

**THE MICE MARKETING SYSTEM  
A STUDY OF THE 9<sup>TH</sup> JOGJA INTERNATIONAL TRAVEL MART  
(JITM) 2018 IN YOGYAKARTA**

**A THESIS**

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**STUDY PROGRAM OF TOURISM  
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**INTI SARI**

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*MICE (Pertemuan, Perjalanan Insentif, Konvensi dan Pameran) telah menjadi bagian dari industri pariwisata di Indonesia, khususnya di Yogyakarta. Jogja Travel Mart (JTM) atau sekarang mengubah identitas menjadi berskala internasional sebagai Jogja International Travel Mart (JITM) menegaskan dirinya sebagai satu-satunya kegiatan B2B (Bisnis ke Bisnis), dan menjadi jaringan pertemuan industri internasional pertama di wilayah Yogyakarta. Tujuan acara ini adalah untuk mempertemukan penjual dan pembeli dalam sebuah pertemuan yang difasilitasi dalam bentuk pameran.*

*Tujuan penelitian ini adalah: a. Untuk mencari tau jenis sistem pemasaran apa yang digunakan dalam mengembangkan acara Jogja International Travel Mart di Yogyakarta; b. untuk mempelajari lebih lanjut tentang strategi pemasaran acara yang telah diterapkan selama 9 tahun; c. untuk menentukan konsep dan isu strategis yang berguna dalam mempengaruhi pemasaran sektor MICE; d. Untuk menganalisis semua dokumen yang terkait dengan acara MICE, terutama pertemuan dengan gaya “table top”; e. Untuk mengidentifikasi semua kebutuhan tim pemasaran untuk mempromosikan acara ini; dan f. Untuk meningkatkan kinerja penulis, sekaligus meningkatkan pengetahuan dan pengalaman di bidang pemasaran, khususnya di sektor MICE.*

*Penelitian ini menggunakan penelitian kualitatif dengan pendekatan deskriptif. Pengumpulan data dilakukan dengan cara wawancara mendalam, observasi lapangan, dan dokumentasi. Informan dalam penelitian ini adalah perwakilan dari Dinas Pariwisata Yogyakarta, Perwakilan Asosiasi Perusahaan Perjalanan Indonesia (ASITA) Yogyakarta, Perwakilan Asosiasi Hotel & Restoran Indonesia (PHRI) dan Pembeli. Setelah data diperoleh, maka data akan dianalisis dengan menginterpretasikan data, langkah selanjutnya adalah pengecekan validitas data menggunakan data triangulasi.*

*Dalam penelitian ini, ada beberapa temuan utama yang terkait dengan acara. Peneliti menggambarkan temuan dalam bab ini menjadi tiga bagian, yaitu: (1) Temuan tentang kebutuhan khusus untuk sistem pemasaran di JITM, (2) Temuan tentang kebutuhan pembeli dan penjual, (3) Temuan tentang sistem pemasaran khusus yang digunakan dalam acara “travel mart” di Indonesia. Sementara itu, ada beberapa hasil penelitian yang diperoleh. Pertama, Panitia pelaksana JITM menggunakan sistem pemasaran khusus untuk mempromosikan acara ini. Panitia mempromosikan acara dengan cara menyebarkan undangan kepada pembeli pilihan. Kedua, Alasan panitia penyelenggara menggunakan sistem distribusi undangan ini, karena Jogja International Travel Mart bukanlah acara terbuka yang dapat dihadiri oleh masyarakat umum seperti sebuah pameran makanan atau elektronik. Acara ini adalah pertemuan bisnis antara penjual dan pembeli yang memerlukan penanganan khusus dan sistem promosi yang tidak biasa. Dan yang terakhir, cara panitia mendistribusikan undangan ini adalah dengan memilih pembeli dari negara masing-masing yang terdapat dalam database*

*Kementerian Pariwisata, database anggota ASITA atau proposal database dari PHRI, dan beberapa berasal dari database ASITA ketika melakukan perjalanan kegiatan di luar negeri. Jadi, panitia harus memberikan undangan kepada pembeli potensial untuk mendapatkan pembeli terbaik yang sudah memiliki nama di dunia perdagangan perjalanan dan memiliki izin resmi.*

*Kata kunci : MICE, Travel Mart, Table top, Sistem pemasaran, Penjual, Pembeli.*

## ABSTRACT

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MICE (Meeting, Incentive, Conference and Exhibition) has been a part of the tourism industry in Indonesia, specially in Yogyakarta. *Jogja Travel Mart* (JTM) or now rebranding to international brand identity as *Jogja International Travel Mart* (JITM) confirmed itself as the one and only B2B (*Business to Business*), networking meeting of the international travel industry in Yogyakarta region. The purpose of this event to bring together seller and buyer in table top meeting.

The purpose of this research are : a. to examine what kind of marketing system is used in developing Jogja International Travel Mart event in Yogyakarta; b. to learn more about the event marketing strategy that has lasted for 9 years; c. to determine the concepts and strategic issues that are useful in influencing the marketing of MICE sector, especially in travel mart events; d. To analyze all documents related to MICE event, especially table top style meeting; e. To identify all the strategy needs by the marketing team to promote the travel mart events; and f. To improve the author performance, both increase the knowledge and experience in the field of marketing, especially in the sector of MICE.

This research uses qualitative research with descriptive approach. Data collection is done by in-depth interviews, field observation, and documentation. The informant research is Representative of the Yogyakarta Tourism Office, Representative of Indonesian Travel Company Association (ASITA) Yogyakarta, Representative of Indonesian Hotels & Restaurants Association (PHRI) and Buyers. Once the data is obtained, then the data will be analyzed by interpreting the data, the next step is checking the validity of the data using triangulation data.

In this research, there are some main findings related to this event. Researcher described the findings in this chapter into three parts, they are : (1) Findings about the special needs for marketing system in JITM, (2) Findings about buyer and seller needs, (3) Findings about special marketing systems used in travel mart event in Indonesia. Meanwhile, there are some research results obtained by the author, the first is the Organizing Committee of JITM using special marketing system to promote this event. The committee promoting the event by spreading invitations to the preferred buyers. Second, The reason of organizing committee using this invitation distribution system, because Jogja International Travel Mart is not an open event that can be attended by the outside community like a food or electronic exhibitions. Travel mart event is a business meeting between sellers and buyers, it has special handling and unusual promotional system. And the last, the way the committee distributes invitations is to select the buyers from their respective countries which are included in the database of Ministry of Tourism, in the form of ASITA member database or PHRI database proposal, and some are coming from ASITA database when traveling mart activities in abroad. So the committee must give invitations to potential buyers to get the best buyers who already have a name in the world of travel trade and have official permission.

Keywords: MICE, Travel Mart, Table top, Marketing system, Seller, Buyer.

# CHAPTER I

## INTRODUCTION

### **A. Background of the Study**

The tourism industry plays a significant role in life and is growing very rapidly, both in economic, social and environmental aspects. Over the past six decades, tourism has experienced continued expansion and diversification, to become one of the largest and fastest-growing economic sectors in the world. An ever-increasing number of destinations worldwide have opened up to, and invested in tourism, turning it into a key driver of socio-economic progress through the creation of jobs and enterprises, export revenues, and infrastructure development. (UNWTO Tourism Highlights 2015 Edition).

The tourism industry is becoming a promising sector for promoting Indonesia. This is also the right place to introduce the MICE industry that became known in Indonesia. MICE (Meeting, Incentive, Conference and Exhibition) has been a part of the tourism industry since its appearance in the decade of the 80s until now. The development of MICE industry has provided a new atmosphere to the type of service industry activities and contributes in the economic field for developing countries and is popular as well. According to Business Travel Insights 2014: headlines, just under half (48%) of business travelers made ten or more trips in the last year. The number of travelers who made between 11 and 20 trips increased to 21% (up from 16% in 2012), which means more tourists who travel while doing their business. UNWTO also stated that some 13% of all international tourists reported travelling for business and professional purposes in 2016.



Figure 1.1. Inbound Tourism by Purpose of Visit, 2016  
Source: World Tourism Organization (UNWTO)

In real terms, tourism receipts increased by 8% in Africa, 5% in Asia and the Pacific, 3% in the Americas and 1% in Europe, while they declined 2% in the Middle East (UNWTO). This data shows if Asia occupies second position with the increase of tourists up to 5%. In line with the ASEAN countries which can compete in the MICE industry, even Singapore can occupy the 25th position, followed by Malaysia, Thailand, Indonesia, Vietnam and Philippines.

Peringkat	Negara	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Trend
25	Singapore	49	66	76	99	114	130	135	131	123	136	11,07
29	Malaysia	54	66	64	80	65	102	109	109	108	119	9,25
35	Thailand	47	72	88	110	101	103	118	112	114	88	6,44
39	Indonesia	24	30	22	27	41	49	51	51	37	64	10,57
54	Vietnam	11	9	16	18	29	28	32	42	34	29	16,04
58	Philippines	31	23	38	22	33	44	39	42	36	27	2,70

Sumber: ICCA Statistics Report

Figure 1.2. Number of ASEAN Countries Meeting 2001-2010  
Source: ICCA Statistics Report

One of the Asian countries that are still building their MICE industry is Indonesia. Indonesia is a country with a beautiful and charming natural wealth, combined with a unique diversity of arts and cultures. All of this wealth is a complete

package to attract the world traveler attention. The tourism sector in Indonesia grows positively and affects many areas of life, especially in order to increase the country's foreign exchange. In order to encourage economic growth, all business related to the tourism sector in Indonesia is a commercial business, such as investment opportunities, employment opportunities, business opportunities and improving the welfare of the community.

In line with the Ministry of Trade Republic of Indonesia which mentions that Indonesia is a strategic area and has a unique appeal, providing opportunities for the growth of the MICE industry. In December 2012, the Ministry of Tourism and Creative Economy through the Directorate of Tourism Destination Development stated that there are 15 MICE destinations in Indonesia: Jakarta, Yogyakarta, Surabaya, Bali, Lombok, Makassar, Medan, Padang, Batam and Manado, Semarang, Lombok, Palembang, and Padang. According to ICCA data from the city ranking in 2016, Jakarta, Bali and Yogyakarta, show their consistency to still develop the MICE sector.

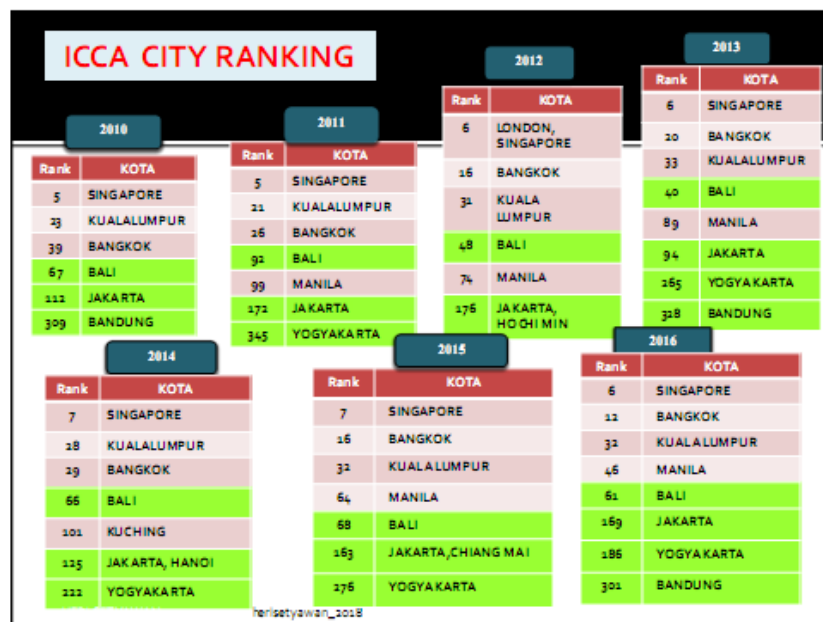


Figure 1.3. City Ranking that organized the largest MICE in the World.

Source : ICCA Statistics Report

Maintaining the number of meetings and becoming a MICE destination is not an easy task. Jakarta, Bali and Yogyakarta are required consistently to organize MICE events, such as a travel mart, which is a special event and covers almost all MICE activities. Jakarta as the MICE destination with the most number of events organized a Travel mart event named AJTM (ASITA Jakarta Travel Mart) in 2016 and 2017. This event is the only Business to Business Travel Mart for the Domestic Market held in the Capital of Indonesia, Jakarta and authorized by the Department of Tourism & Culture of the Provincial Government of DKI Jakarta and the Ministry of Tourism of the Republic of Indonesia. Bali also have the same event called Bali & Beyond Travel Fair (BBTF) as the annual Travel & Tourism expo in Bali and choosing the date of exhibition event in every mid of June in conjunction with an annual Bali Art Festival for which will be held every mid of June of the year since 2014. Interestingly, Yogyakarta also has the same Travel mart event but has been running for 9 times the implementation, called Jogja Travel Mart (JTM).

Jogja Travel Mart (JTM) or now rebranding to international brand identity as *Jogja International Travel Mart* (JITM) is established in 2008. JITM have hosted about 972 buyers in the past eight years (2010-2017) and the top buyers from the key markets in EUROPE/ NA including The Netherlands, France, Germany, US, Spain, and Belgium. Top buyers from the key markets in ASIA PACIFIC include Japan, Malaysia, Singapore, Australia, Thailand and China. Top buyers from the key markets in INDONESIA include Bali, Jakarta, Medan, Bandung, Lombok and Surabaya.



**8 YEARS**

BUYERS STATISTIC			SELLERS STATISTIC	
YEAR	INTERNATIONAL BUYERS	NATIONAL BUYERS	YEAR	SUB TOTAL
2010	41	81	2010	51
2011	50	46	2011	66
2012	87	37	2012	70
2013	61	67	2013	71
2014	105	45	2014	80
2015	81	15	2015	83
2016	79	36	2016	107
2017	103	35	2017	88
	610	362		620

Figure 1.4. Data Buyer and Seller 2010 to 2017

Source: [www.jogjatra velmart.co.id](http://www.jogjatra velmart.co.id)

JITM is held annually in a different theme, reunites international and national tourism industry leaders gathered for a series of table-top style meetings. International buyers seek the best-matched Yogyakarta tourism sellers. International buyers are free to search and determine the best and most suitable products from tourism vendors in Yogyakarta. The expected end result is that tourists can choose the best products or packages from the best through the experience of elections in Yogyakarta. Interestingly, these 'buyers' come from various countries and regions. For the last 8 years the number of buyers reached to 972 people, and 62% of them are international.



Figure 1.5. The number of International and domestic buyers in JITM for 8 years

Source : [www.jogjatra velmart.co.id](http://www.jogjatra velmart.co.id)

The Special Region of Yogyakarta, also well-known as DIY, is a province in the Southern part of Java Island with the capital city, Yogyakarta. Geographically, Yogyakarta is located in Central Java with covers around 3,169 km<sup>2</sup> with a population

of 3,109,142 people (census of 2000). The Special Region of Yogyakarta is divided into Regencies in Government Regulation Number 32 Year 1950 Law of the Republic of Indonesia. There are Bantul, Sleman, Gunung Kidul, Kulon Progo and the City of Yogyakarta. Before Indonesia became Independent, Yogyakarta already had a tradition of government because Yogyakarta is the Sultanate.

In addition to the famous tourist destinations such as Malioboro, Taman Sari, Kraton Yogyakarta, Merapi, Kaliurang and the beaches in Wonosari, Yogyakarta is also known for the tasty and cheap food. The atmosphere of Yogyakarta is comfortable and safe, making anyone who comes to Yogyakarta feel happy and want to come back again. Yogyakarta is the province that is still strong with the Javanese art and culture which is an important part of public life. No wonder if tourism becomes one of the sectors to be noticed by the Government. In addition, the MICE sector also began to invest in Yogyakarta in line with the national and international events which are quite often held in Yogyakarta.

In line with the start of many international events, this requires Yogyakarta to improve itself specifically, like the annual event that will take place in Yogyakarta on 8<sup>th</sup> to 10<sup>th</sup> May 2018 at Hotel Royal Ambarrukmo Yogyakarta, the 9<sup>th</sup> Jogja International Travel Mart (JITM). Yogyakarta must be ready and provide a variety of hardware such as physical infrastructure and expert human resource software with a first-class service mentality. In addition to improving infrastructure and improving the quality of human resources, the most important thing in terms of attracting the masses is to enhance promotion and marketing.

Marketing in one event will complement the entire system that has been designed, as well as for an event that has been sustainable every year. Hiam and Schewe (2008: 7) state that "marketing is the result of all activities that keep the company

always concerned with its customers and with good management, ensuring that the products or services the company offers are valued by its customers." The word 'keep' in this statement is very interesting and make the author interested in studying the marketing system used by the committee of Jogja Travel Mart in maintaining this event which has lasted for 9 years in Yogyakarta. However, there were no studies carried out on the process of organizing the marketing system, where the main focus is the marketing strategies and how to promote MICE event. Considering that were no similar research carried out up to date due to this study, the author does this research with the title "**The Mice Marketing System A Study of The 9<sup>th</sup> Jogja International Travel Mart (JITM) 2018 in Yogyakarta**".

## **B. Problem identification**

In general, the MICE industry in Yogyakarta area has not been well studied, so there are many unanswered questions and only a few references. The thesis project implemented by the author is a complex and special activities, specifically in this case which focus on the MICE event. MICE industry has grown, developed and mirrored the changes of the overall hospitality industry (Montgomery & Strick, 1995; Rogers, 2008). Considering that the JITM event is on an international scale and has been continuous, and it is in line with the increasing number of events held in Yogyakarta, in line with the growing of MICE industry, promotion and marketing strategy still needs to be done.

Based on conceptual problems, the author question about how the marketing strategy of JITM worked? How many types of marketing strategy they used? How has the marketing strategy become an important problem to bring the participants joined this event? However, the success of the marketing strategy can be seen if this event has many participants. A thorough identification of the marketing strategy in this event is

highly necessary in order to bring more buyers. How to promote this event is the next factor related with conceptual problems. Some of identification problems are related to the marketing system in JITM event certainly includes several important aspects, including:

1. The marketing strategy, such as promotion for the event;
2. Dissemination the information to the buyers as the main target for this event besides the seller;
3. The special event concept for travel mart event which affect the marketing system.

All these aspects need to be researched because in addition to tourism, products must be able to compete effectively in the market and must have a sustainable benefit to the economy. The sustainability of this event seems to be a fresh air for the MICE organizers, but the authors are interested in examining whether the organizers of JITM have a marketing strategy that is used as a reference every year.

### **C. Problem Limitation**

Limitation given by the author in the research will be achieved by staying within the scope of the problem and focus on research conducted. Some limitations of the problem in this study are as follows:

1. First and foremost, this kind of research will initiate more studies in the MICE industry's field in JITM.
2. The scope of this research area is The JITM event which is held in Yogyakarta, specifically at Royal Ambarrukmo Hotel.

3. The area of the substance under study covers only the marketing system of Jogja International Travel Mart 2018 event, regarding the system used and its influence in the organization of JITM every year.
4. The information that the author want to get is about the marketing strategies used by the JITM committee and its components to promote the event.
5. The marketing Strategies are focused to how the marketing team promotes and dissemination this event and not the product, because this event is all about bring together the buyers and sellers in one forum, which is exhibition with table top style.
6. The information limited from the government as a facilitator, the travel agents association, ASITA and bring together Hotels & Restaurants from PHRI.

#### **D. Research Questions**

In an effort to make a quality and popular event in the current globalization era, the marketing system must be able to attract the participants to join this event. For that reason, the committee of JITM majoring in marketing and promotion must fulfill some of the required aspects. Based on the description above, the following research questions are formulated.

1. What is the Marketing Strategy used by the marketing team of Jogja International Travel Mart (JITM) 2018?
2. Why is Jogja International Travel Mart (JITM) using this marketing system?
3. How does the marketing system used by the marketing team of Jogja International Travel Mart (JITM) 2018 to attract the buyers?

## **E. Research Goals and Objectives**

The objectives to be achieved by the authors in this study are to carry out a problem-solving efforts and plan answers to research problems, in this case specifically to aim to:

1. Examine what kind of marketing system is used in developing Jogja International Travel Mart event in Yogyakarta;
2. Learn more about the event marketing strategy that has lasted for 9 years;
3. Determine the concepts and strategic issues that are useful in influencing the marketing of MICE sector, especially in travel mart events.
5. To analyze all documents related to MICE event, especially table top style meeting.
6. To identify all the strategy needs by the marketing team to promote the travel mart events.
7. To improve the author performance, both increase the knowledge and experience in the field of marketing, especially in the sector of MICE.

## **F. Research Benefits**

A study contributes to various parties and is divided into 2 (two) aspects, theoretically and practically aspects. The MICE events bring benefits to the host community, host organizer and event participants themselves. However, according to JITM event, there are many potential aspects can be utilized. Verbally and nonverbally, there are numerous benefits that can be obtained from it. These benefits deal with many aspects; from scientific, promotion strategy, handling event, as well as spin-off benefits which covers the local to international aspects. The benefits from theoretically and practically aspects can be described as follow:

## **1. Theoretical Aspects**

The research is conducted in order to provide benefits directly, either to individual and institution as a reference to take the policy that related to marketing strategy in a MICE event, especially in table-top meeting style and travel mart events. Which means can be used as the reference of science development in MICE sector. In addition, this research is intended to contribute theories about competitive and sustainable marketing models or strategies for travel mart event. The study gives scientific benefit as it can be used as a model in order to conduct similar progressive qualitative research in marketing strategy for similar events.

## **2. Practical Aspects**

The benefits of practical research can be applied directly in real life, both from the Government side and institutions directly that involved in the implementation of this event. This research is intended to be a reference for developing the MICE sector in Yogyakarta from the event marketing side, especially in travel mart events. In addition, the community also can take the positive side from this research to make them understand about MICE and ready to participate in the field. Educational institutions can make the results of this research as a reference in the development of science and increased the information for tourism side as well. Another operational benefit related to tourism policies and stakeholders, furthermore, to support the competitiveness and sustainability of the MICE sector, especially in Yogyakarta.