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Study on customer satisfaction of Macau MICE industry based on SERVQUAL model

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## Abstract

This study investigates customer satisfaction within Macau's MICE (Meetings, Incentives, Conventions, & Exhibitions) industry utilizing the SERVQUAL framework, incorporating an additional dimension of "social currency" alongside the traditional five dimensions: tangibles, reliability, responsiveness, assurance, and empathy. The empirical findings demonstrate a substantial discrepancy between customer expectations and perceived service quality across all assessed dimensions. This gap signifies a critical area for improvement within the Macau MICE sector.

Keywords: MICE, customer satisfaction, Macau, SERVQUAL

## **1. Introduction**

The global MICE (Meetings, Incentives, Conventions, & Exhibitions) market size was estimated at USD 802.59 billion in 2023 and is expected to grow at a Compound annual growth rate of 9.1% from 2024 to 2030 (Grand view research, 2024). The MICE industry, a segment of travel and tourism, caters to business-oriented travel, encompassing meetings, incentives, conferences, and exhibitions. This industry aims to bring together top professionals from diverse sectors within a refined, customized hospitality environment. The importance of the MICE industry has been recognized in terms of its economic and socio-cultural impact (Reshetnikova, 2017). The host industry could enjoy a multiplier effect on its local economies, including accommodation, transportation, attractions, restaurants, and such economic impact is especially important considering the findings of existing studies that average MICE tourists tend to spend more than average leisure tourists (Muhammad et al., 2020). Moreover, development of the MICE industry could create jobs, complement the attractiveness of the destination as a place to travel to, promote cultural exchange among countries from different cultures in which new ideas are shared, and enhance sustainable regional development (Alananzeh, 2022).

The global market for MICE services is experiencing significant growth, with Asia Pacific holding a 22.86% revenue share in 2023 (Grand view research, 2024). The expansion of this sector has the potential to stimulate economic growth, foster interregional cooperation, and drive intellectual advancements. The proliferation of small and medium-sized enterprises, coupled with the growth of corporate industries and globalization, has led to a surge in MICE activities worldwide.

Macau, as a prominent international conference destination, has experienced substantial growth in its MICE industry. As evidenced by its ranking as the 20th international

convention city in the Asia-Pacific region according to the 2023 ICCA Annual Report, Macau has demonstrated a remarkable ability to attract and host a significant number of international conferences.

According to Statistics and Census Service of Macau SAR, Macau experienced a significant uptick in MICE activity in 2023, with a 656% year-over-year increase in hosted meetings and conferences, and a 290.6% year-over-year surge in total participant numbers. This sector has emerged as a crucial economic driver for Macau, contributing approximately MOP6.2 billion to non-gaming industries in 2023. Notably, the region hosted 167 large-scale meetings with over 200 participants, highlighting its capability to accommodate major international events.

As a pillar industry of the region, MICE not only raise the regional reputation but also creates more opportunities in business. Therefore, it's essential to find a sustainable method to keep the growth of the industry and improve Macau's reputation in MICE. Customer satisfaction is a key scale that positively affects the business profitability which means customer satisfaction and service quality is the successor key to get customer loyalty or repurchase intentions. Offering services that align with customer preferences is a foundational step toward fostering loyalty. By prioritizing service quality, companies can enhance customer satisfaction and ultimately boost profitability. Regarding Professional Conference Organizers (PCO), the satisfaction of conference participants will enhance customers' intentions to cooperate again and build long-term relationship, increase their desire to choose Macau as their MICE destination in the future. Hence, this study aims to investigate the factors that influence customer satisfaction with international conferences held in Macau. By identifying and addressing these factors, PCO and DMC can foster brand

loyalty, encourage repeat business, and promote positive word-of-mouth recommendations, therefore ensuring MICE remains a powerful driver of economic health in Macau.

The thesis will commence with a comprehensive literature review, delving into established models of customer satisfaction, particularly those applicable to the MICE industry. This review will critically assess the limitations of existing models and explore potential avenues for improvement. Subsequently, data will be collected based on the refined model, with the methodology section outlining the specific data collection plan and analysis techniques. The analysis of the collected data will yield findings that will be interpreted in the context of the research questions. Finally, the thesis will conclude by discussing the practical implications of the research findings, providing recommendations for future applications, and acknowledging any limitations inherent in the study.

## **2. Literature Review**

### **2.1 Customer satisfaction**

Customer satisfaction is a prevalent topic in business discourse. Widely recognized as a key indicator of service or product quality, customer satisfaction has been extensively explored across numerous industries. Customer satisfaction has been the core interest of analysts in various related subjects including; marketing, economics, and information system and management studies (Priyo et al., 2019). Its contribution to repeat purchases and word-of-mouth recommendations is undoubtedly accepted by scholars (Pizam & Milman, 1993). Luo and Homburg (2007) also state that customer satisfaction positively affects the business profitability which means customer satisfaction and service quality is the successor key to get customer loyalty or repurchase intentions.

What is customer satisfaction? Concluded by Oliver in 1981, “customer satisfaction is a summary psychological state resulting when the emotion surrounding disconfirmed expectations is coupled with the consumer’s prior feelings about the consumption experience”. Besides, from in Pizam & Ellis (1999) points of view, customer satisfaction is a psychological feeling of happiness that customers gain from a service or product. In short, customer satisfaction is the attitude of like or dislike on the part of customers after using a service (Liu, Kil & Spears, 2005). In essence, customer satisfaction reflects a user's perception of a product or service.

## **2.2 Models of customer satisfaction**

Customer satisfaction is a complex issue that cannot be reduced to a simple yes or no answer. Over the past several decades, researchers have consistently sought to develop comprehensive frameworks and standards to explain customer satisfaction. A review of the relevant literature reveals various theories and models that shed light on the factors contributing to customer satisfaction. Generally, these theories posit that customer satisfaction is a multi-faceted construct. There are a few notable theory in the field, such as equity theory, norm theory.

Equity theory: Equity theory was based on the comparison of the costs that a customer pays for a purchase and the rewards (benefits) he or she anticipates to receive from these dealings (Erevelles & Leavitt, 1992). In a word, when customers feel satisfied, they will feel equitably treated during an exchange, and the ratio of their outcome to input is to some extent fair. In terms of the factors that influence customers’ satisfaction, in 1992, Erevelles and Leavitt states that these factors included the price the customers paid and

the benefits they received, as well as the time and effort they spent in the transaction and their experience in past transactions.

Norm theory: Norm theory was proposed by Latour and Peat in 1979 to explain satisfaction. Norm theory suggests that the norm serves as the reference point to form confirmation/disconfirmation. Norms are formed by consumers' past experiences with a product/service, as well as by their experiences with similar products/service (Neal & Gursoy, 2008). In addition, in 1992 Erevelles and Leavitt's mentioned that consumers will have brand-based norms or product-based norms for determining satisfaction. A brand-based norm indicates that one brand dominates a consumer's set of brand experiences, whereas product-based norm indicates that a consumer has certain brand experience of a product.

### **2.3 SERVQUAL model and its limitation**

Besides two famous models mentioned above, there are various models to evaluate customer satisfaction from different dimensions. To find out which existing model can relatively better reflect the customer satisfaction in MICE industry, it's necessary to analyze the characteristics of service in MICE: Reliable event execution is a cornerstone of successful MICE activities. To ensure seamless operations, the involvement of professional event staff is indispensable. In addition to intangible services, tangible elements such as well-maintained venues and quality catering are crucial. Furthermore, attentive customer service should be provided throughout the event, and prompt responses to inquiries are essential to maintain client satisfaction. Based on these dimensions, we can find there is a SERVQUAL model align well with critical aspects of MICE events.

Service quality is of central importance regarding satisfying customers, retaining them, and creating loyalty amongst customers (Naik et al., 2010). Developed by Zeithaml, Parasuraman and

Berry in 1985, the SERVQUAL model is widely used to measure service quality in many industries, including MICE. The SERVQUAL model provides a valuable theoretical framework for understanding the relationship between service quality and customer satisfaction. It is a reliable and valid instrument for evaluating the strengths and weaknesses of organizations and is widely used to track service quality trends and identify areas for improvement. Parasuraman's exploratory research suggests that consumers, regardless of the service type, utilize similar criteria to assess quality. These criteria can be summarized into ten key dimensions: reliability, responsiveness, competence, access, courtesy, communication credibility, security, understanding/knowing the customer and tangibles(Zeithaml, Parasuraman and Berry, 1985). To gain a deeper understanding of customer expectations and perceptions, in 1988 Zeithaml, Parasuraman, and Berry consolidated the original ten dimensions of service quality into a more concise five-dimension mode (Figure 1). While three dimensions—tangibles, reliability, and responsiveness—remained unchanged, the remaining seven were combined into two new dimensions: assurance and empathy.

**SERVQUAL MODEL**

The Five Key Service Dimensions of the Servqual Model

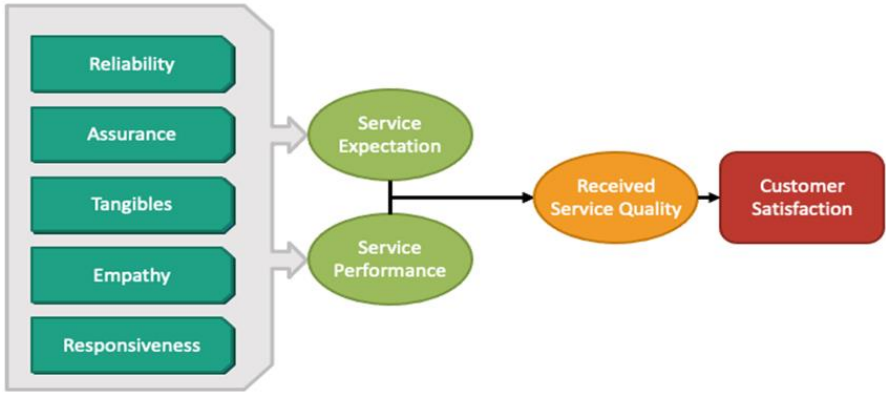


Figure 1. Five-dimension of SERVQUAL Model

- Tangibles: physical facilities, equipment and the appearance of personnel. Within the framework of service marketing elements, tangible elements are of paramount importance. These encompass the physical attributes that customers can sense via sight, hearing, taste, smell, or touch during their service encounter.
- Reliability: ability to perform the promised service dependably and accurately. A reliable organization or individual can earn the trust and satisfaction of customers through a series of key elements, including the fulfillment of commitments, punctuality in timekeeping, and the accuracy of records (Reika K, 2019).
- Responsiveness: willingness to help customers and provide prompt service. Responsiveness is manifested in whether the service provider can respond rapidly to various customer demands within a short period. Such responses include not only promptly answering customer inquiries but also swiftly handling customer complaints and issues. When a service provider can achieve this, the customer experience will be significantly improved, thereby enhancing customer satisfaction (Guo, 2024).
- Assurance: knowledge and courtesy of employees and their ability to inspire trust and confidence. Assurance reflects the guarantees and responsibilities of an organization or an individual towards customers. The fulfillment of commitments enables customers to feel respected and valued, which in turn helps to build trust and a positive customer experience. Conversely, the failure to fulfill commitments may lead to customers' disappointment and loss of trust, thereby having a negative impact on customer satisfaction (Liu, 2017).
- Empathy: caring and the individualized attention the firm provides to its customers. Service personnel invariably prioritize the interests of customers, and every decision and action they

undertake is predicated upon customer satisfaction. They not only focus on the immediate demands of customers but also prognosticate their potential future needs and make preparatory arrangements in advance. This acute sensitivity and attention to customer needs render customers with a sense of being valued and also substantially enhance their satisfaction (Takehiro E et al., 2022).

This streamlined approach enhances the practicality and clarity of the SERVQUAL model. Therefore, this research applies the SERVQUAL model to assess the dimensions that PCOs in Macau's MICE industry should prioritize for strengthening or maintaining.

While the SERVQUAL model, introduced in 1985, provides a valuable framework, it may not fully capture the nuances of modern-day service quality. To better adapt to the evolving landscape of the 21st century, the model should be refined to incorporate contemporary factors. In today's information age, social media has emerged as a powerful tool for gaining attention and promoting brands. Building a strong social media presence can significantly impact an individual's or organization's social currency, which refers to the resources and influence within social networks. As a result, when evaluating satisfaction with MICE activities, individuals may consider whether the event can enhance their social currency. Social currency can be conceptualized as the cumulative value derived from an individual's digital presence within social networks and communities. Rooted in Pierre Bourdieu's theory of social capital, social currency contributes to expanding one's social circle, facilitating access to information and knowledge, shaping personal identity, and conferring status and recognition. By participating in MICE events that align with their social goals, individuals can elevate their social status and expand their professional networks. Therefore, it is essential to consider social currency as a critical factor in assessing overall customer satisfaction in the MICE industry.

Although the SERVQUAL model is a reliable framework, it has limitations stemming from its origins in the 1980s. To address these limitations and better adapt to the contemporary landscape, this research aims to modify the model and conduct a survey to identify the key factors that require improvement. This study seeks to provide actionable insights for enhancing customer satisfaction and optimizing service delivery for PCO companies in Macau. Therefore, my research question for this project is: how is customer satisfaction in Macau MICE industry based on SERVQUAL model, and what can be done to drive higher satisfaction?

### **3. Methodology**

The research questionnaire was disseminated at two prominent academic conferences: the 2024 IEEE Spoken Language Technology Workshop (SLT 2024) and the Asia-Pacific Signal and Information Processing Association Annual Summit and Conference (APSIPA ASC 2024). These conferences were held respectively at the Galaxy International Convention Center from December 2nd to 5th, 2024 and the Banyan Tree Macau from December 3rd to 6th, 2024.

To evaluate the service quality of the MICE industry, particularly within the context of international academic conferences in Macau, the survey employing a five-point Likert scale was administered to attendees of both events. Given the substantial number of participants at these conferences, the sample size is considered adequate for a rigorous analysis of the collected data.

Due to delegates of two conferences are from various countries and region, have different background, at the conclusion of the survey, participants were asked to provide demographic

information, including age, gender, education level, Usual place of residence, and frequency of visits to Macau.

The core of the questionnaire comprised two sections, each consisting of 24 items, in which 22 items are adapted from the SERVQUAL model developed by Parasuraman et al. (1988 & 1991), 2 items are related to social currency. Questions are rated on a seven-point Likert scale. The first section assessed the perceived importance of various service quality attributes, with a scale ranging from 1 (very unimportant), to 5 (very important). The second section gauged participant satisfaction with the services received, using a similar scale from 1 (very dissatisfied) to 5 (very satisfied).

Tangibles

To assess the importance and perception of tangible factors, the questionnaire included four pairs of statements. Respondents were asked to rate the extent to which they agreed with each statement on a five-point Likert scale. This approach allowed for a comprehensive evaluation of participants' perceptions of tangible aspects such as venue, equipment, and materials, and their alignment with expectations.

- Q1: "The MICE company has up-to-date equipment."
- Q2: "The physical facilities of the MICE company are visually appealing."
- Q3: "The MICE company employees are neat and professional in appearance."
- Q4: "Materials associated with the MICE company's service (such as brochures or websites) are visually appealing."

Reliability

To assess the reliability dimension of the SERVQUAL model, five statements were employed to measure both its perceived importance and actual perception.

- Q5: "The MICE company provides its services as promised."
- Q6: "The MICE company is dependable in handling customers' service issues."
- Q7: "The MICE company performs services right the first time."
- Q8: "The MICE company provides its services at the promised time."
- Q9: "The MICE company keeps accurate records."

Responsiveness

The responsiveness dimension of service quality was measured using four items. These items assessed both the perceived importance and experience of prompt and willing assistance. The difference between these two scores served as an indicator of the degree to which attendees felt their needs were addressed in a timely manner.

- Q10: "Employees of the MICE company should be expected to tell customers exactly when the service will be performed."
- Q11: "Employees of the MICE company give prompt service to customers."
- Q12: "Employees of the MICE company are always willing to help customers."

- Q13: "Employees of the MICE company are never too busy to respond to customers' requests."

Assurance

To assess the reliability of the assurance dimension, as defined by the SERVQUAL model, four items were employed. These items measured both the perceived importance and actual perception of the service provider's ability to convey trust and confidence. The difference between these two scores was calculated to quantify the level of assurance experienced by respondents.

Q14: "Employees of the MICE company instil confidence in customers."

- Q15: "Customers feel safe in their transactions with the MICE company."
- Q16: "Employees of the MICE company are consistently courteous with customers."
- Q17: "Employees of the MICE company have the knowledge to answer customer questions."

Empathy

The construct of empathy was operationalized using five items. By comparing the ratings of perceived importance and actual perception of the service provider's understanding, we were able to quantify the level of empathy experienced by attendees.

- Q18: "The MICE company gives individual attention to customers."
- Q19: "Employees of the MICE company give customers personal attention."

- Q20: "The MICE company has the customer's best interests at heart."
- Q21: "Employees of the MICE company understand the specific needs of their customers."
- Q22: "The MICE company's operating hours are convenient for all customers."

Social Currency

To assess the Social Currency dimension, which gives a more comprehensive view of customer satisfaction based on modern background, two statements were employed to measure both its perceived importance and actual perception.

- Q23: "By sharing content about this event on social media, participants can connect with more people who share your interests."
- Q24: "By sharing content about this event on social media, participants can increase your visibility within the industry."

#### **4. Result and Discussion**

There are in total 256 delegates participated in the survey. The demographic profile of the 256 respondents is comprehensively outlined. With respect to gender distribution, the sample is nearly balanced, comprising 50.39% males and 47.27% females. In terms of age distribution, the majority of respondents fall within the 26-30 age bracket, accounting for 30.47% of the total. This is followed by the 20-25 age group at 25.30%, and the 36-40 age group at 15.63%. The 41-45 and 50+ age groups are less represented at 5.86% each.

In terms of education level, because SLT 2024 and APSIPA ASC 2024 are international academic conference, the respondents are predominantly highly educated, with 51.95% holding a Master's degree and 29.69% possessing a Doctorate or higher. Bachelor's degree holders make up 18.36% of the sample. And 70.31% of the total being students (bachelor or higher), professors represent 7.81%, and 17.19% work for related companies.

Regarding usual place of residence, a significant proportion of respondents, 50%, reside in Mainland China. A smaller percentage, 10.16%, live in Macau, while 39.84% reside elsewhere (USA, Japan, South Korea, Hong Kong, India, etc). The frequency of visiting Macau among the respondents shows that 59.13% have visited Macau once, 23.48% have visited twice, and 17.39% have visited three or more times.

In conclusion, respondents cover different range of age and region, and all of them are highly educated, which provide foundation to understand characteristics of respondents in the study.

<b>Table1: Demographic Profile of Respondents</b>		
<b>Demographic Characteristics</b>	<b>Frequency</b>	<b>Percentage</b>
<b><i>Gender</i></b>		
Male	129	50.39%
Female	121	47.27%
Prefer not to say	6	2.34%
total	256	
<b><i>Age</i></b>		
20-25	75	25.30%
26-30	78	30.47%
31-35	27	10.55%
36-40	40	15.63%
41-45	15	5.86%
46-50	16	6.25%
50+	15	5.86%
total	256	

<b>Demographic Characteristics</b>	<b>Frequency</b>	<b>Percentage</b>
<b><i>Usual place of residence</i></b>		
Macau	26	10.16%
Mainland China	128	50%
others	102	39.84%
total	256	
<b><i>Times of visiting Macau</i></b>		
1 time	136	59.13%
2 times	54	23.48%
3 and more than 3 times	40	17.39%
total	230	
<b><i>Education Level</i></b>		
Bachelor	47	18.36%
Master	133	51.95%
Doctorate or higher	76	29.69%
total	256	
<b><i>Position</i></b>		
Student	180	70.31%
Professor	20	7.81%
Work for related company	44	17.19%
Other	12	4.69%
total	256	

#### **4.1 Descriptive Analysis**

In terms of the result of scores given by respondents, the mean values of each dimension in the Expectation group are 4.21, 4.32, 4.31, 4.27, 3.92, and 4.17 in turn. Correspondingly, those of each dimension in the Perception group are 3.83, 3.79, 3.83, 3.83, 3.63, and 3.92 respectively. The differences of each dimension between the two groups are 0.38, 0.53, 0.48, 0.44, 0.29, and 0.25 successively. There is a significant difference between expectation and perception in all six dimensions ( $p < 0.05$ ). The result implies that participants were not satisfied with MICE industry in Macau in general.

<b>Table 2: Means of Six Dimensions in Expectation and Perception</b>						
Variables	No. of items	Pair(Mean±std)		differential value	t	p
		Expectation	Perception			
Tangibles	4	4.21±0.76	3.83±0.82	0.38	6.203	0.000**
Reliability	5	4.32±0.65	3.79±0.91	0.54	8.826	0.000**
Responsiveness	4	4.31±0.63	3.83±0.84	0.48	9.149	0.000**
Assurance	5	4.27±0.65	3.83±0.84	0.44	7.865	0.000**
Empathy	4	3.92±0.72	3.63±1.03	0.29	4.580	0.000**
Social Currency	2	4.17±0.79	3.92±0.97	0.25	4.068	0.000**
* p<0.05 ** p<0.01						

#### **4.2 Reliability Analysis**

The Cronbach  $\alpha$  coefficient is used to test the reliability of the questionnaire. Generally speaking, if the reliability coefficient is above 0.9, it indicates that the reliability is excellent; if it is between 0.8 and 0.9, it means that the reliability is very good; if it is between 0.7 and 0.8, it shows that the reliability is relatively good; if it is between 0.6 and 0.7, it implies that the reliability is acceptable; if it is below 0.6, it suggests that revisions are needed. As is presented in the above table, the Cronbach's Alpha coefficients of each dimension in both the Expectation and Perception data are greater than 0.7. Therefore, the conditions for item deletion are not met, and all the items in the questionnaire can be retained. Besides, the reliability of the questionnaire is relatively good.

<b>Table 3: Cronbach reliability test table</b>		
	Cronbach's Alpha (Expectation)	Cronbach's Alpha (Perception)
Tangibles	0.851	0.808
Reliability	0.871	0.916
Responsiveness	0.802	0.835
Assurance	0.859	0.882
Empathy	0.793	0.886
Social Currency	0.773	0.847

### **4.3 Summary of findings**

This study utilized the SERVQUAL instrument to assess the strengths and weaknesses of Macau's MICE industry. The findings revealed a gap between the actual performance and the expectations of participants in Macau's exhibitions and conferences across all five SERVQUAL dimensions: tangibles, reliability, responsiveness, assurance, empathy and social currency. Salleh et al. (2019), mention that customers feel not satisfied with the service provider due to employees' behavior, lack of knowledge and capabilities, and lack of facilities. It can be found that there is a general dissatisfaction with Macau's MICE industry.

Of the six MICE industry dimensions, five—tangibles, reliability, responsiveness, assurance, and social currency—had similarly high expectations, averaging above 4.0. Empathy, on the other hand,

had the lowest expectation, below 4.0. Notably, reliability and responsiveness were rated equally high, suggesting they are the two most critical factors in Macau's MICE industry.

Regarding the perception of Macau's MICE industry's six dimensions, tangibles, reliability, responsiveness, and assurance were rated similarly, with mean scores around 3.8. Empathy was perceived as the weakest service dimension, with a mean score of 3.6, aligning with its lowest expectation score. Social Currency, on the other hand, had the highest perception score at 3.92, despite having a lower expectation than most other dimensions.

Overall, participants' perceptions of Macau's MICE industry fell short of their expectations across all six dimensions. In particular, reliability, responsiveness, and assurance were less successful in meeting expectations compared to tangibles, empathy, and social currency. Reliability and responsiveness, in particular, significantly underperformed in meeting participant expectations. This highlights the Macau MICE industry still has space to enhance service quality.

This study revealed that participants deemed all six dimensions of the model (tangibles, reliability, responsiveness, assurance, empathy, and social currency) as highly crucial to Macau's MICE industry's growth. Nevertheless, the actual performance of the Macau MICE industry was moderately satisfactory, falling short of the perceived importance.

## 5. Recommendations and Challenges

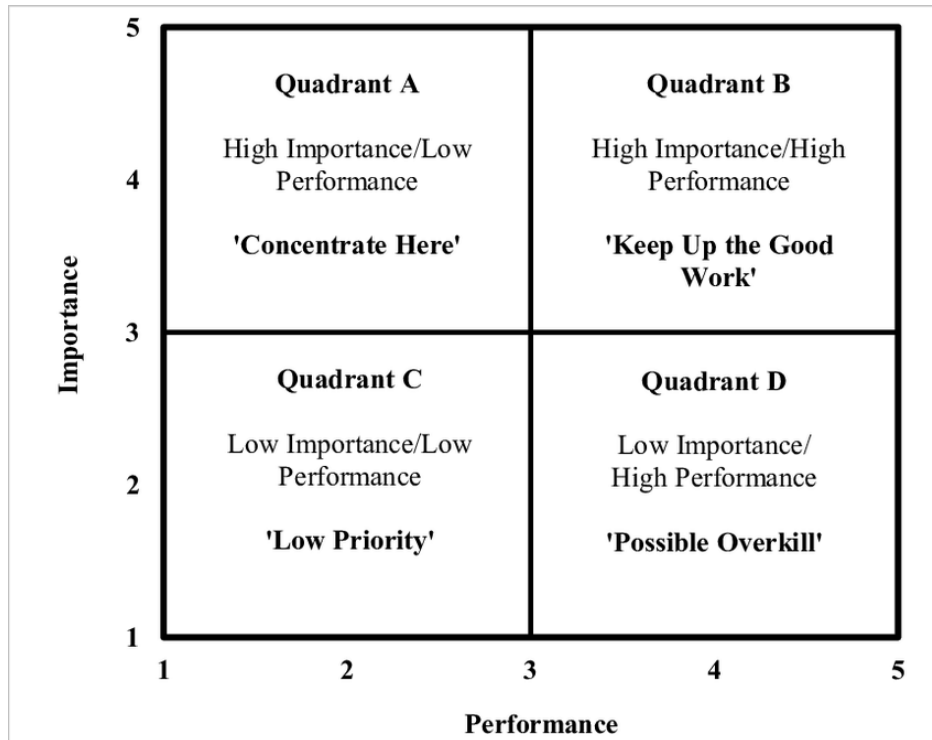


Figure 2. Importance vs. Performance Matrix

Importance–performance analysis (IPA) is an analytic technique that generates a two-dimensional importance–performance grid, where the values of importance and performance across attributes are plotted against each other (Feng et al. 2014). According to the Importance-Performance Matrix (Figure 2), all six dimensions—tangibles, reliability, responsiveness, assurance, empathy, and social currency—fall into Quadrant A, characterized by high importance and low satisfaction. This indicates a need to address and strengthen all six dimensions. Given that reliability and responsiveness were the two dimensions with the highest expectations and the widest gap between expectations and performance, these two areas should be the primary focus of resource allocation if resources are limited. The following sections will delve into as a PCO in Macau, how to improve the customer satisfaction and challenges.

## **5.1 Recommendations based on SERVQUAL model**

To enhance the tangible experience for conference delegates and exhibitors, more advanced and convenient equipment should be implemented. For example, screens displaying daily conference schedules could be installed at the entrance of each breakout room. Additionally, providing universal power adapters would accommodate delegates from various countries with different plug types. To achieve this, PCOs should collaborate with venues to clarify these requirements. Furthermore, MICE company employees could wear uniforms to facilitate easy identification by conference delegates and exhibitors seeking assistance. Currently, the only identifier for PCO employees is a badge, which can make it challenging to locate them in large exhibition halls or conference rooms.

To enhance the reliability, responsiveness and assurance experience, PCO companies should ensure that all staff members have a thorough understanding of the venue layout, conference schedule, and basic city transportation information, etc. This will enable them to provide timely assistance and promptly answer queries from conference delegates and exhibitors. Besides, staffs should be proactive and attentive to attendee needs. When multiple customers require assistance simultaneously, it can test an employee's patience, politeness, knowledge, and interpersonal skills. Therefore, PCO companies should invest in training their staff to handle such situations effectively and maintain customer satisfaction. In addition to industry-specific knowledge, staff members should possess strong communication skills in both English and Chinese. A positive and confident demeanor is essential for creating a favorable impression on customers.

To enhance empathy, employees should be attentive to and accommodate special needs. For instance, providing halal and vegetarian food options in advance can cater to the dietary requirements of customers with diverse religious and lifestyle preferences. MICE companies

should maintain detailed records of exhibitors, including their specific needs and preferences. By recognizing and addressing these individual needs, MICE companies can foster a sense of warmth, respect, and loyalty among returning exhibitors.

To give a better experience to participants in terms of social currency, PCO can implement several strategies. Firstly, providing official visual materials, such as photos from the conference or exhibition, on public platforms encourages participants to share related content on their social media. Secondly, creating group chats or online communities facilitates networking and interaction among participants. Thirdly, managing official social media accounts and actively engaging with participants by tagging them can further boost their perception of social currency at the event. Finally, setting up photo booths at the venue encourages participants to take pictures and share them online, increasing their visibility.

## **5.2 Challenges**

Macau faces stiff competition from established MICE destinations like Hong Kong and Singapore, both renowned for their strong industry reputations. While Macau is primarily associated with gambling, Hong Kong and Singapore are readily linked to shopping, sightseeing, and recreation. This lack of diversification significantly weakens Macau's competitive edge and appeal as a MICE destination.

In addition to competition from established MICE destinations, a critical challenge facing Macau is a shortage of skilled human resources. As a relatively young industry in Macau, the MICE sector lacks a sufficient pool of experienced professionals. Recognizing this issue, the Macau government has taken proactive steps to address the human resource gap. These initiatives include introducing

MICE-related courses in universities and actively recruiting experienced professionals from other regions to work in Macau.

Furthermore, according to Daily Macau, international transportation infrastructure represents a significant weakness for Macau's MICE industry. While Macau possesses an international airport, the majority of international flights connect to mainland China, East Asia and Southeast Asia. Many international visitors are required to fly into Hong Kong and then travel to Macau by ferry or car, adding an extra layer of complexity to their journey.

To conquer these challenges, seeking government support is obviously an important factor that needs to be considered. None of this new industry could have been developed without government support. For instance, not only Macau but also many other countries and regions, such as Malaysia and Singapore, have their own government departments to especially assist the development of the MICE industry. Therefore, PCO should actively build strong connection and cooperation with Macau government to gain more resource and work together to build Macau a successful MICE destination.

## **6. Limitations**

This study had several limitations. Firstly, the questionnaire was distributed at only one venue, Galaxy Macau. Given that Macau has multiple exhibition and conference venues, each with unique characteristics, the findings may not be fully representative.

Secondly, the respondents were all highly educated business visitors come to Macau to participate academic conferences, which may not accurately reflect the opinions of the broader tourist population. Future studies should be conducted at two or three different exhibition and conference venues that cater to diverse participant groups to obtain a more comprehensive understanding.

Thirdly, the study did not inquire about participants' intentions to revisit Macau in the future. Investigating the relationship between customer satisfaction and revisit intentions could provide valuable insights for future recommendations. Future studies should incorporate this question to gain a more comprehensive understanding of participant experiences and preferences.

## **7. Conclusion**

Based on this study, the tangibles, reliability, responsiveness, assurance, empathy and social currency of the Macau MICE industry fell short of participants' expectations. Consequently, local PCO should explore potential strategies or benchmark successful practices from other MICE destinations to enhance their competitive advantage in these five dimensions.

At the 2023 UFI Asia-Pacific Conference, Yusheng Yu, representing the Macau Trade and Investment Promotion Institute (IPIM), emphasized Macau's established position within the Asian MICE industry. He also expressed confidence in Macau's inherent strengths and its potential to emerge as a leading Asian city for meetings, incentives, and conventions. Furthermore, he expressed ambition for Macau to become the leading city in Asia for exhibitions.

While acknowledging existing strengths, it is also recognized that the need for continuous improvement within the Macau MICE industry to enhance the customer experience. By consistently improving service quality across all dimensions, including tangibles, reliability, responsiveness, assurance, empathy, and social currency, the industry can achieve significant growth and success.

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## Appendices

### Questionnaire

DIRECTIONS: I am a student in the NOVA school of business and economics. I am conducting a survey about your **expectation and perceptions of MICE(Meetings, Incentives, Conventions, & Exhibitions) industry in Macau**. Please show the extent to which you think successful MICE industry should possess the features described by each statement. The questionnaire is measured in a 5-point likert scale. If you strongly agree that MICE industry in Macau should possess a feature, circle number 5. If you strongly disagree that MICE industry in Macau should possess a feature, circle number 1. If your feelings are less strong, circle number 3. Your participation is greatly appreciated and all responses will be kept confidential. All we are interested in is your opinion on the satisfaction of MICE industry in Macau.

Level of **Expectation** with the following items (1=very unimportant, 5=very important)

#### 1. Tangibles

- Q1: "The MICE company has up-to-date equipment."

1      2      3      4      5

- Q2: "The physical facilities of the MICE company are visually appealing."

1      2      3      4      5

- Q3: "The MICE company employees are neat and professional in appearance."

1      2      3      4      5

- Q4: "Materials associated with the MICE company's service (such as brochures or websites) are visually appealing."

1      2      3      4      5

#### 2. Reliability

- Q5: "The MICE company provides its services as promised."

1      2      3      4      5

- Q6: "The MICE company is dependable in handling customers' service issues."

1      2      3      4      5

- Q7: "The MICE company performs services right the first time."

1      2      3      4      5

- Q8: "The MICE company provides its services at the promised time."

1      2      3      4      5

- Q9: "The MICE company keeps accurate records."

1      2      3      4      5

#### 3. Responsiveness

- Q10: "Employees of the MICE company shouldn't be expected to tell customers exactly when the service will be performed."

1      2      3      4      5

- Q11: "Employees of the MICE company give prompt service to customers."

1        2        3        4        5

- Q12: "Employees of the MICE company are always willing to help customers."

1        2        3        4        5

- Q13: "Employees of the MICE company are never too busy to respond to customers' requests."

1        2        3        4        5

#### 4. Assurance

- Q14: "Employees of the MICE company instil confidence in customers."

1        2        3        4        5

- Q15: "Customers feel safe in their transactions with the MICE company."

1        2        3        4        5

- Q16: "Employees of the MICE company are consistently courteous with customers."

1        2        3        4        5

- Q17: "Employees of the MICE company have the knowledge to answer customer questions."

1        2        3        4        5

#### 5. Empathy

- Q18: "The MICE company gives individual attention to customers."

1        2        3        4        5

- Q19: "Employees of the MICE company give customers personal attention."

1        2        3        4        5

- Q20: "The MICE company has the customer's best interests at heart."

1        2        3        4        5

- Q21: "Employees of the MICE company understand the specific needs of their customers."

1        2        3        4        5

- Q22: "The MICE company's operating hours are convenient for all customers."

1        2        3        4        5

#### 6. Social Currency

- Q23: "By sharing content about this event on social media, participants can connect with more people who share your interests."

1        2        3        4        5

- Q24: "By sharing content about this event on social media, participants can increase your visibility within the industry."

1        2        3        4        5

Level of **Perception** with the following items (1=very unsatisfied, 5=very satisfied)

**1. Tangibles**

- Q1: "The MICE company has up-to-date equipment."

1      2      3      4      5

- Q2: "The physical facilities of the MICE company are visually appealing."

1      2      3      4      5

- Q3: "The MICE company employees are neat and professional in appearance."

1      2      3      4      5

- Q4: "Materials associated with the MICE company's service (such as brochures or websites) are visually appealing."

1      2      3      4      5

**2. Reliability**

- Q5: "The MICE company provides its services as promised."

1      2      3      4      5

- Q6: "The MICE company is dependable in handling customers' service issues."

1      2      3      4      5

- Q7: "The MICE company performs services right the first time."

1      2      3      4      5

- Q8: "The MICE company provides its services at the promised time."

1      2      3      4      5

- Q9: "The MICE company keeps accurate records."

1      2      3      4      5

**3. Responsiveness**

- Q10: "Employees of the MICE company should be expected to tell customers exactly when the service will be performed."

1      2      3      4      5

- Q11: "Employees of the MICE company give prompt service to customers."

1      2      3      4      5

- Q12: "Employees of the MICE company are always willing to help customers."

1      2      3      4      5

- Q13: "Employees of the MICE company are never too busy to respond to customers' requests."

1      2      3      4      5

**4. Assurance**

- Q14: "Employees of the MICE company instil confidence in customers."

1      2      3      4      5

- Q15: "Customers feel safe in their transactions with the MICE company."

1      2      3      4      5

- Q16: "Employees of the MICE company are consistently courteous with customers."

1      2      3      4      5

- Q17: "Employees of the MICE company have the knowledge to answer customer questions."

1      2      3      4      5

## 5. Empathy

- Q18: "The MICE company gives individual attention to customers."

1      2      3      4      5

- Q19: "Employees of the MICE company give customers personal attention."

1      2      3      4      5

- Q20: "The MICE company has the customer's best interests at heart."

1      2      3      4      5

- Q21: "Employees of the MICE company understand the specific needs of their customers."

1      2      3      4      5

- Q22: "The MICE company's operating hours are convenient for all customers."

1      2      3      4      5

## 6. Social Currency

- Q23: "By sharing content about this event on social media, participants can connect with more people who share your interests."

1      2      3      4      5

- Q24: "By sharing content about this event on social media, participants can increase your visibility within the industry."

1      2      3      4      5

## Personal Information

- Q25: You identify with:

Male

Female

Non-binary / third gender

Prefer not to say

- Q26: Age: \_\_\_\_\_

- Q27: What is your usual place of residence?

- Macau(skip Q28)
- Mainland China
- others\_\_\_\_\_
- Q28: How many times you have visited Macao (including the current trip)?\_\_\_\_\_
- Q29: What is your Educational Level?
  - Bachelor
  - Master
  - Doctorate or higher
- Q30: Which of the following best describes your position:
  - Student
  - Assistant Professor or equivalent research position
  - Associate Professor or equivalent research position
  - Full Professor or equivalent research position
  - I work for a related company
  - Others