THE INFLUENCE OF ECONOMIC POLICIES IN BUSINESS TOURISM: A COMPARATIVE CASE STUDY OF KENYA AND SOUTH AFRICA

BY

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DECLARATION

I, the undersigned, do hereby declare that this thesis is my original work, and has not been submitted to any other college, institution or university other than the United States International University-Africa, for academic credit.

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Thank You all for your support.
DEDICATION

This thesis is dedicated to my Husband Elvis Tang’tiri Mathia Juma, for his amazing support in the entire process during my studies.

I also dedicate it to my son Teejay Blake Juma and daughter Carly Rose Juma and my parents Rose Okumu and Crispine Okumu, for their advice and love throughout my education process.

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ACRONYMS/ABBREVIATIONS

AMITE - The Asia Meeting & Incentive Travel Exchange
CMITE - Caribbean Meeting & Incentive Travel Exchange
CTDLT - Catering and Tourist Development Levy Trustees
DTI - Department of Trade and Industry
GDP - Gross Domestic Product
ICCA - International Congress and Convention Association
IMF - International Monetary Fund
ITE - Incentive Travel Exchange
KICC - Kenyatta International Convention Centre
KTB - Kenya Tourist Board
KTDC - Kenya Tourism Development Cooperation
KUC - Kenya Utalii College
KWS - Kenya Wildlife Services
LAMITE - Latin America Meeting & Incentive Travel Exchange
LED - Local Economic Development
MICE - Meetings, Incentives Conferences, and Exhibitions
PCEBM - Penang Convention & Exhibition Bureau in Malaysia,
PCO’s - Professional Conference Organizers
SAACI - Southern African Association for the Conference Industry
SAT - South African Tourism
SICTA - Standard International Classification of Tourism Activities
SMF - Annual Singapore MICE Forum
TTT - Tourism Task Team
UNCTAD - United Nations Conference on Trade and Development
UNWTO - United Nations World Tourism Organization
VAT – Value Added Tax
WB - World Bank
WTO - World Trade Organization
WTTC - World Travel and Tourism Council
ABSTRACT

The primary objective of this study was to carry out a comparative case study research on the influence of economic policies in business tourism in Kenya and South Africa. This study intended to present a comparative point of view regarding the influence of economic policies on the business tourism industry with reference between Kenya and the Republic of South Africa. The objectives of the study included the need to examine the economic policies of Kenya and South Africa in relation to the business tourism sector, the need to assess the economic contribution of conference tourism in Kenya, the need to discuss and analyze the factors that lead to an attractive business tourism destination using South Africa and Kenya as case studies as well as the intention to assess South Africa's development in business tourism over 2005-2015.

The study adopted a case study approach to a research and employed secondary research in gathering and analyzing relevant data for the purpose of informing this study and presenting a concrete inference. The study found out that there a great disparity in a number of capital investments in the sector with Kenya posing a $0.85 billion while South Africa posing capital investments of $5.0 billion in 2015. South Africa enjoys economic policies that foster businesses competitiveness, safety, security, and affordability in its tourism offering compared to Kenya. The South African economic policies continue to create a business environment that is attractive to both investors in the MICE tourism sector as well as clients who are willing to consume the offerings of the sector in the country. Compared to Kenya, the country boasts of a high reputation which also contributes to elevating investor as well as customer confidence in the country's MICE sector. Incentivizing the industry has also helped pricing in the South African Mice industry to remain very competitive compared to Kenya which in most cases thrives on high-end services.
CHAPTER 1
INTRODUCTION

1.1 Background of the Study

The dynamics of tourism have taken a different angle internationally where tourists not only travel for leisure but for business as well (Maingi, 2011). Thousands of conferences and exhibitions are witnessed to take place both locally and internationally and incentive travel programmers are enjoyed worldwide especially by leading destinations in the tourism sector. These make business travel and tourism a big business employing thousands of people and thus have an effect on the markets of the world (British Tourist Authority, 2008). This paper, however, recognizes economic policies and its contribution to the Meetings Incentives Conferences and Exhibition (MICE) industry in Kenya, take into consideration both the direct, indirect or even induced contributions of the MICE industry in the Kenya economy, identify and analyze the factors that lead to an attractive business tourist destination (Odunga, Besloy, Nthinga, & Maingi, 2011).

According to International Congress and Convention Association statistics report (2015), South Africa was the leading country in association meetings in Africa followed by Morocco, Egypt then Kenya. The thesis also shows a comparative study between Kenya and South Africa and clearly demonstrates the differences in the economic policies or factors that have to lead to South Africa being ranked the best in Africa in association meetings compared to Kenya taking into consideration the years between 2005 and 2015.

The domestic policies differ from state to state. Most businesses within a state are guided by rules and regulations within that state. The Government economic policies and markets regulations have a big influence on the competitiveness and even profitability of a particular business (Pearlman, 2008). The government can easily implement policies that change the social, economic and political status of a state. Business Tourism sector is not an exception; economic policies in Kenya can easily affect the tourism sector as a whole. Tax and duty exemptions can trigger investments or even generate growth (Williams, 2017). Political stability in a system can make laws to be drafted differently; more stable countries have different policies compared to unstable states.

According to BBC news on 11th August 2016, South Africa regains the Africa's biggest economy title from Nigeria these were according to IMF data (BBC, 2016). South Africa is seen to be stable state compared to most African Countries. This could explain the reason why Business tourism thrives in South Africa Compared to other states in Africa. The unstable environment can present challenges that endanger the ability of government
to maintain law and order (Britton, 1982). This has a negative effect on the business environment. Kenya is not new to terrorist threats or even post-election violence this kind of instability affects the tourism sector by extension the business tourism section. Thus domestic economic policies in Kenya are totally different from other developed countries; with a list and comparison of Kenyan Economic policies and South Africa economic policies.

According to Oxford Business Group (2016), the Kenya MICE tourism segment has been on the rise. In 2015 the country hosted 117,630 foreign arrivals taking part in MICE activities, representing a 13% increase on the 2014 total, and 15.6% of the total number of international tourist arrivals for the year. With the rise of the MICE segment clearly, shows that the MICE sector is a contributor to the Kenyan economy this makes it a worthwhile case to research.

Business Tourism is not a new concept in Kenya and Africa as a whole. The first international conference in Africa was held in Kenya, this is the World Bank /IMF conference in September 1973 (Silksept, 1973). Three years later in May 1976, Kenya hosted the United Nations Conference on Trade and Development (UNCTAD). Owing to the fact that Kenya hosted international organization in the 19th Century and UNCTAD hosted in Nairobi, Kenya July 2016 in the 20th Century clearly demonstrates Kenya’s potential in the Business Tourism sector which contributes positively to the Kenyan economy (Shaban, 2016). If Government recognizes the potential Kenya has towards Conference tourism and laws put in favor of the sector. Conference Tourism can grow at the rate expected to compete with other Markets internationally.

1.2 Problem Statement

The frequency of Kenya losing international conferences to South Africa during bidding processes has brought anxiety in the business tourism sector in Kenya (Langkilde, 2013). Therefore this paper explores what policies or factors Kenya can consider or borrow from South Africa that can easily boost the business tourism in Kenya. The gap can be filled by comparing South Africa and Kenya economic policies and explore on what South Africa does different from Kenya in terms of its economic policy and other factors that make it be a leading Meetings Country in Africa.

Part of what the study considers are the consumer behavior and the consumer decision-making process used by the consumers to purchase goods and services. The concept of Business Tourism is not new to Kenya; there has been growth in the sector as statistics shows on this thesis the positive growth notable in the recent past. South Africa
has been mentioned on the reports by ICCA in the past three years to be the leading Country in Africa on Conference tourism. It is possible that for a country to do so well in a given sector of the economy to an extent it receives global recognition for the prosperity of that sector there must be something strategic such a country is doing to enhance its productivity.

From a comparative point of view, it can be useful to delineate the possible gaps that make Kenya as a country that has also been striving to improve its MICE industry and global market share lag behind South Africa. However, there are no studies that have sought to explain why South Africa is the leading Market in conference tourism compared to Kenya. This study is useful in increasing the understanding on what kind of micro and macro-economic environment business tourism thrives best and what policies could be affected to favor business tourism sector.

1.3 Purpose of the study/General Objectives

The purpose of this paper is to show the significant contributions of MICE in the Kenyan Economy and the policies put in place that affects the industry both directly and indirectly.

1.4 Conceptual Framework

The Grand Model of consumer behavior has been recommended by (Dhawade & Chhanwal, 2016) to be used to analyze the consumer decision making and used to explain the process used by the consumers to purchase goods and services.

A Conceptual Model for Consumer Buying Decision Process & Consumer Behaviour

Source: (Dhawade & Chhanwal, 2016)
The diagram explains the consumer buying decision-making process in relation to consumer behavior which simplifies the understanding of consumer behavior in the conference decision making context.

The first step is where the need to a consumer of a certain good or product has been realized or even recognized it could be a social need, esteem needs which is then followed by the information search that could be even personal, source done through relatives, friends, conference or even destination and not-person sources can be public information through travel guide books brochures and the internet (Dhawade, & Chhanwal, 2016). The evaluation of alternatives in conference destination can be done looking at accessibility and consideration such as how many major airlines fly to Kenya, is Kenya generally secure and does Kenya have an international airport and improved Infrastructure.

One of the most important economic determinants of tourist spending at a destination is price there are consumers who are price sensitive while others are not priced sensitive (Simiyu et al., 2016). If the customer is price sensitive a price increase will cause her/him to cut back the purchase. A destinations standard of living can be determined by a commodity value (Gutman, 1981). The commodity value easily affects the purchasing power of conference attendees thus affecting the decision made by conference organizer on whether to choose a specific destination or not. The experience of the delegates at a conference destination is also important, this poses the question, what else does a destination have to offer apart from the meeting room, does the destination have historical sites, museums, and national parks?

After evaluation, the actual purchase will take place (Gutman, 1981). The most important and final stage being post purchase behavior whereby if the consumer is satisfied by the product they will keep purchasing the product otherwise the consumer will easily shift to another product/destination.

1.5 Objectives of the Study

The following objectives guide the study:

1) To examine the economic policies of Kenya and South Africa in relation to the Business Tourism Sector
2) To assess the economic contribution of conference tourism in Kenya
4) To discuss and analyze the factors that lead to an attractive business tourism destination using South Africa and Kenya as case studies.
1.6 Research Questions

1) Does Kenya and South Africa have any economic policies towards Conference Tourism
2) What is the contribution of Conference tourism in the Kenyan economy?
4) What are the factors that lead to an attractive business tourist destination?

1.7 Hypothesis

1) Better economic policies will have a positive effect in the business tourism sector in Kenya
2) Hosting more international conferences will boost the Kenyan economy
3) Advanced infrastructure in Kenya will lead to a boost of delegates into the country
4) The establishment of a convention Bureau and more convention centers will lead to Kenya hosting more conferences in the country.

1.8 Significance of the study

The comparison of economic tourism policies in South Africa to Kenya gives a clear indication that business tourism is an area that should be given much attention by the Kenyan Government. This gives a unique opportunity to study why South Africa has been the leading country in conference tourism in Africa and this paper tries to give suggestions on what Kenya can learn or do differently to make the business tourism in Kenya better. The study is designed to contribute to existing works of studies and also to generate new knowledge that can be used to formulate policies in the future and hence address the problems or challenges faced in the business tourism sector in Kenya. Nevertheless the study of MICE policy offer opportunity to examine many topics that should be of interest not only to the industry but Government agencies and student but also to researchers in and on boundaries of many disciplines.

1.9 Scope of the study

This thesis sought to explore the effectiveness of economic policies on trying to boost the tourism sector focusing on the case of South Africa and Kenya between the years 2005-2015. To illustrate this, the research focused on the economic policies in Kenya and highlights other elements that make South Africa a preferred destination for conference tourism and clearly show the difference of economic policies in the two countries. This paper examined the role of Convection Bureaus, the Government; Associations,
Professional Congress Organizers (PCO) and Convention Centre to try to make a destination more attractive for Conference Tourism.

1.10 Definition of Terminologies

Business Tourism

Business tourism is peoples traveling for purposes which are related to their work. As such it represents one of the oldest forms of tourism man having traveled for this purpose of trade since very early times (Davidson, 1994). Business tourism encompasses all aspects of the experience of the business traveler while business travel is a movement of business travelers from point A to point B. The trips could be for the purpose of business and not ‘tourists' in the conventional meaning of this term.

Tourism

An abstract definition of a tourist reflects a tourist as a person who travels and stays from one place to another which in essence is never his or her usual habitat, environment or home (Nagle, 1999). There are various precursors that lead people to adopt a tourist’s lifestyle or undertakings (Batta, 2000). Individuals may undertake tourism in which case the purpose of such visits and stays could be for purposes of entertainment, work, medical, educational, or leisure (Laws, 1995). Because of such human demands, the supply of tourism products and services has not fallen short. In 1937 the League of Nations agreed to adopt the definition of ‘Tourist’ as one who travels for a period of 24 hours in a country other than that in which he or she usually resides. Although the definition was considered weak since it didn’t take into consideration of domestic tourists. Later in 1993 the UN’s statistical Commission in 1993 following an international Government Conference held in Ottawa Canada in 1991 defined Tourism as comprises the activities of persons traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business or other purposes.

Meetings

An organized event which brings peoples together to discuss the topic of shared interest both commercial and non-commercial attended by 6 or more people lasting for a few hours or even weeks. Meeting qualifies as part of business tourism that is, it engages some of the services of the tourism industry and usually held away from the premises of the organization running it (Davidson, 1994). The term used to define meetings tend to vary depending on the size of the event. Small gatherings can always be referred to as meeting and large meetings can be referred to as conferences.
Incentives

Incentive travel is a global management tool that uses an exceptional travel experience to motivate or recognize participants for increased levels of performance in support of the organizational goals (SITES 1998).

Exhibitions

Exhibitions are a presentation of products or services to an invited audience with the objective of inducing sale or informing the visitor. Exhibitions are considered part of the part of the business tourism industry simply because they stimulate travel for both the visitors and exhibitors this creates a high demand for travel services, catering, and accommodation (Davidson, 1994). Exhibitions can also be referred to a trade fair or even exposition in varies parts of the world.

1.11 Chapter Summary and Study Outline

Chapter one states the background of the study, statement of the problem, Conceptual Framework, hypothesis, the purpose of the study, specific objectives, the significance of the study, the scope of the study, the definition of terminologies and chapter summary. Chapter two provides the literature review while chapter three provides the methodology of this research. Chapter four report the findings while the discussions of the findings as well as provision of a conclusion and recommendation is achieved in chapter five.
CHAPTER 2
LITERATURE REVIEW

2.1 Introduction

All over the world, tourism is one of the most significant industries contributing greatly to income generation through employment as well as the sale of products and services. It is also an important foreign exchange earner. Concisely, it is an important element of the global economy contributing to human livelihoods and economic well-being (Victor, 1994). The prosperity of the world tourism industry is evident in most countries irrespective of the regions whether such countries may be based in Europe, South America, Asia or Africa.

Tourism is very important to many countries. Based on available literature, this chapter intended to explicate the significance of business tourism from a global perspective. It also narrowed down to a comparative approach between two significant African economies namely Kenya and South Africa. The section provides an overview of the history of tourism and even more specifically business tourism. It outlines some of the policies and how policies influence the success of the business tourism sector globally and within the two African countries mentioned above. It also provides a summary of other broad factors that influence tourism as well as the dynamics that surround the industry.

According to Dredge and Jenkins (2007) global academic research in tourism policy captured little attention until the late 1980s or early 1990s even then given the scale of tourism in popular culture and society, there is far too little in-depth analysis of tourism policy making. Jenkins (2001), probably this has to do with the fact that few tourism researchers have a background in political science, public policy, and politics, as a result, there is a lack of critical engagement with public policy theory although there is overlap between the disciplines.

2.2 The Global Meetings, Incentive Travels, Conventions and Exhibitions (MICE) Tourism

The acronym MICE which stands for Meetings, Incentives, Conferences, and Events/Exhibitions is typically a renowned term in the tourism, travel, leisure and hospitality industry. It is a central part of business travel and destination (Dwyer & Forsyth, 1996). It refers to a type of tourism in which large groups of individuals come together for a particular purpose that may include leisure, entertainment or any other reason and it is usually organized and planned well in advance. Lawson (1995) also extends the description
of MICE as including undertakings such as panels, forums, symposiums, workshops, colloquiums, and lectures.

In consideration of meeting and events involved which form a central part of the sector, there is always a tendency to refer to the industry as a meeting and events profession. The profession is involved in the development, planning, and execution of meetings and conferences that are aimed at achieving a specific objective that in other cases involve business agenda (Imamul, 2009). A conference can be defined as a conglomeration of people that gather to discuss and possibly agree on a particular theme while an event is a holistic term that involves among many other things elements such as conventions, celebrations, and festivals.

The primary norm for undertaking MICE initiatives globally is usually for professional or educational purposes. However, the implementation of incentive tourism which is part of MICE is usually with a different and a unique purpose (Banu, 2016). Ideally, incentive tourism is usually used as a tool for rewarding and thus motivation well-performed employees of an organization for exceeding their targets or achieving exceptional achievements in their roles. Therefore, incentive tourism is always meant to serve the purpose of entertaining the individuals involved. The basis of MICE is its centrality on a thematic objective and therefore may reflect varying special interest groups, professionals, scholars or trade bodies.

Due to the vast interests that the MICE industry has drawn from a broad array of parties with a vested interest, various convention bureaus exist across the globe today. Most of these agencies are driven by the purpose of streamlining the sector within their regions and act as platforms through which advocacy efforts, as well as policy influencing in the sector, can be achieved. Such bodies include the Penang Convention & Exhibition Bureau in Malaysia (PCEBM), The Asia Meeting & Incentive Travel Exchange (AMITE), the Latin America Meeting & Incentive Travel Exchange (LAMITE), Questex Travel Group’s ITE, the Annual Singapore MICE Forum (SMF), the Caribbean Meeting & Incentive Travel Exchange (CMITE), The Incentive Travel Exchange (ITE) which is over 10 years old, and HSMAI’s MEET (Meetings, Events, Education, & Technology) National (Figueroa, 2017).

Apart from acting as advocacy and policy influencing platforms, convention bureaus also act as active bodies that engage in bidding for the privilege to host MICE activities within their regions. For successful bidding of MICE activities, these bureaus are involved in acting marketing of their regions or countries of the establishment which in
most cases happens well in advance of planned events (Murray, Lynch, & Foley, 2016). Part of what they try to achieve is to paint their regions or countries as the most suited to host such events. It is no doubt that when a country hosts a major event the local communities and the local economy always stands to benefit greatly and that is the reason these bureaus are always active in securing the hosting of such events or business meetings (Kumar & Hussain, 2014; Hussain, Raghvan, & Kumar, 2014).

Part of advocacy and policy influence efforts that MICE bureaus always advocate for include the consideration by host governments to grant or provide financial subsidies and events incentives to organizers or promoters of planned MICE activities with the aim of attracting them to their countries or regions (Pike & Kotsi, 2016). Considering the high levels of sensitivity and demanding nature of MICE clientele, it is vital to ensure that the environments and standards of planning the activities are very high in order to achieve high-quality events (Millán, Fanjul, & Moital, 2016; Happ, 2015). Therefore, the organizers, promoters as well as as the bureaus involved where relevant must ensure that they carry out their planning dedicatedly to book and facilitate the conferencing where necessary, seminars and other complimentary events as precise and as in sync as possible as well as provide excellent accommodations. It is important to plan activities that are void of confusion, especially when dealing with delegates (Rogerson, 2002).

As had been mentioned in chapter one and partly in the discussion above, the various components of MICE present unique perspectives. However, what is fundamental is that MICE activities must meet a broad range of travel and conference services to the targeted clientele as much as possible and be able to meet the stipulated requirements of the clients in terms of the required durations of the activities whether long or short (Rogerson, 2002).

Various stakeholders and sites play complementary roles in affecting services in the MICE niche. These may include food and beverage managers, conference centers managers; cruise ships operators, transfer companies and private tour operators, logistics firms, incentive houses, and corporate meeting planners (Rogerson, 2015). Others include tourism professional trade organizations and trade associations, travel-selling and ticketing professionals, tourism boards, and hotel meetings and convention departments (Rogerson, 2015).

While a meeting is usually organized for a particular activity and can happen one time or even regularly, a conference in most cases is usually meant to provide a platform in which individuals can exchange information (Ricci & Holland, 1992). Incentive Travel
is a bit unique in the sense that it is majorly not only a non-business vacation to employees with the aim of motivating them for their workplace achievement, it is never an educational or information exchange component of MICE and in most cases may involve an individual rather than a group of individuals (Shinew & Backman, 1995).

While exhibitions travel may be undertaken as stand-alone activities, in certain circumstances it may be run concurrently as a component of a business meeting or an event. Concisely, MICE in the international arena involve the coordination, hosting, promoting and managing a networking opportunity for both business tourists and other stakeholders (Marques & Santos, 2016).

The development of MICE across the various regions and countries of the world and the obvious fact of the rewarding nature of this industry has seen the in-depth interest of various governments in promoting official government policies aimed at enhancing the sector (Oršič & Bregar, 2015). Different governments have either partnered with their convention bureaus or some have established tourism promoter boards that have been set to promote their countries or regions as the meetings and convention destinations of choice.

Due to government and convention bureaus backed efforts various countries around the globe have had the opportunity to host high levels meetings such as those involving the world trade organization (WTO), the World Bank (WB), the International Monetary Fund (IMF) and many other meetings of such standards. Because of such, various cities in various countries around the world are marketing themselves aggressively and are competing to be recognized or to be ranked as some of the world top convention destinations (Oršič, & Bregar, 2015).

Globally, the growth of the MICE industry is on an upward trajectory and even greater than leisure tourism. Apart from its fast growth, the industry is also very lucrative since it mostly attracts high-end delegates both locally and internationally (Skinner & Byrne, 2009). It is a fact that it is not affected by seasonality since it encompasses the participations of both tourists and non-tourists. The strengths that promote MICE within a geographical demarcation includes the safety of the destination, its political stability, its appropriateness as a destination for business conferences, the country’s infrastructure development as well as the presence of other ancillary services.

Other opportunities that reflects a country as a good promoter of MICE involve the fast growth of the sector in that particular country, proper coordination of MICE activities, delivery of quality services, enhancement of strategic collaboration, and cordial cooperation between the government and other stakeholders involved in the industry as
well as advancement of information management and technology. Clients want quality services and value for their money and will readily pay where they feel they are able to get such services (Mody, Gordon, Lehto, So, & Li, 2016).

Planning of MICE tourism activities is not for the faint-hearted. It involves a clear consideration of several dynamics and proper coordination of various formalities to ensure that an event takes place successfully and with as minimal hiccups as possible. Firstly, concise planning requires an intuitive and innovating leadership in which case the leading promoter must possess traits that can convince people to respond to his or her call and follow (Dwyer & Forsyth, 1997).

The group leader must ignite a momentum that exudes passion, vision, and effectiveness while organizing for a conference or an event in a manner capable of creating an environment in which there is proper coordination of team members, resources, requisite facilities as well as the planned venue of the convention (Dwyer & Forsyth, 1997). There should also be a proper structure to carry out administrative responsibilities. The team leader should always ensure that the team members are satisfied even as they carry out activities within their roles.

It is also vital to select a very appropriate venue that meets the standards of the planned conference (Dwyer & Forsyth, 1997). Such a venue must be conveniently accessible. One important thing in choosing a venue is to ensure that it is reflective of the anticipated corporate image intended to be displayed at the conference (Skinner, 2009). The venue should also meet all the important requirements of the convention. For example, the venue should be large enough to accommodate the projected number of delegates that are intended to attend the meeting. If possible, the venue facilities should also be accredited by qualified Conference Organizers and agencies (Dwyer & Forsyth, 1997). The facilities should have the capacity to accommodate all the expected guests. Other facilities of importance may include public address and sound systems, writing materials, the internet and the rooms should be well lit and air conditioned.

2.3 The Contributions of Conference Tourism to a Country’s Economy

Financial gains continue to be the primary driver of tourism across the globe. Some of the most popular countries with tourist include the United States, France, and Spain which account for up to 189 million annual visitors contributing to a global total earning of $180 billion (Buckley, 2006). It is because of such financial statistics that have spurred many countries around the world to invest in the development of their tourism industries.
The UN statistics division approved tourism satellite accounting methodology (TSA RMF 2008), this qualifies only the direct contributions of travel tourism. On the other, the hand the World Trade Travel & Tourism Council recognizes both the direct and indirect induced impact to total contribution in the industry which is much greater. The direct component of tourism includes both leisure spending and business spending. The 2014 WTTC report outlined the contribution of business and leisure to the GDP. Leisure spending generated 62.5% of direct travel compared with 37.5% for business travel. Leisure travel is expected to grow by 5% per annum in 2015 and business travel by 5.3% per annum in 2025.

The extent to which tourism requires manpower is a significant indicator of the fundamental importance of the tourism sector to any country (Lawrence & McCabe, 2001). The tourism industry provides various approaches through which jobs are created especially through the sub-sectors it supports. Operators in tours and travel, accommodation, artifacts and curious, conference facilities, as well as eateries are just but some of the beneficiaries of the sector. Tourism’s impacts on the economic alignment of the population within a country indicate how it requires labor intensively in all the activities that support its existence (Fenich, 2008). Concisely, the tourism industry is a labor-intensive sector of any economy considering the huge population of individuals employed in the industry whether directly or indirectly.

The significance of tourism in developing countries such as Kenya and South Africa cannot be overstated. It contributes to these economies through numerous employment opportunities it creates both directly and indirectly (Dale & Oliver, 2005). It is also a platform through which cultural exchanges have been made possible. Entertainment opportunities both for locals and foreigners have also thrived through the provisions of tourism. In other words, the tourism sector has had greater perceived good than bad in most economies.

Destinations and the world over have invested in infrastructure and marketing as a way of attracting visitors and receiving economic benefits (Davidson & Cope, 2003). It has long been recognized that due to the high spending levels associated with business travel, it has a greater per capita value in securing employment and other associated economic benefits. Development and enhancement of tourism activities and investment gateways have become platforms for investors to invest their money, has helped to improve a countries infrastructure as well as the improvement of local amenities and the country’s gross domestic product (GDP) (Dlamini et al., 2016).
Because of the several benefits associated with the tourism industry, it has somewhat become a need for many governments to encourage investment opportunities in the sector which have subsequently led to its expansion and direction of capital investment in the sector. Such government encouragements have always been motivated by the need for economic growth and development.

2.4 Factors that Affect Business Tourism

Middleton (1994) suggests that although business travel volumes flow with the growth and decline of the economy, it is inherently more stable than holiday travel and less influenced by external factors. Rogers (1998) further agrees with this point and gives an illustration from the meetings sector. He stated that one of the positive characteristics of the conference industry is its resiliency even in times of economic constraint in a country.

While there may be trading down in other sectors, many events still take place, for instance, companies are required to hold Annual General Meetings for the shareholders, senior managers engage in management retreats to explore ways of reviving their business, new products are launched, staff still go for training, sales teams need to be brought together for briefings and many other types of conference still take place, albeit with minimal budget.

Industry analysts maintain that in some cases, spending on business travel can actually rise when the economy is slowing down. With business tourism, demand can be generated even when other sectors are in a depression. Explanation to the resiliency in spending that fuels this industry is attributed to the nature of demand. Business travel generally displays a different level of elasticity in demand (Davidson & Cope 2003).

Business travel is usually considered as something that is undertaken because it is a necessity to the effective functioning of the company that purchases it. This does not mean that spending in business travel does not vary; spending can also be linked to assets and income of a company. Lawson (1995) further agree and pin point’s factors that can disrupt or influence tourism flows, for instance, development of new destinations, (or setting prices at more accessible levels). This has the effect of diverting existing tourism flow. Natural catastrophe or civil unrest and even economic depression can also influence business travel or choice of destination.

There are other significant factors that are closely linked to the success of tourism products and services. The first of such factors is demand. Over the recent past, there has been a seeming rise in the demand for business travel services and products as various international conferences are being held time and again across the globe (Kandampully,
Because of the elevated demand, players in the sector have also been motivated to increase supply.

Secondly, the demographic features of a population are also a contributing factor to the thriving of the business travel industry. As a greater portion of the population continues to experience an increased spending power, it is becoming apparent that an increased number of individuals in such a population is continuing to have disposable income they can spend in the sector including youthful customers (Thrane, 2008; Casado-Diaz, 1999).

Thirdly, advancement in technology also promotes the ease with which consumers are able to access reservation services. With digital technology individuals are able to book for services well in advance and at the comfort of a handheld gadget within their own convenience (Buhalis & Deimezi, 2004). Customers are able to access the details of the information they require to make informed reservations as well as the benefits they may have or expect in such conferences beforehand. Such convenience is definitely a positive drive in the right direction (Mamaghani, 2009).

The fluctuation of the currency rate is another factor that affects business tourism (Tisdell & Wen, 1991). Currency fluctuation affects the value of money in any country and as such higher currency values are experienced in nations with declining currency prices (Chadeeand & Mieczkowski, 1987). Therefore a country with declining currency prices will experience an increased influx of tourists since they are able to get a greater value for their money.

Fifthly, countries experiencing economic turmoil attract few tourists. Because of the economic crisis, such countries may be experiencing, the ripple effect of such a crisis is the fact that there will be slowed demand for its tourism products and services since visitors will have diminished willingness to spend in such a country (Ritchie, 2004). On the flip side, due to the prevailing economic strain, it is highly likely that also the rates of inflation will also be high meaning that the overall costs of products and services will be higher and as such consumers will be reluctant to obtain such costly products and services. In other words, it all boils down to the costs of the services and the associated products in which case if they are people may choose to look for alternative destinations where they can find such costs affordable (Okumus, Altinay, & Arasli, 2005).

Sixthly, it is notable that there are association meetings and events around the globe that tend to exhibit rotational patterns especially on the venue where they are held. In other words, some meetings tend to shift from one region to another every subsequent year. A country intending to lobby to host such meetings must study and be cognizant of such
patterns in order to place bids for potential events and conferences that may be intended to be held within their regions (Schütter, 2010).

Lastly, one of the most significant factors that can influence business tourism greatly is political stability. People will always be encouraged and have the comfort to visit regions and countries where peace prevails (Clements & Georgiou, 1998). Apart from just peace, countries that promote tourism favorable policies will always experience an increased influx of tourists. Political dynamics have a great potential of shaping the tourism industry of any economy. Above the pleasure of traveling tourists elevate the guarantee of their safety above any other thing and as such may not accept to take the risks associated with an insecure region or country. The attractiveness of the political stability of a country will definitely play a key role as to whether tourists will have the confidence of increased or decreased safety (Richter, 1992).

If a country has a global reputation for being unsafe, chances are that it will experience diminished tourists attraction. However, countries are known to be politically stable and thus safe for tourists will definitely experience an increased number of both travel and business tourists (Seddighi, Nuttall, & Theocharous, 2001). In other words, the political dynamics within a country influences the degree of human safety and security in those countries and hence the degree to which such a country attracts tourists and a tourism destination.

In addition, countries are known to be hounded by terrorism and terrorist activities normally tend to be less attractive to tourists (Pizam & Mansfeld, 1996). Terrorism like political instability also erodes the confidence of tourists regarding their safety. Terror prone countries normally experience a significantly reduced inflow of tourists since the tourists place their safety at the forefront as a priority (Richter & Waugh, 1986). It is therefore vital for countries intending to boost their jurisdiction as a safe zone for tourists to put in place convincing measure for safety concerning possible terror attacks.

2.5 How a Country's Economic Policies Influences the Success of the Business Tourism Industry

The legal and regulatory framework is a fundamental element in any country. Like in all kinds of industries, it is able to exert both direct and indirect influences on tourism. It is undisputable that policies are put into place to reflect the roles and responsibilities of all stakeholders. Likewise, the establishment of laws and policies in over the tourism industry are meant to ensure the rights of local and international tourists and obligations of
participating businesses, inbound-outbound tour operators and all other concerned players in the tourism field interest are taken care off.

Public policy which encompasses economic policies plays a significant role within the tourism industry including MICE (Hall & Rusher, 2012). It has been observed in various jurisdictions, that in the process of such countries wishing to bid to host special events especially if such events are of greater magnitudes, they can even go to the extent of enacting legislations that that can have a sure bet of attracting the event owners. For example, it may be possible to observe the enactment of laws that may minimize or totally eradicate any possible disturbances while hosting the event (Hall & Rusher, 2012). On the other hand, competing countries wishing to host such events may agree between themselves for one bidder to step down for the other. For instance in the process of bidding for the 10th World Trade Organization (WTO) Ministerial Conference, Turkey withdrew its bid in favor of Kenya after intense lobbying and consultations between the country’s concerned officials and the Kenyan Foreign Affairs Cabinet Secretary Ambassador Amina Mohamed (Situma, 2014).

There are two possible ways through which a government can put up legal measures to regulate the tourism sector. The first option is through the approach of material principle which refers to the allocation of resources and specifically funds that can be used for specific development programs in the sector (Vujko & Gajic, 2014). Such funds can be used to promote capital investment as well as used in the advertising and branding activities that can portray the country as a tourism hub.

Secondly, a government can put up direct policy measures through which it establishes legal frameworks that guide engagements in the sector (Vujko & Gajic, 2014). However, it is important to understand that such legal measures should not be restricting. For example, countries that have less legal barriers to tourist will experience increased visits compared to countries with extreme legal boundaries. A good example would countries that have very stringent visa policies which in most cases will put off a huge proportion of tourists who may not be willing to go through the hassle of meeting all those inhibiting restrictions. On the contrary, countries with less tough visa rules will readily attract more visitors.

Economic policies play significant roles in influencing the successful undertakings of tourism activities including meetings, incentives conferences, and exhibitions (MICE). For instance, as a direct impact, a government may enact and implement specific economic policies directly aimed at the tourism sector. Such a policy may include the step to introduce
subsidy programs aimed at increasing the attractiveness of the sector to entrepreneurs as well as customers both locally and internationally (Reynolds, 2008). For example, the government may decide to reduce the cost of establishing or doing tourism business and as such attract players who can establish and run such businesses. Other possibilities may include the provision of incentives for investors in the tourism industry as well as tax rebates and tax holidays thus increasing the profitability of such ventures (Reynolds, 2008).

Conversely, a government’s economic policies can have an indirect influence on tourism activities including business tourism. For instance, it is inevitable that every government always have its own monetary policies that are aimed to spur the economy. Such policies are never directed at a single sector of the economy but all the sectors as a whole (Reynolds, 2008). It is possible that such monetary policies can have an indirect impact on business tourism. For example, let’s say when a monetary policy makes it possible that the country’s currency to fall on foreign exchange, chances are that business tourism customers will find services affordable which will encourage them to tour such a country (Reynolds, 2008).

2.6 The Contributions of Conference Tourism in the Kenyan Economy

Kenya economic recovery strategy for wealth and employment creation 2003-2007 identifies the tourism sector as one of the sectors that will contribute significantly to poverty alleviation (Oxford Business Groups, 2017). Just like any other industry, business travel is affected directly and indirectly by the state of the economy in which those who buy it and sell it operate (Davidson & Cope, 2003). At the same time business travel has a considerable impact on the economy of the destinations that act as a host.

According to the World Travel and Tourism Council, economic impact 2015 report in Kenya. The direct contribution towards employment in the year 2014 in travel and tourism industry supported 206,500 jobs (3.51% of total employment). This was expected to rise by 2.9% per annum to 227,000 jobs and (3.4% of total employment by 2025). The total contribution in 2014 of employment including jobs indirectly supported by the industry was 9.2% of total employment (543,500 jobs) (Oxford Business Groups, 2017). This was expected to rise by 1.5% in 2015 to 552,000 jobs and to rise further by 2.9% per annum to 732,000 jobs in 2025 (9.0% of total employment). The direct contributors include employment by hotels, travel agents, airlines and even transportations service. It also includes activities of restaurant and leisure industries directly supported by tourists.

All the information and statistics above therefore makes the study of business tourism relevant looking at and its contributions to the Kenyan economy the WTO has
developed Standard International Classification of Tourism Activities (SICA) which provisionally has been approved by the United Nations, Statistical Commission clarifying that it is difficult to measure the economic contribution of tourism.

2.7 The Contributions of Conference Tourism in the South African Economy

In South Africa, players in the conferencing business always hold an annual congress and exhibition aimed at bringing all the stakeholders together and allowing an opportunity for them to share best practices as well as share experiences of the sector (South African Tourism, 2014). The conference is always organized by the Southern African Association for the Conference Industry’s (SAACI). This shows how important the business events market segment is an important sector in the country. It is no doubt that in the recent past, South Africa is increasingly becoming a global business events destination competing with some of the household names across the globe (Donaldson, 2013).

Between the years 2012 and 2013, the country move rank by gaining three steps from position 37th globally to position 34th in the global ranking accorded by the International Congress and Convention Association’s (ICCA) (International Conference and Congress Association, 2015). Such a ranking places South Africa in close proximity to countries such as Dubai known as destination hubs in the Middle East. In fact, South African cities of Cape Town and Durban boasts top 100 statuses for globally renowned convention cities in the world (South African Tourism, 2014).

In the year 2013, South Africa hosted record 118 conferences ranked to the standards of ICCA with up to a total of 294,000 professionals in attendance with an estimated 6 billion South African Rands in revenue to the nation’s economy (South African Tourism, 2014). Business tourism has become a very lucrative component of tourism with estimations provided indicating that it could be more lucrative than travel tourism (Reynolds, 2008). In fact, it is claimed that it is more frequented by high-spenders compared to travel tourism (Rogerson, 2005). This is because business tourism is not affected by seasonality factors as is the case with travel tourism.

Furthermore, in the years 2016, South Africa hosted the Consumer Goods Forum, a business event that hosted well over 1 000 CEOs and senior managers representing close to 400 retailers and manufacturers across the globe. Out of the Consumer Goods Forum, the country is poised to have benefited from up to 11.2-million Rands in revenue. It is obvious that the South African government remains a committed entity in supporting the success of the business events industry noting its vital contribution to the economy (South African Tourism, 2014).
2.8 Analysis of the Factors That Have Led To South Africa and Kenya Becoming Attractive Business Tourism Destinations

2.8.1 Political Stability

The history of Kenya and South Africa in terms of political stability establishes the two countries as jurisdictions which have been defined by protracted political stability within their regions with Kenya being a peaceful country in the East while South Africa is a peaceful country on the south of the African continent. The two countries have enjoyed great political stability with little or minimal civil uproar which has not been to the magnitude of hindering business tourism activities or denting the global images of these countries as tourist destinations (Williams, 2017; South African Tourism, 2014).

2.8.2 Government Involvement

The active involvement of the governments of these two countries to promote their nations as tourist destinations meeting global standards have been paying off through both legislation and marketing efforts as well as the provision of promoter incentives and subsidies.

Kenya continues to experience consistent rise in the performance of the MICE industry especially from the continued efforts of the government. There has been greater official government support as witnessed by the cabinet secretary for tourism Mr. Najib Balala to promote the elevation of the Kenyatta International Convention Centre (KICC) as the purview body mandated with the promotion of conventions in the country (Oxford Business Groups, 2016). In such a role notable contribution of ICC in the MICE industry have been evident. The centre has partnered with the national carrier Kenya Airways (KQ) as its official airline. Through the partnership, the two agencies co-work in biddings for international events, provide information to convention attendees on offers as well commit to joint branding in international exhibitions (Soko Directory, 2015).

2.8.3 Support from Key Partners

Within the KICC-KQ partnership, other parties of interest such as the Association Development Forum (ADF) and the Kenya MICE Expo among others also provide any necessary support (Soko Directory, 2015).

The two countries have witnessed the continued establishment of Professional Conference Organizer (PCO) firms. These firms specialize in planning and managing MICE activities which they take as their core business operations and thus in most cases, the procurement of their services entitles a conference to greater levels of success and professionalism (Waechter, 2016). Such firms include the Event & Conference Organizers
Limited, Waridi Events, and Zuri Events in Kenya and Professional Conference Organizer Company and PCO alliance network in South Africa. Destination Management Organization (DMO) on the other hand combines the roles of PCOs with the element of organizing and marketing events (Archer, 2016).

**2.8.4 Improved Infrastructure**

In recent years the two countries have also experienced improved infrastructure and accessibility of their regions which have also been a plus to MICE growth (Gutman, Sy, & Chattopadhyay, 2015; Chingoiro & Mbulawa, 2016). Furthermore, there has been rapid growth in technology and especially digital technology which has permitted the use of these technological tools to advertise the countries as excellent tourist destinations.

**2.8.5 Conference Facilities**

From evident investment in MICE facilities in the two countries, it is sure that the two nations take the MICE industry very seriously. There are world-class convention centers both in Kenya and South Africa. These centers have hosted some of the renowned conferences around the world. While Kenya boasts of the brand that the Kenyatta International Convention Centre (KICC) is, South Africa is renowned for six of some of the convention centers across the globe. The centers in South Africa include Sandton Convention Centre, Tshwane Events Centre, East London International Convention Centre, Johannesburg Expo Centre, Boardwalk International Conference Centre, CSIR International Conference Centre, and Cape Town International Convention Centre (The Meetings and Events Planner, 2013).

**2.9 Kenyan Principles, Laws, and Regulations on MICE**

According to the report baseline survey on MICE tourism in Kenya conducted by Messrs Samcotech E.A. (2011), Kenya's first national tourism policy was set out in *Sessional paper No. 8 of 1969*, which talked about growth targets for the industry, spelled out the role of Government. The latest policy statement is in *Sessional paper No. 1 of 2010* titled Enhancing Sustainable Tourism in Kenya (Argwenge, Hayombe, & Ochieng, 2013). On the second page, these documents appreciate that "…..Tourism has recently become a competitive business. The focus should shift from traditional tourism of where the focus was on numerical targets in terms of tourist arrival and financial targets' to sustainable tourism (Argwenge et al., 2013). The paper also highlighted on sustainability impact of tourism on the environment, society, and economy. *The Sessional paper No. 1 of 2010* states that "...the business travel market, as well as meetings, incentives, conferences, and exhibitions, will play an important role in the tourism sector..." (Argwenge et al., 2013).
In Kenya, the Tourism and Regulatory Authority is mandated to regulate the tourism sector. According to the Tourism Bill 2010 published by the minister of tourism Hon. Najib Balala in cap 3 the policy direction, strategy and overall coordination in the sector is bestowed upon the proposed strengthened Directorate of Tourism in the Ministry of Tourism (Kenya Tourism Federation, 2017). Cap 10 states that the proposed Kenyatta International Conference and Convention Centre will spearhead the promotion of the business of meetings, incentives, conferences and exhibitions (MICE) as a specialized niche tourism segment able to spur great economic development in the country.

Cap seven on the same publication outlines mechanism for granting the necessary Fiscal Incentives to encourage investment in the sector in consultation with the Minister for Finance and Cap 12 ensures the safety and security of both the visitors and the hosts stating that it will be handled by the Kenya Tourism Service in close consultation with the lead government security agencies and stakeholders.

### 2.9 South African Principles, Laws, and Regulations on MICE

According to a white paper published by the Government of South Africa Department of Environmental Affairs and Tourism (1996), there are basic principles that govern the tourism sector in South Africa, for example, the tourism sector is private driven, the government only provides enabling framework for the industry to flourish, tourism development takes place in the context of close cooperation with other states within Southern Africa. Tourism is used as a development tool for the empowerment of previously neglected communities and should particularly focus on the empowerment of women in such communities (South Africa Department Of Environmental Affairs And Tourism, 1996).

### 2.10 Similarities between Kenyan and South African Principles, Laws, and Regulations on MICE

Comparing the provision of the law on mice between Kenya and South Africa, it is evident that both the national governments of the two countries play a significant role towards the success of the industry. Both the two governments are involved in the development and implementation of policies that are aimed at enhancing the sector. Just like the Kenyan policy, the white paper published by the Government of South Africa Department of Environmental Affairs and Tourism (1996) states that tourism development will support the economic, social and environmental goals and policies of the government.
2.11 Chapter Summary

The study provides an in-depth understanding of the concept of business tourism based on available literature. It delineates the environment in which this approach of tourism thrives and outlines its origin and the basis of the history of tourism as a whole. The literature review chapter also discussed the impacts of policy changes to the sector and a further specificity of how changes in economic policies impact the sector as well as the contribution of the industry to an economy of a country. The section also explicated the existing relationship between Kenyan and South African principles, laws, and regulations on MICE.
CHAPTER 3
METHODOLOGY

3.1 Introduction

In this chapter, the researcher provides an overview of the methodical attributes underpinning the research methodology adopted in this study. The researcher adopted a historical research method approach to outlining a research that was a comparative case study in nature. The researcher investigated the dynamics that surround the business tourism sector with a specific reference to Sub Saharan African countries with a reference to the available guiding literature and the prevailing conditions of the industry in the two countries. The case study countries were Kenya and the Republic of South Africa.

The intuitive purpose of this study was to investigate and discuss the available empirical evidence on the influence of economic policies in business tourism with a specific comparative case study of Kenya and South Africa. Based on available evidence from both online and print sources, the study adopted a descriptive perspective to describe the prevailing state of affairs with regards to the subject matter and the available link to the two African nations (Salkind, 2000). Therefore the adoption of a descriptive point of view of historical/ archival data thus provided an opportunity that facilitated the synchronization of valuable data from various studies as well as authoritative statements and writing both from relevant scholarly materials as well as government statements.

The research approach was therefore not experimental and relied specifically on the past and existing references and occurrences relevant to the subject of the study (Salkind, 2000). Considering that changes concerning a given phenomenon have accumulated over time, it is also possible that different scholars have recorded different perspectives and within different timelines through which such changes have had a different relevance. Therefore reference to such sources makes it possible to be drawn into a wide angle of view as well as a myriad of perspectives that can have a great potential of informing a given subject of interest. With specificity to this study, such changes may have had to transform impacts to the business travel industry through the various tourism bodies that exist in both Kenya and South Africa as sovereign states as well as global tourists’ destinations. Such changes have the possibilities of being either representative of other countries and regions of the world or they may be only exclusive to these two case study nations.

While changes in any economic sector may be progressive or retrogressive, this study also investigated the impacts of all the factors that influence events/ business tourism in the context of the two countries from an economic policies perspective and whether such
changes have been progressive or retrogressive to the sector. The study placed a fundamental emphasis on the identified economic policies impact on the enhancement of the business travel industry from both the national as well as global contributions. The elements explicated included, economic contribution, social impacts, technological transformation as well as environmental impacts.

3.2 Study Design and Its Appropriateness

The research process employed in this study involved a literature review oriented data collection procedure that focused on gathering information from secondary data sources. To detail the specificity of the study of the archival data, the study adopted the approach of a case study methodology which is a form of qualitative research. The basis of a case study is to review a real-life phenomenon using evidence sourced from diverse multiple sources (Yin, 2009).

With a case study, the referred information is always derived from stated facts that concern a particular attribute under study. Because the case study approach relies on fact finding of available evidence to establish an argument, it is necessary that such facts be as accurate as possible to avoid bias and misinterpretation.

The adoption of a case study approach presents itself a wide variety of benefits to a study. Considering that it focuses research within the confines of identified boundaries, it has the potential of revealing in-depth information regarding the specific attribute under study. For instance considering that this study focuses the research process on information surrounding business tourism only in Kenya and South Africa, it stands a greater degree of overcoming the temptation of a generalized assumption since it digs deeper while focusing on a narrow subject. By the fact that a case study focuses on a specific issue and not generalized assumption it avoids the possible chances of deviating into irrelevant inferences and arguments (Zainal, 2007).

Because of the attributes of a case study discussed above, the researcher opted for the approach in order to engage a more focused discussion and information search. The case study methodology enabled the researchers to examine the subject of the study more closely within the context of the two countries firstly from a global perspective than with the specificity of the circumstances presented in each of the two countries. The selection of the small geographical area thus helps to achieve a contextual analysis of events within a limited but otherwise a deeper scope (Zainal, 2007).

With the relevance of this study, the investigation of the influences of economic policies on business tourism with narrows reference to Kenya and South Africa was
achieved using a longitudinal case study and comparative data collected to ascertain the comparative development of business tourism in the two countries. It thus enabled the researcher to examine the impact of economic policies on business tourism in the two countries over a long period of time granting a detailed examination of the unique dynamics presented in available and accessible literature and sets of data (Yin, 1994).

The benefits of a case study being a qualitative method of research is that unlike the scenario presented by the quantitative analysis which presents an observation at a macro level view of facts on the virtue of their frequency of occurrence, a case study affords the possibility of viewing facts at a micro level (Zainal, 2007). It is vital to crafting the needed design of a case study to increase its robustness as a research instrument especially depending on the research in question. A case can take a multirole design or in other instances a single design.

When it is only one occurrence which is under investigation, then it is advisable to adopt a single case study (Campbell, 1975). For instance, when investigating the impacts of economic policies on business tourism in Kenya alone, it may be more likely that a single case study would be sufficient. Because of its delineation of a single non-replicable event, it is impossible to arrive at a generalized conclusion with a single design case study (Zainal, 2007).

However, when it is possible to investigate a replicable phenomenon with the existence of multiple inferences of evidence, for instance, the impacts of economic policies on business tourism with a comparative stand between Kenya and South Africa, then a multiple case study design is the best approach to undertake such a research (Campbell, 1975). In essence, the case study design that was adopted in this research was that of a multiple design approach. Nevertheless, it is important to understand that when it comes to the possibilities of generalization when using a case study design whether such a design is single or multiple, such generalization is always theoretical rather than based on a reflective population (Yin, 1984).

The key advantage that a multiple case design has over a single case design is the fact that, it enhances pattern-matching in which case it relies on multiple sources of evidence to draw a theoretical point of view that may be more formidable than if the various pieces of evidence from different sources stands singly (Zainal, 2007). The replication of the evidence that surrounds the framework of business tourism in Kenya within the South African context can help increase the robustness of the evidence realized from the case thus
elevate the degree of confidence and reliability of a derived theoretical proposition within a generalized perspective.

From the discussion above explicating the importance of the design process of a case study in matching the presented research scenario, it is vital to ensure that the design process of a case study receives the thoroughness it deserves. A carefully designed case study irrespective of whether it takes a primary or secondary research strategy has the ability to prove six fundamental elements. Firstly, it is capable of driving both implicit and explicit information from the targeted sources and secondly, it is able to reflect the research question(s) appropriately (Tellis, 1997). Thirdly, it properly sets the requisite research procedures and executes them correctly and fourthly, it adopts and implements all scientific recommendations for such an undertaking with all the due strictness (Tellis, 1997). Fifthly, it records all the evidence drawn from the research in a systematic manner and sixthly, the case study is able to present or show its relativity to a well detailed and explained theoretical framework (Tellis, 1997).

While case studies may be explanatory, descriptive, or exploratory, this study chose the descriptive case study approach to undertake this research (Yin, 1984). Exploratory case studies aim to investigate a subject matter from a point which the researcher finds interest in and as such the researcher may seek answers for general questions. An example of such exploratory questions could be: economic policies influence business tourism in Kenya? The generality of such questions always grants the researcher a probing drive to outline in-depth information regarding the subject under study.

An exploratory case study permits initial data collection from which a hypothesis and research questions may be developed and from these, a theoretical framework is derived (Yin, 1984). An exploratory case study such as a pilot study has the potential to guide the researcher on how best to undertake a full study from an informed point of view and thus avoid any possible pitfall that may arise if a researcher had no prior knowledge of the dynamics that may surround the actual research (McDonough & McDonough, 1997).

On the other hand, explanatory case studies aim to provide a detailed explanation concerning a given occurrence (McDonough & McDonough, 1997). For example, an explanatory case study may determine to question why economic policies affect business tourism in South Africa. With the resulting data, it is then possible to formulate a theory with the intention of testing and proving it (McDonough & McDonough, 1997). In most cases, explanatory case studies are normally useful tools of investigating complex subjects through a causal approach. The need to establish causal determinants of a phenomenon may
be knowledge driven, need to solve a problem or the understanding of the interactions of two or more variables (Zainal, 2007).

As mentioned earlier, the researcher in this study adopted the descriptive case study model in undertaking this research. The basis of a descriptive case study is to describe a subject in its natural setting and observable occurrence as much as possible without the need of exploring in-depth implications of such data or their causal parameters (McDonough & McDonough, 1997). It means that the information is described as they actually occur. It is a very applicable model in describing the influence of economic policies in business tourism while comparing the situation in Kenya and South Africa.

Case study research methodology presents various benefits to a researcher. Firstly, information regarding the subject under research is always investigated within its context of existence and occurrence (Yin, 1984). This study examined economic policies in Kenya and the same in South Africa without the necessity of collecting the information as a representative sample and instead describing as is. Considering the various sources of evidence and multivariate data drawn from different sources in describing the real-life context of a phenomenon, it is possible to put forward a more acceptable generalization. Fortunately, case studies are always flexible and can serve the purpose of informing future research and can also be used as points of reference for more extensive and broad studies. They also have the capacity to capture real occurrence as they are with minimal chances to distort any presentation or the variables.

Case study research is always situational meaning that they are determined by the situation under investigation and in most cases is determined by the objective the researcher intends to achieve. For example, the situational objective of this study for the researcher was to establish a comparative ideology on the empirical evidence on the influence of economic policies in business tourism with a specific comparative case study of Kenya and South Africa. In summary, the perspective and direction of a particular research are determined by the objectivity of the researcher, the dynamics of the research as well as the environment surrounding the research (Davis & Clark, 1987).

Specifically, in this study, a case study-based qualitative research method was adopted to investigate and obtain direct and indirect supporting information the influence of economic policies in business tourism with a comparative case study of Kenya and South Africa. A research that is always intended to explore the validity of stated opinions has a potential to always lead to a quality research hence quality findings. The essence of Qualitative research is always driven by the need to providing clear, understanding, and
knowledge concerning the drivers behind occurrences, opinions and chosen perspectives concerning an issue of multiple importance.

A case study as a form of qualitative research always provides in-depth knowledge and critical understanding of issues, help to develop a research perspective that guides a research hypothesis on what is being investigated. The collection of data by the employment of a wide variety of structural and semi-structural techniques is a fundamental characteristic of the qualitative research method (Mehta & Sivadas, 1995). Such structural and semi-structural methods include selection and observations of comprehensive target data sources. In summary, with a proper and comprehensive collection of credible and reliable information, it is almost inevitable to achieve the Attributes of a good report which is the core aspect and consideration of every research work.

There are different examples of what a descriptive research can entail but the focus of this paper is on that of a case study, these are recommendable because one can have an option to apply a variety of methodology and rely on a variety of sources to investigate a research problem. The study adopted a wide variety of secondary data sources that included conference proceedings, journals, government publications, news sites, and reports. Other relevant information included official governmental speeches and documents with the capacity to explain the norms and practices of the business travel industry firstly from a global perspective then narrowed down to the two case study countries. The publications were useful in detailing information written on MICE which granted the capability of comparing the Kenya and South Africa cases.

To carry out this case study, the researcher relied on secondary research to collect and analyze data and present the findings of this study. The basis of secondary data research is to seek data from archival sources which in most cases are normally publications. The publications can be either in print or from digital sources or both. Secondary research is never experimental and it only offers information in correlation with the background of the research under investigation.

Secondary research is widely applicable and is employed in almost every research activity. It ideally involves the gathering and accessing data that is already collected from the work of a wide variety of closely correlated primary research. Such accessed information may have been presented in platforms such as magazine articles, company websites, research reports, research journals, dissertations, government publications, and white papers. A secondary research methodology presents several advantages to a researcher as shall be discussed below.
Firstly, considering that secondary research does not require the primary gathering of data or the assembling of research respondents, the information sought is readily available from previous literal works (Tariq & Woodman, 2013). Data recorded from past research activities is always available and to a greater extent accessible to a secondary researcher. Because of these prevailing circumstances, secondary data review is not only always a least cost research methodology but is also consumes the most minimal time in carrying out the research (Goes & Simon, 2011).

Secondly, the advancement in digital technology has brought great benefits to the information sharing world. With an internet connection it is now possible to access thousands of research publications and information sources over a given subject of interest almost anywhere and in most cases at the researcher's comfort (Johnston, 2014). The active use of the worldwide web has made it possible for researchers and research publishers to share their works with millions of people around the globe who are able to have access to an internet connection thus making relevant information readily accessible. In fact, online data access has somehow become the standardized form of accessing information for secondary research (Johnston, 2014).

Thirdly, secondary research also makes it feasible to carry out both longitudinal and international comparative study of a phenomenon through the use of information drawn from various contextual backgrounds. It thus makes it possible to compare the occurrence of a single phenomenon under different environments and draw similarities and differences that can help come up with a significant theoretical consideration and conclusion.

The available information over an issue in various contexts also makes it possible to understand the evolution of the issue under investigation in different environments. For example, in comparing the issue of the influence economic policies on business tourism under the Kenyan context as well as the South African context makes it possible to have an in-depth insight on how the two environments compare to the subject under investigation. While primary data may lack the rigor employed in secondary data collection considering it may lack the capacity for a comparative approach to longitudinal studies secondary research affords a researcher the possibility of overcoming a limited perspective as is the case of a primary research since it considers the comparison of primary studies from diverse social and environmental contexts.

The adoption of secondary research just like primary research has the capacity to help a researcher find answers to a research question and the ability to grant an understanding of a hypothesis in question. A secondary researcher does not also need to
undergo the troubles and hindrances experienced by primary researchers since much of their work is never filed based as is the case with primary researchers. Furthermore, from comparing past analyses, it is possible for a secondary researcher to generate new insights regarding a subject he or she is investigating on and come up with new relevant and acceptable conclusions.

3.3 Sampling Procedure

The study targeted related information on hotels and convention centers in Kenya and South Africa. The researcher employed a random data source sampling method in which the consideration was on literature that was addressing the whole or part of the study’s subject matter. In specificity, the primary delineation of the sources employed in the study was guided by their reference and association of business tourism as well as the implication influence of economic policies in business tourism with a specific comparative case study of Kenya and South Africa. Random sampling grants the advantage of overcoming research bias especially during sample selection (Kamakura, 2011). Because the samples are also picked randomly, random sampling can also generate a somehow representative generalization (Hathaway et al., 2010).

3.4 Limitations of the Study Design

As a basis of avoiding bias and misinterpretation of information, it is imperative for a researcher to undertake careful and considerate information collection strategy that has the potential to provide accuracy in the rationale presented as well as accuracy in the analysis, conclusion, and recommendation made from the obtained data. With the need for subjectivity and objectivity in a work of research, it is somehow impossible to attain a quality structure. For instance, a single qualitative review may lack the fundamental customs to ascertain a totally reliable measurement of the extent of facts within a given information literature.

As the study adopted a case study research approach to investigate the phenomenon of the influence economic policies on business tourism under the Kenyan context as well as the South African using a secondary research methodology of data collection, analysis and results in a presentation, the research suffered the limitations associated with these approaches. The employment of a case study as a research methodology experiences a number of drawbacks and the same are the case with secondary research as shall be discussed below starting with the limitations arising from the adoption of a case study approach than those arising from the use of secondary research.
For its use of a case study, the research process in this study experienced a number of setbacks. Firstly, it was somehow challenging to draw a generalized conclusion from the research considering the specificity that a case study presents. While a case study can be informative for a broader application, it is important that the process of underrating the study be clear to the researcher as a way of overcoming bias and also as a conduit supported by existing and proven analyses from past studies and evidence (Zainal, 2007). However, it is possible to minimize the temptation of this setback through the reference to several information sources in which case some may have been generated using different research designs.

The use of case study research has continued to receive widespread criticisms especially on its perceived lack of rigor. Considering that in most cases a researcher will heavily rely on the evidence available concerning the specific case without applying subject tests to such pieces of evidence (Yin, 1984). The result of such a perspective is that case study is more likely to suffer from the bias of evidence or views that can ultimately lead to bias findings and conclusions.

As mentioned earlier, case studies mostly consider a limited expanse of either a geographical demarcation or a limited number of subjects. Because of this strategy, case studies always exude limited stands on a scientific generalization (Yin, 1984). As a matter of fact, it is always almost impossible to generalize from a single case (Tellis, 1997). A case study can be used to inform a larger study but necessarily as a representative of a general situation. However, a case study can be a useful undertaking when it can be cumbersome to consider a subject under investigation over an expanded geographical or social context (Zainal, 2007).

This being a multiple case study means that it requires a massive amount of literate to provide the evidence needed to respond to the study hypothesis (Yin, 1984). The amount of data required to offer proof to the claims of a multiple case study are humongous and as such requires that it be carried out over an extended period in order to draw a good evidence supported a conclusion. It could become very cumbersome and be tiring if such data has to be dealt with and analyzed systematically (Zainal, 2007).

To explicate the case study, the researcher employed secondary research in this study which also presented a fair share of limitations to the study. Firstly, it is sometimes agreed that primary researchers may be compromised as they carry out their primary research and as such the reliability of some of these findings may elicit skepticism. What makes it worse for a secondary researcher is the fact that he or she may draw from these
primary findings which further compromises on the quality of the research carried out by the researcher carrying out the secondary researcher. It is therefore imperative that the researcher possesses some high levels of information literacy to decipher the validity and reliability of the information referred.

Primary researchers are always carried out to answer or meet specific research objectives. On the other hand, secondary research refers to data provided in primary research even though the objectives of the secondary research may be different from those of a primary research. Because of the scenario presented by the two conflicting circumstances, it is possible that a researcher may find him or herself having to deal with and comb through inappropriate data or irrelevant information. Primary research is never specific to the needs of a secondary research as it is to the primary researchers themselves.

While secondary research primarily relies on data drawn from primary research, it never has the guarantee to produce quality data since it lacks control measures for such data as provisioned by primary research. It is also possible to fall prey to obsolete data as a secondary researcher especially if the data literature referred to may have been for research carried out a long time ago to an extent that the findings of such researchers lack the currency that can be reflective of the present timelines. Information is bound to change especially with the discovery of new ideas and parameters and thus data that was once valuable may become inapplicable in the current context of a present secondary study.

In addition, unlike primary research where the researcher has primary contact and feel of the information dealt with, secondary data review suffers from the investigative experience afforded by primary research (Tang, 2004). In essence, secondary data analysis suffers from the absence of primary data gathering elements, mediating factors, expert data collection as well as the nearness of onlookers and research respondents. The practicality of information dealing and manipulation is always lacking and thus the discourse of comparing issues from a practical perception is always non-existent (William, 2015).

3.5 Study Area

The focus geographical areas for this study were the sovereign nations of Kenya and the Republic of South Africa which are two countries existing on the Africa continent on the south of the Saharan desert.

3.6 Data Collection Procedure

With reference to the subject under investigation in this study secondary data collection and analysis was achieved through a review of published archival data (Alex, 2002). Data was collected from the newspapers, conference proceedings, government
publications, news sites, reports, official governmental speeches and documents online academic journals. Vital Information was also collected from the books, media, on a regional and international organization that makes a formidable source of information and makes a contribution to the MICE industry.

Considering that the overall research methodology is qualitative as outlined above, it was important to adopt a valid qualitative approach to data collection, analysis, and presentation of information with as much relation to the topic under discussion in this study. Once collected, the data awaited analysis (O'Neill, 2014). Secondary data collection was employed in the process of gathering information that would have made it possible to examine the influence of economic policies in business tourism with a specific comparative case study of Kenya and South Africa.

Case study design can also extend experience or strengthen what is already known through an initial or previous research. The qualitative research design also allows for a less structured way of collecting data and gives room for a flexible research design, therefore the results can be presented objectively. The case study, therefore, assists in giving a comparative analysis between South Africa and Kenya MICE industry.

Some of the limitations associated with applying qualitative methods to study research problems are that there is difficulty in explaining differences in the quantity and quality of information obtained from different respondents thus one can easily arrive at different, non-consistent conclusion. As a researcher, one needs a high level of experience to be able to obtain the targeted information from the respondent.

3.7 Data Analysis

This Thesis used thematic analysis for data analysis. Palmquist, Carley, and Dale (1997) suggest that thematic analysis is where the concept is chosen for examination, the analysis involves quantifying and tallying its presence. Borrowing from Palmaquist et al. (1997), this research made use of thematic analysis to examine data from books, academic journals, reports, newspaper and the web pages. The selective reduction process was useful in coding information from different sources into manageable content categories. The findings were used to provide knowledge understanding of the MICE industry.

The data analysis approach was with the aim of presenting the findings of the study both logically and objectively. In this study, the researcher adopted a theoretical correlation strategy to discuss the parameters of the research on the subject matter as they occur in real life applications. In addition, it was important that the analyzed data be interpreted in the context of the study in a manner that would render it easily understandable. It was important
to match the process of analyzing the information with the relevance of the investigation (Andrews, Higgins, Andrews, & Lalor, 2012). Therefore, the researcher ensured that the analysis process evaluated relevant data sources that presented correlated information to the objective of the study.

3.8 Ethical Issues

To increase the reliability, validity, and confidence in any work of research, Ethical consideration is a very crucial element that must be incorporated by a researcher while undertaking a study. It is no doubt that the integration of ethics and ethical procedures in the research increases the authenticity of a research and thus a researcher must take a serious consideration of such measures. Therefore in consideration of these aspects, the researcher considered all elements of ethics that matched the objective of the study.

This research was conducted for academic purpose. The data collected and sources cited were referenced accordingly citing the original authors. Ownership of this work was acknowledged in the paper and kept from unauthorized access or destructions. As a way of avoiding bias or prejudice in the findings, a wide scope of information sources that included conference proceedings, journals, government publications, news sites, reports, and official governmental speeches and documents generated from online repositories were cited and referenced. Furthermore, the researcher strived to validate a meaningful and balance discussion and arguments to add strength to the findings.

3.9 Research Validity

An accurate and reliable data collection procedure has the potential of increasing the authenticity hence the reliability of the research findings. It is only through an accurate and reliable data collection procedure that a researcher is able to collect authentic data that grants relevancy to a research process. It is the basis of ensuring research validity which is the ability of a research to reflect what it intended to investigate (Deniz & Alsaffar, 2013).

3.9.1 Internal Validity

The basis of comparing variables in a research is always to determine the prevailing relationship between the dependent and the independent variables. In a typical relationship, an independent variable will influence a dependent variable singly. However, it is possible that more than one independent variable may have a somewhat notable influence on a dependent variable until it is somehow difficult to tell clearly which independent variable is causing the noted influence of the dependent variable. Such a phenomenon is called confounding and its genesis results from inaccurate and unreliable measures undertaken on the research (Deniz & Alsaffar, 2013).
An internally valid research is one that overcomes the possible occurrence of confounding of multiple independent variables on a single dependent variable. It is possible to overcome the problem of confounding by increasing the scope of the sources of data as well as the evidence used in the research which is a process known as triangulation (Barbour, 2001). Triangulation is a helpful strategy of increasing the internal validity of a research.

3.9.2 External Validity

It is also vital that a research work is able to present findings that can be applied in and inform other contexts apart from the one in which it was carried out in (Wiersma, 2013). A research that possesses such ability is said to be externally valid. The basis and intention of achieving external validity in a work of research are to present a possibility where it is possible to draw a generalized inference that can be applied in more than one context.

3.10 Chapter Summary

In summary, in this chapter, the researcher provided the methodology used in the research process of this study. The researcher provided a discussion on the strategies and approaches employed to mine data from the different literature cited in this study. The chapter outlined the research design, the study area, and sampling method means and where the data was collected, the data analysis and any ethical issues that may have arisen.

The study adopted a case study approach to research which has the potential to evaluate data at the micro level. The case study approach was useful in this study in that its model of delineating an in-depth study of a limited geographical context and subjects helped to overcome the possible problem that was posed by addressing the subject of the study from a big sample perspective. It also helped to present the real-life situation of the issue under investigation from an in-depth insight point of view.
CHAPTER 4
FINDINGS

4.1 Chapter Overview

Economic policies are some of the most authoritative influences of business tourism in a country. These policies play a pivotal role in the dynamics of the MICE sector in any country. It is almost impossible to ignore the dimensions presented in the industry by these policies which are normally politically influenced. The responsiveness of the sector to these policies is immense and can play a crucial role in the success or failure of the sector ((DEAT 2003; Monitor 2004). In other words, such policies can make or break the successful existence of the sector in a country.

It is no doubt that different countries present varying domestic policies and hence the differences in the prevailing policy frameworks evident from one country to another (Britton, 1982; Rogerson, 2015). It is also important to note that businesses within a country must adhere to the guidelines set forthwith as provided by the provisions of the law in those countries. Therefore, if such policies are favorable businesses that are favored will prevail but if such guidelines are unfavorable businesses may find it rough and unable to thrive (Britton, 1982).

The policies that govern the political, social, environmental, and economic context of a business majorly arise from the government. Such policies have a direct or indirect impact of an enterprise including those that are engaging in the business tourism industry (Rogerson, 2015). There are various approaches through which economic policies can have an impact on the MICE sector. For instance, economic policies that touch on the matters of tax and duty exemptions have the potential of drawing widespread interest from investors to invest in the sector hence catalyzing the sector to experience immense growth and expansion (Williams, 2017).

It is also important to note that depending on the stability of a country in terms of the political dynamics, it may be possible to witness a situation where the enacted economic policies may differ over a similar business sector. More politically stable nations will tend to develop and enact laws that may seek leniency to a given sector while unstable countries may tend to enact laws that may be driven by the need to promote security first even if such laws may cause harm to a given sector in the economy (Clements & Georgiou, 1998; Williams, 2017).

This paper sought to examine the policies or factors Kenya can consider or borrow from South Africa that can easily boost the business tourism in Kenya considering the
conspicuous tendency of Kenya to lose international conferences bid to South Africa during bidding processes (Langkilde, 2013). It was important for the researcher to investigate the different measures that South Africa has undertaken in terms of economic policies strategy to influence its globally conceived perception as a leading meetings country in Africa compared to Kenya.

Tax and duty exemptions economic policies in a country have the potential of lowering the pricing associated with different services and complementary provisions supporting the MICE industry (Reynolds, 2008; Dlamini et al., 2016; Williams, 2017). It is on the basis that due to the tax exemptions, the service providers are still able to maintain a satisfactory profit margin even if they cut back on their pricing. Therefore for the group of clientele who may be price sensitive may choose to hold their meetings or attend conferences where the required services are not overpriced (Herrmann, Xia, Monroe, & Huber, 2007). Cognizant of the spending capacity of the targeted meeting delegates, promoters of an event may choose a particular destination over another noting what the intended delegates may be able to afford or may be comfortable to spend on without holding back.

The paper investigated the reasons why South Africa has been the leading country in conference tourism in Africa by studying the economic tourism policies in the country and comparing how Kenya as a country which has also shown greater interest in the business tourism industry is fairing. Such findings may be significant to advise the government which is the principal policy developer and implementer on some of the areas it can improve on as far as economic policies, especially those influencing the conference tourism sector, are concerned. Such knowledge would be valuable in improving the competitiveness of Kenya as a choice business tourism destination.

4.2 The Influence of Economic Policies on Business Tourism in Kenya

This paper intended to provide an overview of Kenya's competitiveness as MICE destination with regards to the existing economic policies and frameworks and a comparison of the same with South Africa which is the number one MICE destination on the African continent. The objective and the significance of the study was such that it would be a useful tool in enhancing the business legal climate as a fundamental approach to enhancing Kenya's competitiveness as MICE destination on the continent and around the globe.

As of the years 2014, Kenya’s GDP stood at US$ 61 billion with a per capita of US$ 1,300 and compared to its peers stood at number 5 on the biggest Sub-Saharan
economies after South Africa, Nigeria, Angola and Sudan (Dlamini, Nam, Nyamumbo, Obara, & Tasfiha, 2016). Internal shocks and exogenous factors have had notable impacts on the Kenyan economy albeit in different proportions. Political instability especially those arising from election dynamics and ethnic based politics and violence, macro, and micro business policies, and drought can be classified as internal shocks while global oil prices and trade can be classified as exogenous factors (Dlamini et al., 2016).

Other various internal mechanics affect the business environment within which business tourism is not left behind. It is notable that the country's business environment is heavily undermined by the existence of weak institutions and the prevalence of high levels of corruption (Dlamini et al., 2016). The Kenyan government is also touted as being very bureaucratic and as having one of the most notable tax regulations complexities (Dlamini et al., 2016). These challenges have had a greater impact on business tourism and tourism as a whole in the country.

The Kenyan economy continues to bear the brunt of deficient current account as well as fiscal dynamics arising from an unstable pro-cyclical fiscal policy which has by far increased the country’s vulnerability to macroeconomic challenges which include fluctuating lending interest rates (Dlamini et al., 2016).

There have been notable efforts by the government to enact and implement remedial monetary policies to maintain price stability in various sectors of the Kenyan economy including tourism for which conference tourism is part of amid rampant and protracted episodes of high inflation. Both the internal shocks and exogenous factors discussed above have had their fair contribution to the occurrence of the episodes of inflation that have been witnessed in the country (Dlamini et al., 2016). Therefore the government in an effort to counter the impact of aforementioned factors has always tried to put in place inflation-targeting monetary policies which have included among many other things efforts to reduce the fluctuating tendencies of currency exchange rates and currency depreciations.

The Kenyan government also plays a crucial and influencing role to its business environment and in the types of economic policies put in place to guide practice (Maingi, 2011). Apart from running complimentary parastatals in the MICE sector, the government also maintains minority ownership in various MICE complimentary businesses as a way to monitor public interest in those corporations. This is in consideration that the government itself is a customer to a number of these MICE businesses and also helps to facilitate credit access to these firms (Dlamini et al., 2016).
It is also regrettable to say that past regimes have exhibited situations where regime loyalists and election losers are appointed to head or offer oversight to tourism agencies irrespective of whether such individuals have the expertise to offer professional guidance or not. Such appointments are mostly political and are only aimed as political rewards rather than strategic decisions (Dlamini et al., 2016). Unfortunately, such appointments in most cases fail to lead to industry improvement or growth and in the retrospect are always plagued by corruption scandals that taint the image of the country as a competitive MICE destination.

In most cases, the Kenyan economic policies are never industry specific and are thus generalized. Because of such an approach at policy implementation, the legal environment many times fails to meet the specific needs of the industry and as such the country suffers the absence of internationally competitive service and product providers as well as competitive supporting industries (Maingi, 2011). The absence of these elements also diminishes the competitiveness of Kenya as a MICE service provider.

Therefore the blanket application of policies have not provided a favorable environment for supporting industries that can boost the thriving of the MICE industry and as such has compromised its performance. For example, absence of regulatory framework that specifically favors Kenya Airways, Kenya's national airline has led to the carrier loss of market share to its competitors especially those from the middle east which in turn has decreased the performance of the company as a complimentary critical brand and marketing reference of the Kenyan MICE industry (Dlamini et al., 2016).

The coordination of the tourism sector in Kenya including the conference tourism industry takes the approach of institutional collaboration with the government being the chief collaborator and overseer of the industry (Maingi, 2011). Through its National Ministry of Tourism and Wildlife, the Kenyan government bears the greatest political responsibility the sector regulation, as well as policies formulation, enactment, and implementation (Dlamini et al., 2016).

The government agencies that effect the institutions' collaboration approach include the Kenya Tourist Board (KTB), the Kenya Wildlife Services (KWS), the Catering and Tourist Development Levy Trustees (CTDLT), and the Kenya Tourism Development Cooperation (KTDC) (Dlamini et al., 2016). The government also runs a public training institution of higher learning called the Kenya Utalii College (KUC) which is responsible for training and establishing hospitality standards in the country. Being the only tourism
training focused government run institution in the country presents a weakness in the sufficiency of its provision considering the demands of the industry (Dlamini et al., 2016).

In addition to ineffective policies that can facilitate the running of government tourism agencies, the available government policies do not also offer a respite for effective coordination collaboration between private and public agencies as a way of unifying the two sides on a common tourism vision that can help propel the conference tourism sector to greater heights (Dlamini et al., 2016). The lack of sufficient fund allocation on the part of the government to the industry since there are no policies that stipulate such allocation contributes to the poor management of the sector.

Over the years, various political and ethnic dynamics have played an overt role in shaping the tourism landscape in the country including political and business rivalry. While the establishment of the Kenya Tourism Development Cooperation may have been out of goodwill, political elites in the country have spearheaded and sabotaged its mandated notably for their own skewed gain. For example in the 1980s and 1990s, it was noted that most people who had benefited from the lending and business support services from the institutions in establishing tourism related industries during the regime of the first president of the country emanated from the Kikuyu ethnic group (Dlamini et al., 2016). The political antagonism that the sector faced when the second president came into power resulted in a methodical transfer of wealth including those in the business tourism sector such as hotels from the Kikuyu elites to ethnic groups and sanctioned by the state under the president Moi regime (Hornsby, 2005).

According to the UNESP (1997), various government influences, especially on the central bank and the associated fiscal policies, have had a great impact on several sectors of the economy for which the conference tourism sector is not an exception. While in its efforts to address the fiscal hindrances in the financial sector in the mid 1990s may have led to improvement in the tourism industry including the MICE sector in the early 2000s, the role of the collaboration between the government and the central bank is still faulted for the inhibiting macro economic environment that still hinders the thriving of the MICE industry as well as other sectors in the country.

For instance, UNESP (1997) claims that the central bank has been blamed for its inability to carry out sufficient control of the money supply and monetary policies which are in turn characterized by high levels of inflation and monetization. Secondly, according to UNESP (1997), the central bank is blamed for its inability to offer proper supervisory engagements on the bank and nonbank entities in ensuring compliance with the available
monetary policies. Thirdly, UNESP (1997) adds that the Kenyan businesses environment is clouded by domestic government borrowing leading and a recurrent fiscal deficit both of which discourage private entity investments in the sector. Lastly, UNESP (1997) notes that the government interferes a lot the operations and decisions of the central bank which in essence operate without autonomy of the influence of the government which is sometimes led by self-centered individuals.

Furthermore, the role of the government in the financial sector, especially with the protracted firm rivalry, extends to the business sector woes especially regarding access to financing. UNESP (1997) details that the government exercises excessive control over the lending and deposit interest rates implemented by commercial banks through the central bank. In addition what has prevailed for so long until recently includes the liberty commercial banks had in setting their own interest rates which in essence were always high and granted them high Net interest margins at the peril of enterprise borrowers including those in the business tourism sector (UNESP, 1997).

The Kenyan government intervention to the tourism sector through approaches such as incentivizes continues to create market distortions that favor the thriving of family-owned conglomerates and sub-scale firms in the tourism industry in Kenya. For example, the VAT tax introduction in the year 2014 sort of contributes in the driving up of prices which favors s high-end conference facilities within the industry while not doing much to develop lower end spectrum of industry players (UNESP, 1997). Because of the costs associated with high-end services, targeted marketing for affordable services proves much difficult especially to domestic delegates especially on non-natural tourism such as MICE.

Liberalization of the Kenyan market can help attract more international brands of hotels to set up shop in the country and add to the already existing 8 brands by 2015 which in essence is less compared to the 15 found in South Africa (Dlamini et al., 2016). The government can also try to incentivize more budget hotels to cater for the low-end clientele spectrum. In addition, it can promote an environment in which mutual coordination can lead to mutual benefits, for instance, the formulation of a strategic collaboration between hotels, airlines, and local companies to market and host more conferences.

4.3 The Influence of Economic Policies on Business Tourism in South Africa

In South Africa, tourism is of the economy’s priority economic sectors’ and requires active support and promotion as provided for by the country’s Department of Trade and Industry (DTI) Under the Integrated Manufacturing Strategy of 2002 (Reynolds, 2008). Because of its massive contribution to the country’s job segment, foreign exchange
earnings, and the gross domestic product (GDP), the industry continues to receive immense attention especially from the policy players (Monitor 2004). Its contribution to the South Africa economy goes without saying.

South Africa as a country has experienced an extensive and changing economic policy environment since the year 1994 especially with regards to promoting tourism in South African cities. South Africa has been noted with policy formulation processes aimed at developing its cities as ideal centers reflective of tourism economies. The Department of Environmental Affairs and Tourism (DEAT) is the agency tasked with helping to develop South African Cities as centers tourism economies (Reynolds, 2008). A study indicates that the period between the mid to early 1990s was a period in which the consideration of the South African tourism sector entered the limelight of policy debate (Cassim, 1993). DEAT (2003) argues that the establishment of policies that govern the tourism industry has heavily relied upon an elaborate and participatory process with members of the society as a way of reaching informed decisions on how best to overcome bottlenecks that may arise from policy implementation.

The South African tourism sector is best identified with its mantra of ‘Become Tourism Active’ which aims to identify potential market for the country’s tourism products and services including conference services (DEAT, 1995). The process of achieving the reality of such a mantra emanates from the depth of involving the society and the drive of the people to want to make it happen. Such was the case of the plenary meeting of tourism stakeholders and role-players in the years 1994 and organized by the Minister of Environmental Affairs and Tourism that established a Tourism Task Team (TTT) with representatives from businesses, communities, constituencies, labor organizations, as well as the central government to help come up with policies that could help in spearheading the growth of the tourism products and services industry in the country (DEAT, 1995). Through the workshops held by the task force, every interested individual provided his or her view on how best the industry should be run through which the task force also spearheaded the training and empowerment of community and labor representatives as a way of strengthening the industry (DEAT, 1995). Therefore the country’s national tourism policy was thus designed through a participatory approach as a way of reconstructing and enhancing the potential of the industry.

Apart from the various policy approaches that the South African government has undertaken in the past as a model for enhancing the competitiveness of the country as a tourist destination including the MICE sub-sector, the white paper on tourism is the most
elaborate guiding tool in the country (RSA, 1998). Through the provisions of the paper and the underlying knowledge therein, the South African government continuously seek to it a correction on the historical imbalances in the industry that arose from the discriminative political system that prevailed in the country for a very long time (RSA, 1998).

DEAT (2002) also emphasizes the government role in enforcing newer policy initiatives targeting the need to carry out tourism activities responsibly. The guidelines provided by such policies are not only helpful in reflecting the South African tourism industry as an environmentally sensitive sector but also a sector that is mindful and aims to transform the lives of poor South Africans. The South African Tourism (SAT) is the body mandated to provide guidance in the restructuring and development of the of the country’s tourism Industry. Among many other things, the SAT mandates include the implementation of the *Tourism Growth Strategy* by the national government which is anchored on five fundamental principles listed below (South African Tourism, 2002).

1. The need to ensure that the growth rates of tourism in South Africa are high and sustainable.
2. To ensure that tourists spend more when they visit the country.
3. To maximize the duration in which tourists take in South Africa.
4. To ensure even distribution of the revenues drawn from the tourism industry across the country.
5. The need to enhance the lives of the local through the transformative potential of the tourism sector.

SAT also spearheads the investment in growth and development of high potential segments of the industry such as MICE as well as doing all that is humanly reasonable and possible to defend some of the markets the country boasts of (Reynolds, 2008).

The national government plays an essential and pivotal role in shaping the policy environment as an approach to ensuring that it is attractive to investors as well as customers which include business tourists. For example, the government is active in commissioning repeated research in order to gain insight that helps to guide relevant policy formulation processes for the industry (Monitor 2004). With the implementation of the local economic development (LED) targeting its major cities such as Johannesburg, Cape Town, and Durban with the intention to tap potential opportunities capable of developing and promoting tourism in these urban centers (Lootvoet & Freund 2004). Such initiatives have led to the development of landmark recreational facilities such as sports centers, museums, theaters, and parks as well as maintenance of high standards within such facilities. The
country has also invested in other lucrative forms of tourism such as political/justice tourism as well as medical tourism (Hughes & Vaughan 2000; Bass 2005).

A 2001 survey estimates that 66 per cent of the business tourists who visited South Africa in that year spent a minimum of two nights in Johannesburg with 89 per cent of these 66 per cent visiting the city for general business while the other 11 per cent visiting the city to attend a conference or exhibition (GJMC, 2001). Such prolific statistics are attributed to the Joburg 2030 document which is a tourism strategy guiding tool that aimed to tap the potential of the city to other forms of tourism considering it's non-competitiveness as a leisure tourism destination. The potential area of focus in tourism identified in the Joburg 2030 document was in business tourism which remains the most critical and distinct tourism component of the city’s economy (Rogerson, 2002).

4.4 Comparing the Influence of Economic Policies on Business Tourism between Kenya and South Africa

The economic climate of the Kenyan tourism industry compared to that of South Africa reveals a great disparity in a number of capital investments in the sector with Kenya posting a $0.85 billion while South Africa posting a capital investment of $5.0 billion in 2015 (Rogerson, 2006). South Africa enjoys economic policies that foster businesses competitiveness, safety, security, and affordability in its tourism offering compared to Kenya (Rogerson, 2006).

From the description above, it is obvious that the South African economic policies continue to create a business environment that is attractive to both investors in the MICE tourism sector as well as clients who are willing to consume the offerings of the sector in the country. Compared to Kenya, the country boasts of a high reputation which also contributes to elevating investor as well as customer confidence in the country's MICE sector (Rogerson, 2006). Incentivizing the industry has also helped pricing in the South African Mice industry to remain very competitive compared to Kenya which in most cases thrives on high–end services.

4.5 The Impacts of the Influence of Economic Policies on Business Tourism in Kenya and South Africa

From the discussion undertaken in this study, it is evident that the enactment of economic policies in Kenya and South Africa exhibit very sharp contrast. While the South African policy promotion intentions are strategically motivated to boost the performance of the tourism industry and more specifically non-leisure forms of tourism, the Kenyan
situation is mostly plagued by politically and self-centered economic policies aimed at benefiting a few individuals.

Therefore, while the South African economic policy models have contributed to the flourishing of the MICE industry, the Kenyan situation has presented bottlenecks that continue to hinder the competitiveness of the sector in the country. While the strategic appointment of business leaders in agencies tasked with spearheading the work of promoting the competitiveness of South African cities as an excellent destination for MICE tourists, the political appointees being rewarded with such positions in Kenya continues to derail the effectiveness of the industry.

In addition, while the South African case approach to possible obstacles in its tourism industry which comprises largely of the MICE sub-sector is proactive and future oriented, it seems the Kenyan case appears to be more reactive especially when dealing with inflation-targeting monetary policies that include efforts to reduce the fluctuating tendencies of currency exchange rates and currency depreciations.

4.6 Chapter Summary

The findings of the research process undertaken in this study were presented in this chapter under the guidelines of the objectives that the researcher intended to achieve. While the researcher intended to discuss the findings on the influence of economic policies on business tourism in Kenya in this chapter it also intended to do the same with South Africa. Secondly, in the chapter, the researcher also presented a comparison the influence of economic policies on business tourism between Kenya and South Africa. Lastly, the impacts of the influence of economic policies on business tourism in Kenya and South Africa were also discussed in this chapter.
CHAPTER 5
DISCUSSIONS, IMPLICATIONS, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Study Summary

This study intended to present a comparative point of view regarding the influence of economic policies on the business tourism industry with reference between Kenya and the Republic of South Africa. The objectives of the study included the need to examine the economic policies of Kenya and South Africa in relation to the business tourism sector, the need to assess the economic contribution of conference tourism in Kenya, the need to discuss and analyze the factors that lead to an attractive business tourism destination using South Africa and Kenya as case studies as well as the intention to assess South Africa's development in business tourism over 2005-2015.

The researcher held that firstly, better economic policies have a positive effect in the business tourism sector in Kenya. Secondly, hosting more international conferences boosts the Kenyan economy. Thirdly, advanced infrastructure in Kenya leads to a boost of delegates into the country and lastly, the establishment of a convention bureau and more convention centers leads to Kenya hosting more conferences in the country.

Therefore the collection, treatment, and analysis of data were with the purpose of establishing whether Kenya and South Africa have any economic policies towards conference tourism. To understand the kinds of contribution conference tourism have in the Kenyan economy. Thirdly, to know the factors that lead to an attractive business tourist destination and lastly to establish the factors that propelled South Africa’s development in business tourism between the years 2005-2015.

The study adopted a case study approach to a research and employed secondary research in gathering and analyzing relevant data for the purpose of informing this study and presenting a concrete inference. The appropriateness of the case study strategy was on the basis of the scope of the subject of business tourism considering its expansive scope across the globe and thus it would have been cumbersome to comb through the tons of information and secondary data available on the subject if the researcher was to consider a wider geographical reach.

As a way of overcoming the possibilities of bias and prejudice in carrying out the research as well as considering sources for data collection, the researcher observed the necessity of adopting a wide scope of secondary data materials so that it would be possible to gather a more representative data and thus achieve increased extent of obtaining findings.
that would be able to serve a generalized conclusions. The ability to refer to diverse secondary sources was also important to help the researcher overcome the temptation of a skewed perspective regarding the subject of the research by engaging with varying points of view presented in the different data sources referred to in this study. Therefore, the use of a wide scope of sources helped to enhance the internal and external validity of the research.

The researcher also observed ethical considerations while carrying out the research and the entire process of the study. For instance, the researcher ensures that all the information used from other sources were clearly acknowledged by their authors and the materials used cited clearly and later a reference page of all these sources provided at the end of the paper. Furthermore, the researcher made all efforts to ensure that the discussion in the study was as balanced as possible and void of bias or a preformed opinion except that which was supported by data from the various sources referred to in this study.

5.2 Discussions and Implications of the Study

The research pointed out pertinent strategies that Kenya can borrow from the way the South African government helps to run its tourism sector which is heavily comprised of the MICE sub-sector. The study established that there was a huge gap in between Kenya and the Republic of South Africa when it comes to the economic policies that influence the MICE sector in the two countries. While Kenya has a greater potential of advancing its business tourism industry, it is obvious that compared to South Africa which enacts and implement economic tourism not only targeted to a specific industry which in this case would be the conference tourism industry but does so strategically businesswise and proactively as well.

On the other hand, Kenyan economic policies appear not to be industry specific in most cases and are enacted in a blanket manner to cater for the needs of all industries unequivocally without determining that specific industries such as MICE may require industry specific legislation. Furthermore, Kenyan economic policies appear to be politically charged and motivated and in most cases are meant to serve self and political interests instead of growing the sector. In addition, such policies in most cases are rather reactive rather than proactive and to a greater extent are normally void or limited to public participation.
5.3 Conclusions and Recommendations

5.3.1 Effects of Better Economic Policies on Business Tourism Sector in Kenya

It was evident from this research that according to the South African approach to its tourism industry, there is no ‘a one-size fits all’ solution to address the different kinds of the economic policy needs that each industry may present. Therefore Kenya can also adopt a targeted approach in formulation of MICE oriented polices since appears to be the best approach to handling the policy needs of each industry. It was evident from this study that South Africa has had more specific policy alignment specifically targeted at its tourism industry which is greatly comprised of MICE. This has helped the country to put in place sufficient measures that have greatly benefited the prosperity of the sector in the country.

In conclusions, Kenya can learn from the South African approach by avoiding making political appointments including in agencies mandated to promote tourism activities including the MICE sector and decide to make business strategic appointments based on merit as a way of ensuring qualified professionals spearhead the leadership and management of the industry. In addition, the government should adopt thorough participation of all stakeholders in the enactment of policies that can affect the industry by promoting public participation during policy formulation phases of a policy development process. Such are the approaches that have made South Africa to become a continental powerhouse on the African continent as a choice destination for business tourists.

5.3.2 The Economic Impacts of Hosting More International Conferences in Kenya

The study established that the MICE industry has the capacity to create jobs both directly to the event organizers as well as their employees and indirectly through the business opportunities created for complementary businesses and industries. The industry also has the potential of attracting both local and foreign investments in the sector as well as become a foreign exchange earner for the country. Through such job creation opportunities, foreign exchange earnings, and investments, the country is more likely to experience a high economic growth.

5.3.3 The Impacts of Advanced Infrastructure in Kenya

Infrastructure plays an important role in the MICE industry since well advanced Infrastructure has the potential of attracting conference organizers (Davidson & Cope, 2003). Well built and extensive road networks guarantee easy movement of delegates.
while reliable communication facilities including fast internet ensures seamless communication as well as online marketing. If Kenya can undertake or attract investments in infrastructure facilities then it will definitely increase its chances of becoming a leading business tourism destination.

5.3.4 The Impacts of Establishing a Convention Bureau and More Convention Centers

As at the present, the only renowned convention centre in Kenya is the Kenyatta International Convention Centre. Compared to South Africa which has up to six globally acclaimed convention centers, if Kenya is to establish more of such centers as well as the combination of the lobbying of these centers and their existence will definitely increase the capacity of the country to lobby for and host more international and top level meetings.

5.4 Study Limitations

The study suffered both the limitations of a case study and a secondary research. Since case studies often make references to limited subjects or geographical context, this study would thus not necessarily an entire suit as a generalized representation of other contexts across the globe (Yin, 1984). Secondly, as a way of reducing the extent of the possibility of occurrence of bias in making inferences to the discussion and conclusion of this study (Yin, 1984), it was necessary for the researcher to refer to a large volume of sources and evidence materials. This somehow made the data collection very involving, cumbersome and tiring.

Some of the data sources employed in this study were not as current and thus may not have been befitting to the current context of this study. However considering the age of tourism as an important sector as evidenced in various economies, it was somehow vital to understand the evolution of especially the MICE sub-sector which then required the inclusive use of very old data materials. While the use of such materials was helpful in drawing timelines comparisons in the dynamics that have surrounded the MICE industry as well as research both in the past and the present, the study suffered the temptation of ensuring that it did not refer to obsolete an irrelevant information.

On the other hand, the researcher relied solely on secondary data as a source of evidence. Considering that different researchers carry out studies with different intentions and objectives in drawing data that suits their objectives and backgrounds, it was hard to guarantee the quality of data generated from these studies even as they were found useful in this study. It was thus difficult to guarantee the validity and reliability of the information referred from some of the primary studies adopted in this study.
5.5 Future Research

This study concentrated on the comparative case studying of the economic policy dynamics that surrounds the MICE sectors both in Kenya and South Africa and what South Africa does better to be the leading MICE tourism destination in the continent of Africa way ahead of Kenya in terms of the available statistics, revenue generation and investments made in the sector. While the study concentrated heavily on the influences and impacts of economic policies on the industry, there are still extensive areas of research that can still provide insight on other dynamics that surround the conference tourism sector of not only the two countries but other countries as well. Therefore future studies can carry out investigations on the impact of economic policies on MICE in other contexts as well as how other factors influence the industry in the two countries referred to in this study.
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