace.

Tourism community and all stakeholders in developed countries are very much aware of the social, cultural, economic and environmental impact tourism can bring to any destination.

Due to lack of implemented standards, insufficient participation in international organization and low level of awareness, positioning Belgrade MICE industry a far away from the leading MICE markets.

4.5. Roles of Government and Public Sector

The role of Government sector is the most dominant and the most important role in sustainable development. There is no sustainable tourism development and eco-friendly environment without leadership of Government sector.

Sustainable tourism development dedication, system approach, adequate fiscal policy and clear strategy of the Government are starting point of sustainability. In developed countries, government regulations have played a significant role in raising awareness of sustainability.

⁹² WTO, 2004. Indicators of Sustainable Development for Tourism Destination, A Guidebook, page 204

Importance of sustainable development has shown through European green capital- an initiative of European Commission or European Sustainable City Platform. Governments of European cities have established sustainable development strategy, detailed action plans, procedures, system of monitoring and controlling.

The city of Stockholm (<http://international.stockholm.se/city-development/sustainable-efforts/>) has invested great efforts in sustainability. As the result of these efforts and its long tradition of dedication to environment, Stockholm was the first city to be awarded the European Green Capital title.

Main role in sustainable development should be assigned to Government sector and Belgrade City Council. The issue of sustainability should be included in all incoming projects in Belgrade, because of long-term impact on the environment and, socio-cultural life of the city.

Actions like recycling of materials, conservation of water and energy, protection of natural resources, preservation of historic sites conducted by government sector and supported by public sector are some of the possible actions on the road of sustainability.

According to Belgrade Tourism Development strategy from 2008

*“formal expression of political support to sustainable development of the city is manifested in several occasions - the adoption of the Master Plan of Belgrade 2021 (2003), the Regional Spatial Plan of Belgrade City (2004). Willingness of city and municipalities authorities is expressed by support or insufficient support in achievement of those planning documents, respectively a sustainable city development within this framework of tourist destination sustainable development “.*⁹³

The official website of city of Belgrade is without sustainable development section. (<http://www.beograd.rs>).

Sustainable development must be conducted by Government sector and Belgrade City Council. Attention must be paid to the following areas:

- Legal framework
- Integrated Management
- Urban planning
- Sustainable procurement
- Mobility and transport
- Green Economy
- Monitoring and evaluation

⁹³ Tourism Development Strategy of Belgrade, 2008. Institute of Economic Sciences in Belgrade, page 135

5. CONCLUSION AND RECOMMENDATIONS

In this work we have tried to point out:

- Importance of MICE tourism as one of the most rewarding type of tourism and its positive impact on destination's economy and
- Importance of sustainable development approach in MICE tourism as very demanding and most challenging type of tourism from the point of numbers of stakeholders and they connection to each other.

System approach and integrated action, conducted by government sector are must have factors in developing MICE tourism and implementing sustainable development principles in it.

In the first chapter we gave theoretical and historical overview of development of MICE industry. Also we presented statistical figures regarding constant growth of tourism industry and possibilities of destination's branding through the MICE activity.

Second chapter has taken in consideration importance of sustainable development in the world with some of the best practice examples.

Third chapter has analyzed the position of Belgrade on MICE market. Potential has explained through its resources. Market opportunities are the challenges Belgrade's market need to face with. Chapter four has analyzed the position of Belgrade on MICE market from the aspect of sustainability. Due to complexity of the topic we have focused on the achievements of stakeholders and recourses in MICE industry with their issues in sustainable development. International achievements are the challenges Belgrade's market need to face with in order to increase the implementation level of sustainable standards.

In this work we confirmed the hypotheses that we had on the beginning.

- Belgrade has a great recourses to become a regional leader in MICE tourism
- Belgrade is the top destination of MICE tourism in Serbia
- The largest number of accommodation facilities and conference venues has excellent location within radius of 5 kilometers
- Air Serbia, rebranded and new carrier and airline of Serbia has the great impact on tourism development
- Lack of system approach in sustainable development of Belgrade MICE tourism
- In the race of sustainability, Belgrade MICE tourism is a far away from the best players.

This chapter will present the following conclusions from this study.

- MICE tourism is a fast-growing segment and one of the most demanding markets
- City tourism is a key growth driver for the economy
- Investment in MICE infrastructure is a time and money consuming
- Product, service and experience delivery will be essential to ensure that the destination remain relevant and competitive
- Integrated marketing has always been important but now it's even more
- Business events have become an increasingly significant component of destination branding
- Sufficient venues and accommodation facilities in Belgrade against insufficient marketing activities

- Government sector are playing very important role in implementing sustainability strategies, policies and action plans
- Educational institutions and academia are spiritus movens of sustainable development
- The need for cooperation on international level
- Importance of adoption and implementation of international standards
- Proactive approach of all stakeholders and community in process of sustainability
- All actions in MICE tourism are affecting economical, socio-cultural and environmental sector
- All actions have undertaken in present will impact the future
- Sustainability depends on awareness of importance to take care of the Planet
- Arising the level of sustainability, the level of profit is arising as well
- Sustainable development is integral part of development of each organization or destination

Recommendations- Space for Improvement

- Through a co-operative program, promote the advantages of doing business in sustainable manner in Belgrade City
- Develop a collaborative approach by education, business and private sector
- Implement feasibility study and cost-benefit analysis before any project
- Match workforce skills with business requirements in the City in order to make eco-friendly environment
- One of the main issues Belgrade is facing with is referred to inadequate market segmentation in the process of data collection
- It is essential in the development of next strategy that the Belgrade's economy be benchmarked
- Speed up process of law regulation
- By creating partnerships and through greater consultation between business and Government, establish clear planning goals for investment and sustainable development and more streamlined approvals process
- Establish a marketing strategy and image of Belgrade City
- Greater pressure of educational institutions, academia, non-government organizations and DMO in order to improve and increase the awareness level of sustainable development
- Increase the monitoring and controlling function in the process of sustainability

Finally, the last recommendation is that city should have a clear strategy with appropriate action plan for its sustainable development conducted by government and supported by public sector. Communication between Government, business and educational organizations on regional and local level, with DMO would be key factor for success of Belgrade as MICE sustainable destination.

Fiscal policy with adequate loan interest rate for encouraging new eco-friendly business could be very important generator of economic development in the manner of sustainability.

Feasibility study and cost-benefit analysis at the beginning with financial control and all negative and positive aspects on the environment during the project should be very important issue for the main actors on the market.

Also, all these actions have to be coordinated with attention to future impact on the whole country and society.

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Appendix 1

Exit Questionnaire

Please respond - circle best answer in the following questions with the appropriate answer:

- Highest level of satisfaction- mark H
- Average level of satisfaction- mark A
- Lowest level of satisfaction-mark L

1. I enjoyed my experience in the destination
2. The state of roads and signage made travel easy
3. I found the destination to be clean
4. Destination provided a good variety of experiences
5. Cultural sites were well maintained
6. Cultural sites were accessible
7. Good souvenirs and crafts were available
8. I had good opportunities to enjoy local cuisine
9. The quality of food was good
10. The quality of accommodation was good
11. The level of service provided was high
12. Service staff were competent and helpful
13. I was bothered by noise
14. I was bothered by garbage in public areas
15. Lack of recycling bins
16. The state of natural environment was good
17. Destinations had an interesting and varied landscapes
18. It was easy to get to destination for my visit
19. I feel safe and secure during my visit
20. I would recommended destination to my friend