

## THE MEETING, INCENTIVE, CONVENTION, EXHIBITION (MICE) INDUSTRY'S ADAPTIVE STRATEGIES DUE TO PANDEMIC IN MALAYSIA

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**Abstract:** The COVID-19 pandemic has significantly affected the events industry, postponing, cancelling, or virtualising over 1,000 events. Despite substantial efforts by the Ministry of Tourism, Arts and Culture (MOTAC), there remains a pressing need for a comprehensive strategy to enhance the overall performance of the tourism sector. A crucial aspect of this strategy involves the development of sustainable guidelines specifically designed for the activity industry. Based on interviews with 11 individuals from various sub-sectors within the Meetings, Incentives, Conferences, and Exhibitions (MICE) industry, this qualitative study highlights an increasing reliance on government initiatives to stimulate economic growth and establish Malaysia as a leading destination for MICE events. Participants consistently noted a significant shift in event organisation practices, emphasising the critical integration of technology throughout the event life-cycle, from planning to execution. As a result, there is an increasing demand for new skills to effectively create engaging and immersive experiences for both physical and virtual event attendees. This comprehensive strategy positions Malaysia's MICE industry to adapt, innovate, and succeed in a rapidly changing environment.

Keywords: MICE, pandemic, standard operating procedure, business event.

### Introduction

The urge from the Malaysian government to enforce a Movement Control order in response to reducing the spread of the COVID-19 virus has become a great challenge for the sustainability of the event industry. All type of gatherings were forbidden and only allowed to resume from 1 July 2020 onwards (Ho & Sia, 2020). The widespread COVID-19 has become the main concern for all event players as more than 1,000 events were postponed, cancelled, or forced to be virtual (Kamel, 2020) and if referred to the Malaysia Convention & Exhibition Bureau (MyCEB) website ([www.myceb.com](http://www.myceb.com)), there were 27 conventions were postponed to a new date, two convention events were cancelled; 24

exhibitions were cancelled, one exhibition has changed to virtual program, and five exhibitions were cancelled due to pandemic. These numbers imply a drastic change in strategy to overcome and cope with the pandemic situation. However, despite the serious actions taken by the Ministry of Tourism, Arts and Culture (MOTAC), a strategy is still needed to improve the tourism industry's performance (Perimbanayagam, 2020). One strategy involves developing a risk management model tailored to the event industry. This is particularly crucial for event organisers who encounter significant challenges ensuring safety during hybrid and physical events. This need is underscored by Wut and

Wong (2021), who emphasises the importance of understanding the events industry's approaches to managing risks amidst a pandemic.

Therefore, this article analyses how industry players in the Meetings, Incentives, Conventions, and Exhibitions (MICE) industry have responded to the effects of the pandemic and their perspectives on the industry's future. This is one of the very few studies that has concentrated on the operations of the MICE industry during the COVID-19 pandemic in Malaysia. Generally, this article will explore the mechanism of the event industry managing risk during catastrophic events and explore the understanding of the inclusion of event stakeholders' collaboration and involvement in shaping Standard Operating Procedure practices during the Pandemic for the MICE Industry.

Specifically, this research will also explore the adaptive strategies among MICE Industry players to recover and resilience in the business during the pandemic. The objectives of this study are threefold: (i) How does the MICE industry manage risk during a catastrophe? (ii) How does the inclusion of MICE stakeholders' collaboration and involvement shape the Standard Operating Procedure Practices for the MICE Industry during the pandemic? (iii) What adaptive strategies have MICE industry players employed to maintain resilience and sustain business operations during the pandemic?

The following sections of this article are structured as follows. First, this study thoroughly reviews the literature on the MICE market and analyses historical crises that have significantly impacted this sector. A comprehensive understanding of the MICE industry before and after the COVID-19 pandemic is then explored. The study also examines the implementation of standard operating procedures during the COVID-19 pandemic. Subsequently, the methodology employed in this research, the results obtained, and the subsequent analysis are presented. The article concludes with a detailed examination of the adaptive strategies adopted within the MICE industry and offers recommendations for future directions.

## Literature Review

### *MICE Industry and the History of Crises*

Bas and Sivaprasad (2020) highlight that the Meetings, Incentives, Conferences, and Exhibitions (MICE) industry is a significant and rapidly expanding segment of the global tourism economy. This sector has been impacted by various crises, including natural disasters and those caused by human actions (Faulkner, 2001). Notable global events in recent history include the severe acute respiratory syndrome (SARS) outbreak from 2002 to 2003 (Jamal & Budke, 2020), the 2008 international financial crisis (Bas & Sivaprasad, 2020), and the 2009 swine flu pandemic. Furthermore, significant global events such as the terrorist attacks in the United States on September 11<sup>th</sup>, 2001 and the Fukushima nuclear disaster in the same year have exerted a substantial influence on the international landscape (Higgins-Desbiolles, 2020; Rouhi Khorasani, 2021).

More recently, the ongoing COVID-19 pandemic continues to exert substantial effects worldwide. While the origins of this current health crisis are not directly related to the financial sector, its impacts are comparably significant across several industries (Bas & Sivaprasad, 2020). Historical global public health crises caused by coronaviruses such as the SARS epidemic of 2002-2003 and the Middle Eastern Respiratory Syndrome (MERS), which remains prevalent in certain regions, illustrate these viruses' recurrent threats (Jamal & Budke, 2020). Previous coronavirus outbreaks, including COVID-19 have typically involved zoonotic transmission, where viruses are transmitted from animals to humans (Jamal & Budke, 2020).

### *MICE Industry Before COVID-19*

The MICE industry in Malaysia played a significant role in the country's tourism sector, with robust growth before the onset of the COVID-19 epidemic. According to the International Congress and Convention Association (ICCA, 2021), Malaysia attained the

36<sup>th</sup> position globally in the ICCA rankings for international business events and conferences in the year 2021. Malaysia has successfully established a high-quality infrastructure to facilitate the MICE industry at an international level. Kuala Lumpur, the capital city has gained popularity as a preferred destination for hosting conferences and exhibits due to its contemporary convention centres, hotels, and transportation infrastructure. The Kuala Lumpur Convention Centre (KLCC) was a popular venue for hosting international events regularly. According to Nath (2022), the Malaysia International Trade and Exhibition Centre (MITEC) was awarded the title of Best Convention Centre in Malaysia for the year 2022 by the World MICE Awards. This recognition was bestowed upon MITEC during the awards ceremony held in the Ritz-Carlton Amman, Jordan.

As a result, the Malaysian government recognises the importance of the MICE industry and supports its growth and development through various initiatives. The Malaysia Convention & Exhibition Bureau (MyCEB) was founded as a specialist entity to promote and advance the MICE business in the country. Malaysia has also served as the host country for other international conferences, exhibits, trade fairs, and symposia. These events attracted people from various regions worldwide and encompassed a wide range of businesses such as healthcare, technology, finance, and tourism. In addition, it is worth noting that the MICE industry has significantly influenced Malaysia's economic landscape.

According to a report by Mail (2021), the MICE industry made a substantial contribution of RM27.5 billion to Malaysia's gross domestic product in 2019. The organisation made revenue by providing various services like event hosting, housing, transportation, food, and retail facilities. Moreover, it has facilitated the creation of job prospects and made significant contributions to several sectors such as hospitality, tourism, and event management. Before the onset of the COVID-19 pandemic, the MICE sector in Malaysia had significant

growth and successfully drew the participation of both domestic and international events. Nevertheless, similar to numerous other countries, the pandemic resulted in substantial disruptions due to travel restrictions, event cancellations, and health-related apprehensions. The complete revival of the MICE business is reliant on the worldwide containment of the virus and the recommencement of international travel and event activities.

### ***MICE Industry During COVID-19***

The unexpected onset of the COVID-19 pandemic had a significant and detrimental impact on the MICE sector. As per Kamel (2020), more than 1,250 MICE events in Malaysia were either cancelled, rescheduled, or shifted to virtual formats. A report by Mail (2021) highlighted a substantial financial setback of approximately RM1.5 billion for the MICE sector in Malaysia by mid-March 2020. The nation's unemployment rate reached 5.3% in May 2020, marking a level unseen in the past decade, according to the Department of Statistics Malaysia (2020). In 2020, the COVID-19 epidemic caused a considerable decline in revenue, placing significant strain on global healthcare systems. In response, governments-imposed restrictions on international travel, meetings, and activities.

Consequently, over 1,250 business events in Malaysia were postponed or cancelled, resulting in an unprecedented economic deficit exceeding RM1.75 billion. This situation also led to a substantial rise in job cuts and unemployment rates (MACEOS, 2020). This unfortunate incident adversely affected the overall performance of the corporate events industry (Madray, 2020). Therefore, the event sector must evaluate various potential scenarios and make necessary preparations to capitalise on opportunities in conditions characterised by uncertainty (Liu-Lastres & Cahyanto, 2010).

### ***Standard Operating Procedures (SOPs)***

The government has implemented a novel campaign to address the management of risk

associated with the COVID-19 pandemic. The campaign’s focus is “Together, Let’s Stop the COVID-19 Outbreak”, which seeks to raise awareness about the importance of maintaining the new normal (Povera & Hammim, 2020). The active participation of various governmental entities, including ministries, departments, agencies, and the corporate sector and non-governmental organisations is continually sought to communicate and adopt new societal standards effectively. The newly established guidelines encompass the utilisation of hand sanitiser, wearing face masks, practising frequent hand washing, and maintaining a social space of one metre between individuals.

In addition to the government’s implementation of standard operating procedures, a new policy pertaining to the tourism industry has been introduced with the primary objective of mitigating the transmission risk of the COVID-19 virus. The government has recently implemented a new set of Standard Operating Procedures (SOPs) for the tourism industry, which primarily focus on the activities and protocols to be followed by parties involved in events. This update was introduced on March 16, 2021 (Table 1). Hence, the government’s introduced activity and protocol for standard operating procedure were selected as the foundational model to investigate the application of standard operating procedure.

**Research Design and Methodology**

**Data Collections**

The study employs a qualitative semi-structured methodology, using recorded Zoom and Google Meet interviews. Each interview lasts approximately 45 to 60 minutes and follows a predetermined set of five structured questions. The primary objective has been to comprehensively understand the respondents’ perspectives regarding the subject matter in light of their own experiences within the organisational context. Selected 15 MICE industry representatives, including venue operators, event organisers, government personnel, and representatives from associations were asked to partake in semi-structured interviews for this qualitative study. During the interview process spanning from January to May 2022, it was observed that four participants were unable to attend their scheduled interviews due to their demanding work commitments.

The study interviewed key stakeholders in the MICE industry to gather insights on their experiences regarding the impact of pandemics. Additionally, the study explored their collaborative efforts with the Business Events Council Malaysia (BECM) and MyCEB to develop industry-specific SOPs and their perspectives on the future of the MICE industry. The goal has been to foster proximity and acquire a comprehension of the many circumstances

Table 1: Standard Operating Procedure introduced by MoTAC on 16 March 2021

| Activity and Protocol                 |                                 | Responsibility for the Event’s Organiser Before, During, and After the Event | Venue Provider          | Protocol for Disease Control Management |
|---------------------------------------|---------------------------------|------------------------------------------------------------------------------|-------------------------|-----------------------------------------|
| Health declaration                    | Online registration and QR code | Health screening                                                             | Emergency               | Briefing for exhibitor                  |
| Physical distance                     | Medical treatment               | Crowd management                                                             | Waste management        | Event crew                              |
| Cafeteria/food and beverage operation | Medical treatment               | Face mask and hand glove                                                     | MySejahtera application | Limitation of event’s stakeholders      |

experienced by MICE industry stakeholders from their respective viewpoints. The selected interviews are semi-structured, as the survey aims to concentrate on specific subject areas to obtain targeted responses to questions. However, it is also vital to grant the respondents some degree of control during the interview process, allowing them to express their perspectives on significant matters.

The research incorporates various ethical considerations, encompassing the importance of accurate and thorough information, obtaining informed consent from participants, ensuring the confidentiality of data, and adhering to guidelines for the responsible use of research findings. Before initiating the interviews, it is crucial to inform the participant about the study’s objectives and the conditions governing their involvement. It is particularly vital to underscore that participation is voluntary and participants have the right to withdraw at any point if they choose to do so. Additionally, it is noteworthy that the participants’ identities were kept confidential throughout the study, as detailed in Table 2.

**Data Analysis**

Since new ideas always change early analysis, data analysis needs to continue throughout a project. Establishing patterns, familiarisation,

reordering, and detecting topic matrices from interview transcriptions begins initial data analysis (Miles & Huberman, 1994; Robson, 2011). The collected data underwent analysis involving identifying key concepts within the coding derived from interviews. This analytical process commenced with the transcription of the interviews, followed by translating these transcriptions into English. The subsequent stages of data analysis involved the systematic organisation of observed patterns, the development of a comprehensive understanding of the content, and the identification and rearrangement of the underlying thematic structure derived from the transcriptions (Miles & Huberman, 1994). The transcriptions were systematically analysed to comprehend the inherent meanings and discern any identifiable patterns within the emerging data.

The research focused on identifying and highlighting keywords, sentences, and paragraphs relevant to the research topics. In the data analysis phase, researchers transcribed the material in a manner that faithfully captured the speech patterns of the respondents. Furthermore, necessary adjustments were made to transform spoken language into written form, occasionally modifying sentence structures as needed. The interview transcript was recorded, transcribed, and input into the Atlas—the version 9 software

Table 2: Respondents profile

| No. | Initial | Sex    | Business Type                           | Location     |
|-----|---------|--------|-----------------------------------------|--------------|
| 1   | KL1     | Male   | Convention Bureau                       | Kuala Lumpur |
| 2   | KL2     | Male   | Convention Centre                       | Kuala Lumpur |
| 3   | KL3     | Female | Professional Conference Organiser (PCO) | Kuala Lumpur |
| 4   | KL4     | Male   | Convention Centre                       | Kuala Lumpur |
| 5   | KL5     | Male   | Professional Conference Organiser (PCO) | Kuala Lumpur |
| 6   | P1      | Male   | Convention Bureau                       | Penang       |
| 7   | P2      | Male   | Event Company                           | Penang       |
| 8   | JB1     | Female | Convention Centre                       | Johor Bahru  |
| 9   | JB2     | Female | Hotel                                   | Johor Bahru  |
| 10  | S1      | Male   | Event Company                           | Selangor     |
| 11  | S2      | Female | Event Company                           | Selangor     |

platform. Qualitative data analysis tools facilitated the categorisation and grouping of interview transcript codes. This process resulted in the emergence of significant topics, specifically “Standard Protocols”, “SOP”, “challenges”, and “strategies”, which will be further examined in the subsequent section.

**Results and Discussion**

The interviews with venue operators, event organisers, government officials, and association representatives revealed several key themes: Standard protocols, challenges, and strategies. These primary themes were further substantiated by incorporating direct quotations from the interview data, strengthening the findings’ validity.

*Standard Protocols*

Effective December 19, 2020, the Malaysian government has authorised the organisation of MICE or Business Events, subject to a visitation limit of 50% of the premises’ size or the actual number of attendees. The recent government

statement has been well-received by the sector, as it is expected to enhance business events and support the efforts of MOTAC Malaysia in attaining its objectives outlined in the Tourism Recovery Plan. As depicted in Figure 1, a collaborative effort has been undertaken by MyCEB, the Malaysian Association of Convention and Exhibition Organisers and Suppliers (MACEOS), and the Business Events Council Malaysia (BECM) to formulate the Malaysia Business Event Guidelines, which have received endorsement from the Malaysian National Security Council (MKN). The objective of the guideline is to provide a structured framework for the organisation of exhibitions, conferences, and other forms of corporate events in the aftermath of the epidemic, in alignment with governmental directives.

“We came out with SOP as approved by the National Security Council (MKN) and received support from all parts of the Business Event Industry, including exhibition organisers, conference organisers, venue operators, suppliers, and trade associations. We value every

| DESCRIPTION                                                                              | PHASE 3                                                                                                                                                                                   | PHASE 4                                                                                                                                                                                   |
|------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>CAPACITY</b><br>(Business Events: conferences, exhibitions, corporate meetings & etc) | <b>50% from full capacity</b><br>subject to the venue size<br>in one meeting room/hall <b>at any one time</b>                                                                             | Subject to the venue size<br>with physical distancing                                                                                                                                     |
| <b>PHYSICAL DISTANCING</b>                                                               | Minimum of 1 metre                                                                                                                                                                        | Minimum of 1 metre                                                                                                                                                                        |
| <b>CHAIR/TABLE ARRANGEMENT AT THE EVENT AREA</b>                                         | Minimum of 2 metres                                                                                                                                                                       | Minimum of 2 metres                                                                                                                                                                       |
| <b>DENSITY RATIO (FOR EXHIBITION)</b><br>(including exhibitors and organiser)            | <b>4sqm (2m x 2m)</b><br>250 pax per 1,000sqm gross space                                                                                                                                 | <b>2.25sqm (1.5m x 1.5m)</b><br>444 pax per 1,000sqm gross space                                                                                                                          |
| <b>EVENT SPACE DISINFECTING &amp; SANITISATION</b>                                       | Mandatory                                                                                                                                                                                 | Mandatory                                                                                                                                                                                 |
| <b>DEDICATED HEALTH MARSHALL</b>                                                         | Mandatory                                                                                                                                                                                 | Mandatory                                                                                                                                                                                 |
| <b>PRE-EVENT SOP BRIEFING</b>                                                            | Mandatory<br>venue, exhibitor & service supplier                                                                                                                                          | Mandatory<br>venue, exhibitor & service supplier                                                                                                                                          |
| <b>ADMISSION OF EVENT</b>                                                                | <b>Fully Vaccinated Individuals</b><br>Non-vaccinated individuals must take pre-event self-test kit (saliva), witnessed by the organizer or with confirmation from a medical practitioner | <b>Fully Vaccinated Individuals</b><br>Non-vaccinated individuals must take pre-event self-test kit (saliva), witnessed by the organizer or with confirmation from a medical practitioner |
| <b>FOOD SERVICE</b>                                                                      | Packed Meal only                                                                                                                                                                          | Packed Meal/Self-service buffet with disposable glove/Served buffet                                                                                                                       |
| <b>BANQUET EVENT</b><br>(gala dinner, awards ceremony & etc)                             | Not Allowed                                                                                                                                                                               | <b>Allowed – 50% from full capacity</b><br>(re ‘Aktiviti Sosial’ listed in the SOP of Phase-4)                                                                                            |
| <b>PREMISES</b>                                                                          | Dedicated purpose-built venue with strict SOP compliance (recommended work with SafeBE certified venues)                                                                                  | Dedicated purpose-built venue with strict SOP compliance (recommended work with SafeBE certified venues)                                                                                  |

This guidance is updated as of 16 October 2021. Organisers, venue operators and service suppliers should continue to monitor the developments and guidance issued by MKN, MOH and other authorities, and where appropriate, to reflect these in its SOP. This guidance may be revised from time to time by MACEOS.

Figure 1: SOPs provided by MyCEB, MACEOS, and BECM

feedback that we receive during this process.” (KL1)

Many restrictions previously implemented in earlier phases were relaxed during the Recovery Movement Control Order (RMCO). It is worth noting that there has been a considerable decrease in the number of confirmed cases. As a result, medium-scale events, including seminars, conferences, and meetings have been authorised to take place, provided that a social distance of one metre is maintained. However, it is essential to note that international borders have continued to be closed, resulting in Malaysians being prohibited from travelling abroad and foreigners being denied entry into Malaysia unless authorised by the director-general of immigration.

The standard operating procedure aimed at mitigating the risk of COVID-19 infection is commonly known as “basic safety guidelines”. According to the Prime Minister of Malaysia, it is imperative for individuals to strictly comply with Standard Operating Procedures (SOPs) to mitigate the transmission of COVID-19. These SOPs encompass many measures, including body temperature monitoring, adherence to social distancing guidelines, use of face masks, regular handwashing, and the use of hand sanitisers (Codeblue, 2020).

“We have implemented rigorous Standard Operating Procedures (SOPs), which the National Security Council approved. Our events are meticulously organised and conducted within a secure, controlled, and regulated environment. This allows us the flexibility to adjust the number of participants based on the level of vigilance and the size of the venue.” (KL2)

“Permitting gatherings of small groups is crucial for sustaining the industry and mitigating the impact of a total shutdown. So, it is good that we have SOPs to follow and cater to the industry as this industry is complex.” (KL3)

Certain venue operators have established their protocols for mitigating the risk of COVID-19 transmission, in addition to the guidelines provided by MyCEB, MACEOS, and BECM.

“The Standard Operating Procedures for our venue encompass ongoing staff training, public awareness through multimedia displays, social distancing measures in public areas and event venues, the utilisation of the MySejahtera QR code for e-health screening, temperature scanning, the provision of hand sanitisers, implementation of advanced food safety protocols, heightened routine surface cleaning, air quality control, and the use of daily monitoring systems.” (P1)

“We consistently and frequently disinfect common touchpoints, including elevator buttons, escalator and staircase handrails, door handles, washrooms, and food court and prayer room facilities. Additionally, incorporating HEPA filters, our ventilation system performs six complete cycles of fresh air exchange every hour.” (KL4)

MACEOS and BECM have introduced the “BE-READY” initiatives to facilitate the safe implementation of MICE events in alignment with the local business event guidelines prescribed by the Malaysian National Security Council Standard Operating Procedures, coinciding with the reopening of businesses. The activities mentioned above not only successfully reinstated the general public’s trust in engaging in MICE events but also furnished industry participants with a comprehensive comprehension of executing MICE events in the prevailing circumstances (Ho & Sia, 2020; Tore, 2020).

In summary, a group of 11 representatives from the MICE industry, encompassing venue operators, event organisers, government

personnel, and association representatives, reached a consensus that the development of these protocols aimed to convey to the global business community that Malaysia was ready to resume hosting business events. Nevertheless, it is crucial to acknowledge that although the established standards played a significant role in directing the organisation of in-person MICE events, participants observed that these guidelines were prescriptive in nature. The execution of protocols differed depending on the specific location or event.

### ***The Challenges During the COVID-19***

The events sector has faced a considerable downturn due to the impact of the Coronavirus Pandemic. The cancellation or rescheduling of most events has resulted in what is now considered the most significant crisis in the history of the event business. This situation poses a complex challenge for those responsible for organising or planning events. To curb the spread of COVID-19, industry stakeholders must comply with the guidelines provided by public health authorities and government officials. Concurrently, they must devise strategies to sustain their event-based enterprises once the lockdown measures are lifted.

“Having guidelines and SOPs is good. Nevertheless, we tend to get confused as too many versions of SOPs keep coming out based on the situation here in Malaysia. We must keep updated with MKN and the circle, so, no one is left out.” (KL2)

Moreover, findings from a survey conducted by MACEOS (Kamel, 2020) indicate a substantial decline in revenue within the business events industry, reaching RM2.25 billion. This marks a significant 90% decrease since the initiation of the Movement Control Order (MCO). From March onwards, 5,610 individuals have faced job displacement, representing nearly 17% of the entire labour force in the industry. Additionally, venues have grappled with a considerable reduction in revenue. In response, Budget 2021 has outlined

provisions implemented by the Social Security Organisation, including exemptions from Human Resources Development Fund fees and the provision of salary assistance for those in the lowest income brackets.

“In the initial lockdown phase, we had either to lay off a significant portion of our operational staff or place them on unpaid leave. We also provided the option for individuals to remain with minimal pay or choose to leave the company. As the owner, it was a difficult decision, but the uncertainty of the situation, with no clear timeline for the resumption of events, left me with limited choices. Without events taking place, there was no immediate need for a full staff complement to execute them.” (JB1)

“Exhibition companies, organising firms, and supply companies have taken measures such as temporary closures, employee layoffs, or a reduction in workforce numbers.” (KL5)

One of the respondents operated in the MICE and ground handling industries. According to the respondent, the company’s primary focus during the COVID-19 pandemic was to mitigate the occurrence of event cancellations. However, clients ultimately had to contend with a substantial number of cancellations. There was a collective expression of concerns inside the sector. Nevertheless, because of the enduring impact of the COVID-19 epidemic, businesses were driven to decrease their operational expenditures. The study by Rouhi (2021) found that many cases involved either dismissals or transitions to part-time employment. The ramifications of cancelling physical events extend beyond trade shows and event organising firms to encompass their clients, exhibitors, and other stakeholders involved in event-related activities. Cancelling exhibitions or events due to the pandemic may have severe and lasting consequences for enterprises that rely on these platforms to generate annual sales.

Throughout the ongoing epidemic, businesses have encountered significant challenges, adversity, and obstacles in their efforts to achieve growth. Consequently, the organisation has incurred significant financial losses, necessitating reduced services due to insufficient funds. The potential jeopardy of their employees' positions, the decline in global revenue, and the imperative to secure funding for long-term sustainability are pressing concerns.

The respondents claimed that the businesses were undergoing a significant shift, and the staff members were attempting to adapt to the new adjustments. As anticipated, these new adjustments will generate novel sources of revenue. Provided that all requisite safety measures are implemented, the operations will gradually return to a state of normalcy in the foreseeable future.

“The businesses used “New Norm Models” now. Before COVID-19, every conference organiser will have an office to operate their daily business. Due to the pandemic, we are okay and comfortable operating anywhere we are as long as there is Internet access.” (JB2)

“No need to meet up face-to-face with clients. We can virtually keep the communication open via WhatsApp or Zoom meetings like this.” (KL5)

A notable majority of 54.5% of participants placed considerable importance on the flexibility of event cancellations, as indicated by six out of 11 respondents. In line with the findings of Kamel (2020), it is evident that Malaysia had significant cancellations and postponements of MICE events over the period spanning from early to mid-2020. These disruptions were comparable to the cancellations observed in conferences, exhibits, athletic events, concerts, and cultural events. A respondent stated, “Many customers requested refunds and we did our best to accommodate them.” Furthermore, the respondents reached a consensus that their business is no longer financially capable

of hosting the scheduled events due to the economic downturn triggered by the COVID-19 pandemic.

## **Adaptive Strategies**

### ***Economic Impact and Government Initiatives***

In response to the economic repercussions of the COVID-19 pandemic, the Malaysian government implemented various measures, specifically targeting the alleviation of burdens on the Below 40 (B40) demographic. These measures included direct fiscal injections into the economy, notably through introducing the Prihatin Rakyat Economic Stimulus Package (PRIHATIN), totalling RM250 billion on February 27, 2020. Additionally, the government introduced two economic stimulus packages: The supplementary PRIHATIN package, valued at RM10 billion and the National Economic Recovery Plan (PENJANA), valued at RM35 billion. These initiatives were coordinated by more than 53 government agencies operating under the Economic Stimulus Implementation and Coordination Unit, known as LAKSANA (BERNAMA, 2020).

In early June, the PENJANA Tourism Financing initiative was introduced to support Small and Medium-sized Enterprises (SMEs) operating in the tourism sector. The government has implemented diverse measures to assist SMEs within the tourism sector, including facilitating access to financing guarantees. Furthermore, they have enacted tax incentives, including exemptions from tourism tax and service tax for hotels, providing income tax relief for tourism expenses, and permitting deferral tax instalment payments. A specialised term financing package has been established, offering a maximum financing amount of RM300,000.00 for eligible SMEs in the tourism industry and RM75,000.00 for qualifying tourism-related SMEs (MoF, 2020).

“The support provided by the government to businesses is a source of relief for us. The government also extended a 15% relief on electricity,

which concluded in September. This 15% relief holds significant value for us.” (S2)

“Shortly, the business events and leisure tourism markets could experience more closures and a rise in employment losses if they do not receive strategic assistance.” (P1)

In July 2020, MyCEB launched the “Meet in Malaysia” campaign, aiming to boost the MICE sector and address challenges faced by industry stakeholders (Ho, 2020). The campaign comprises two concurrent projects: “Let’s Meet Tomorrow” and “Let’s Meet Locally”. Through the Meet in Malaysia (MIM) Campaign, MyCEB collaborates with industry stakeholders to support international, regional, and domestic business events, intending to rejuvenate the local economy during the COVID-19 pandemic. The “Let’s Meet Tomorrow” initiative fosters collaboration among venues, providing comprehensive and attractive campaign packages to facilitate hosting local and international events in Malaysia (MyCEB, 2023).

In 2021, business events experienced a positive trajectory with the assistance of MyCEB despite the prevailing statewide shutdown necessitated by the COVID-19 pandemic. Notably, the resumption of certain events upon the country’s reopening contributed to this improvement. As depicted in Figure 2, in the year 2021, a total of 73 business events were

held, encompassing conventions, corporate incentive groups, and trade exhibitions. These events attracted a substantial number of international attendees.

**The Shift to Virtual and Hybrid Events and Enhancing the Skills of Event Workforce**

Given the widespread cancellation of events, the sector must ensure its long-term sustainability. According to Hemmonsby *et al.* (2021), employing strategies that facilitate the transition from physical to virtual events is essential. Consequently, there was a pivot towards adopting virtual events to sustain the sector’s operations in the initial stages of the epidemic. Despite Malaysia’s plans to reopen its borders on April 1, allowing for the resumption of in-person events, industry players underscored the ongoing importance of hybrid events during the Tourism Reconnect conference (Puvaneswary, 2022).

“We encouraged PCO and Event organisers to organise and conduct the event in a hybrid format as people are still reluctant to travel and be in a mass gathering.” (KL1)

Several participants explained the primary advantage of virtual events: Maintaining the ongoing implementation of essential MICE practices. This is achieved by facilitating the processes of information generation, dissemination, interpersonal communication, and business connections.



Figure 2: Number of events held in Malaysia in 2021

“Webinars, seminars, product launches, even fashion shows have been conducted virtually. We play along with the trends. At least, there is income for us rather than nothing.” (KL3)

“While the economic impact of virtual events may not be substantial, the crucial aspect is that businesses can maintain communication with clients. Through various local, regional, and international webinars and events, we continue to engage with our suppliers and other industry associations. Therefore, I firmly believe that the industry’s adoption of virtual technology is the most noteworthy development.” (S2)

Certainly, the use of virtual events and hybrid events, which integrate an in-person physical event with a virtual online component is anticipated to play a crucial role in the revival of MICE events. This will lead to a notable increase in the need for efficient virtual event platforms. These platforms should enable event registrants to engage in numerous event sessions and avail themselves of networking opportunities reminiscent of a physical event, all from the comfort of their homes.

Consequently, the event sector is tasked with enhancing its workforce’s skills and capabilities to meet the demands of hybrid events effectively. With the escalating prevalence of virtual and hybrid events in the industry, event organisations must acquire a fresh set of skills to navigate these challenges and adapt to the current circumstances adeptly. As highlighted by Coles *et al.* (2022), there is an argument that event organisers must actively engage in continuous learning to stay abreast of technological advancements. The implementation of lockdown measures compelled the event sector to employ diverse technologies.

“Even though event organisers are well-versed in the benefits of hybrid events, they lack the knowledge necessary to coordinate a memorable

hybrid event for both in-person and virtual attendees.” (S1)

“The MICE industry had to develop a new skill set to manage virtual events in a way that satisfies key objectives and creates a satisfying experience for attendees. We let our staff explore and do trials till they get confident enough to organise it virtually.” (JB1)

However, one of the respondents stated that virtual meetings and online events would be temporary as they lack engagement and interactions between the participants.

“Nothing can compare to face-to-face events. At one point, people get tired of attending virtual events and looking forward to the gathering.” (KL5)

Numerous respondents have posited that hybrid events represent a promising alternative due to their ability to accommodate a restricted number of participants within physical venues, thereby effectively addressing prevailing safety concerns among a significant portion of the general populace. Furthermore, hybrid events afford enhanced opportunities for global connectivity and interaction with individuals hailing from diverse geographical locations. Chandra (2022) has highlighted the potential of MyCEB in facilitating the creation of training programmes aimed at equipping event managers with the skills to produce captivating and immersive material for audiences attending events in person or virtually.

## Conclusions

The COVID-19 pandemic has had a multitude of adverse consequences, namely impacting the MICE industry. The global pandemic necessitated the restructuring, redesigning, cancelling, or postponing numerous events worldwide as the industry sought to develop enhanced ways to mitigate the adverse effects (Muresherwa *et al.*, 2023). The recent outbreak of the coronavirus is expected to lead to a

substantial reduction in both economic and social aspects. In light of the global epidemic, it is unsurprising that a substantial number of events, amounting to hundreds of thousands have been either cancelled or rescheduled worldwide. The event sectors have encountered reduced employment opportunities and decreased financial gains due to limitations imposed on live gatherings. Consequently, firms are compelled to adjust their operations to a virtual platform, which allows them to engage with a larger audience. In response to the challenges presented by the COVID-19 pandemic, event planners have been required to adopt innovative strategies for event delivery. This unprecedented situation has led to significant changes in the production and consumption of events, resulting in lasting implications for the future of event management and execution.

The primary focus of this research was to assess the risk management strategies implemented by the MICE sector in Malaysia amid the COVID-19 pandemic. Furthermore, the study aimed to investigate collaborative efforts and the implementation of Standard Operating Procedures (SOPs) among key stakeholders in the MICE industry. Challenges faced by industry players in adapting to the circumstances, including workforce reductions, financial constraints, and a substantial number of event cancellations and postponements were identified. The study's findings also highlighted adaptive measures taken by the industry such as cost reduction and leveraging government initiatives like PENJANA and funding from MyCEB. Additionally, the sector preferred postponing planned events rather than outright cancellations.

Moreover, the results indicated that a substantial portion of the responses from the participants was centred around adapting to the virtual events landscape, a significance amplified by the measures implemented to curb the spread of COVID-19. To capitalise on this opportunity, industry experts should enhance their staff's skill sets through training in utilising contemporary technology for the effective execution of hybrid

and virtual events. In order to develop effective benchmarking techniques for future research, it is crucial to undertake empirical studies that assess the recovery measures implemented by various sectors within the hospitality industry. Additionally, it is recommended that future investigations undertake a comparative analysis of the achievements of the event industry in both pandemic and endemic times. Such an analysis would facilitate an assessment of the sector's transformation resulting from adopting digitalised technologies.

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### Conflict of Interest Statement

The authors declare that they have no conflict of interest.

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