



Diethelm Events is unquestionably among the biggest DMCs in Asia. And David Barrett has his finger firmly on the pulse of business events in the region. [miceAsia.net](http://miceAsia.net) caught up with Mr Barrett recently to get his views on the lay of the land.

## Thailand and Diethelm on a roll

**Q:** Thailand is an incredibly popular destination for MICE events in Asia, how have you seen the country develop its expertise for international markets over the past 10 years? What have been its biggest steps forward?

**A:** Thailand is an "evergreen" MICE destination, which enjoys an excellent reputation, and the Kingdom's MICE industry has flourished over the past decade. The biggest impact and steps forward came firstly in 1997 when the Thai baht was devalued, which put Thailand on sale with discounts of 50 per cent. After initial panic by the industry we reaped the benefits of a huge boost in corporate meetings and incentive trips. Increased accessibility has also played a key role in the development of the MICE industry here. With more airlines serving Thailand, and not just via our new airport, the increased capacity and attractive airfares have boosted business. The building of sophisticated meeting venues, such as BITEC, IMPACT and PEACH have also helped position Thailand as a leading MICE destination. Other major infrastructure developments in Bangkok such as the elevated expressways, BTS Sky Train and subway train system have contributed to easier mobility of groups and an end to most of the horror stories of two-hour transfers. The associated boom in hotel developments in established and emerging resorts such as Phuket, Koh Samui, Pattaya and Chiang Mai has provided a far greater choice of destinations within the country for planners to consider, especially repeaters.

**Q:** What have been the biggest challenges to overcome during this period given that during the last 10 years Thailand has seen its currency devalue massively, the tsunami in Phuket and the recent military coup to overthrow the elected government?

**A:** Thailand has had its fair share of challenges to overcome during the past 10 years. Most recently SARS, avian flu, the tsunami, ongoing concerns over terrorism in the south and the military coup have impacted the MICE business to Thailand. We have got to the stage where we ask ourselves "what next?" The constant challenge is keeping ahead of the competition. We are faced with competitor destinations aggressively marketing themselves to the MICE industry, with some offering incentives – or

basically bribes – to win business. With investment in infrastructure that benefits the MICE industry in Singapore, Hong Kong and Kuala Lumpur, competitors on our doorstep are turning up the heat.

The two biggest challenges we face in Thailand are destination promotion and education. We immediately require a concerted effort by the Thailand Convention and Exhibition Bureau (TCEB) working in partnership with Tourism Authority of Thailand and THAI Airways to launch traditional print and TV media advertising campaigns, educational trips and roadshows in our key feeder markets to build further awareness of Thailand and create renewed interest. Over the past 18 months, I believe more could have been done by TCEB to promote Thailand via tried and tested traditional marketing activities. Thankfully, with new management at the helm of the bureau, we should see a return to an effective destination sell. One final challenge, which we have been faced with over the past 10 years and will continue for certainly another five years, is a limited pool of skilled professionals in the MICE industry.

**Q:** As a long time player in the MICE industry in Thailand, how has Diethelm Events managed to overcome these challenges?

**A:** Diethelm Events has the benefit of being a department of Diethelm Travel (Thailand) Ltd., a division of Diethelm Travel Asia, which in turn is part of the Diethelm Keller Group. Our group's business roots go back 100 years in Thailand, and Diethelm Travel celebrates 50 years of successful operations in 2007. The biggest impact to our business came with SARS, where the industry suffered over several months. Concerns over travelling, following 9/11, SARS, avian flu, the tsunami, the coup and global terrorism are fading. Corporate customers are becoming more resilient and quick to resume their programmes of meetings and incentives following destination scares. Over the past five years we have looked at developing a wider geographical spread of our business, as one feeder market is down, another market is on the up. Likewise, with destinations, as one country falls out of favour, another destination can be in vogue. A balanced portfolio of product and customers is key to surviving the challenges. Our biggest strength over the past few years, when we have been faced with our major challenges, has been the constant support from our parent Diethelm Travel Asia and the Diethelm Keller Group. Being part of a longstanding, truly

**Q:** China is developing into a very cost-effective alternative to Thailand and remains a relatively new market about to receive massive global exposure through the 2008 Olympics. What must Thailand do to compete?

**A:** I get this question a lot, and I don't really think Thailand has a lot to worry about, although we must never be complacent. My short-term view is that China still holds a lot of mystique for a lot of people because it is still opening up. Thailand has been established as a MICE destination for many, many years. From my experiences in China, I don't think we have anything to worry about in terms of the world famous Thai welcome and hospitality being threatened. English levels are also a lot better in Thailand.

Thailand will probably never be the economic powerhouse China will become but China has a long way to go to match the experience and expertise we have in Thailand. In the future I would rather see Thailand develop into an upmarket MICE destination rather than a mass market of cheap deals and bad service.

Independent travel group is an important factor to our ongoing success.

**Q:** With the popularity of Thailand as a MICE destination at an all time high, competition between DMCs and PCOs is intense. How can you, or do you, all differentiate yourself in the market?

**A:** The simple answer is how you present your products to customers. When I first came to Thailand I did some research among the other destination

management companies (DMCs) and how they prepared their pitches to international clients. I found everyone was basically offering the same products at the same prices and there was very little differentiation in the marketplace. And the key – as Thailand's MICE market has developed – has been creativity and going the extra mile to make full creative use of the fantastic resources we have here. It is generally considered in Thailand that 50 to 60 per cent of the MICE business goes through three major DMCs - Diethelm Events, Pacific World and Destination Asia - so everyone needs to develop their own unique selling points. Diethelm Events has also joined with Turismo Asia, SEA Tours and World Travel Service in Bangkok to form the Thailand Convention Connection. Being a part of this alliance allows us to pitch for business for up to 30,000 delegates, which no single DMC would be able to do here. Forming these strategic partnerships will also be vital for survival in the future.

**Q:** There have been some large mergers and takeovers in Asia recently, two notable ones have been Pacific World and Asian Trails taking major European companies on as partners – but still operating under their current names – giving them much larger distribution sources. How does Diethelm Events plan to keep pace in this new environment?

**A:** Well, first of all it is unlikely Diethelm Events will ever be for sale and we will not be swallowed up and become part of a global monolith. I think this is great for us because we will still retain our identity and we will also be able to continue to put a personal touch on everything we do. The companies you mentioned who have been bought now have to answer to bigger parent companies, so I would ask, "would the extra 'bottom line' pressure these companies are now under from their parent companies be affecting their ability to offer personalised service to their MICE customers?"

There may also be a clash of cultures going from a reasonably small company to a large global company. The MICE business is just not high yielding but it is also extremely high maintenance. With more stakeholders to answer to can service levels be maintained? I am confident Diethelm Events will continue to maintain the superb client relationships we already have without extra pressures from new partners or owners.