

Optimizing The Synergy Between Hotel and Event Organizer to Enhance Palembang City's Appeal as a Mice and Event Destination

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Abstract

This study aims to explore the optimization of synergy between hotels and event organizers in enhancing the appeal of Palembang City as a Meeting, Incentive, Convention, and Exhibition (MICE) destination. Adopting a qualitative research approach, data were collected through in-depth interviews, observation, and document analysis, and subsequently analyzed using thematic analysis supported by NVivo software. The findings reveal that intensive collaboration among stakeholders particularly hotels, event organizers, government institutions, and local industry actors plays a central role in shaping effective synergy within the MICE ecosystem. However, the study also identifies ongoing challenges related to the availability of international-standard facilities and the strengthening of human resource competencies. In addition, the utilization of digital technology, especially in supporting hybrid events and destination marketing, emerges as a critical strategic need. The findings indicate that systematically developed synergy enhances the overall attractiveness and sustainability of MICE development in Palembang. Therefore, strengthening collaboration should be accompanied by continuous investment in facilities, digital infrastructure, and capacity building to support Palembang's positioning as a competitive MICE destination. This study contributes to the hotel and MICE literature by providing qualitative insights into collaborative and adaptive strategies for emerging destinations in responding to global industry trends.

Keywords: Synergy, Hotel, Event Organizer, MICE Destination, Palembang, Collaboration

A. INTRODUCTION

The introduction must contain (shortly and consecutively) a general background and a literature review (state of the art), and the main research problems. In the final part of the introduction, the purpose of the article writing should be stated.

The global growth of the MICE (Meetings, Incentives, Conferences, and Exhibitions) industry has been a key driver in the development of city tourism and has had a significant economic impact, particularly for cities aiming to enhance their appeal as business and event destinations (Wittwer & Bofinger, 2025). Collaboration between hotels and event organizers is crucial in establishing an optimal MICE ecosystem. Hotels not only provide accommodation facilities but also meeting spaces, catering services, and logistical support. Meanwhile, event organizers ensure that each event runs professionally and innovatively (Lee & Hwang, 2023; Quiroz Villa, 2025).

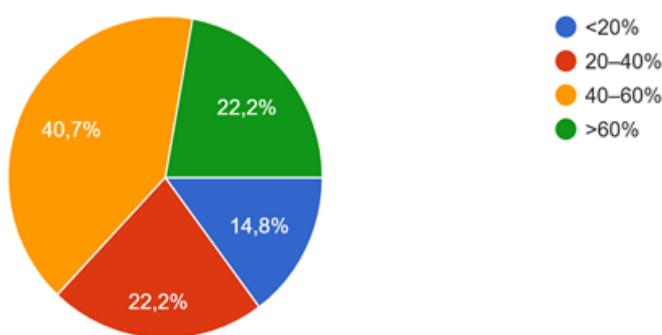
Collaboration between hotels and event organizers can improve the quality of event management, strengthen the appeal of destinations, and maximize economic impact, such as increased hotel occupancy rates, increased use of local facilities, and expanded employment opportunities (Hussain et al., 2023). Additionally, collaboration among stakeholders in this industry particularly the government, hotels, event organizers, and tourism operators drives the strengthening of business networks and the acceleration of service innovation, which are crucial in the global MICE competition (Hussain et al., 2023; Lee & Hwang, 2023).

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Palembang, as one of Indonesia's major cities, has great potential to develop as a MICE destination thanks to its international-standard infrastructure, trained human resources, and experience in organizing national and international events (Le et al., 2023). Optimizing the synergy between hotels and event organizers in Palembang is a key strategy to strengthen competitiveness at both the national and Asian levels and support sustainable local economic growth (Wittwer & Bofinger, 2025; Le et al., 2023). This is evidenced by data showing the contribution of the MICE industry in increasing hotel occupancy rates in Palembang City.

Figure 1. Contribution of MICE to Hotel Occupancy
Source: Data from the analysis of room occupancy in Palembang City, 2025.



From the data in Figure 1, it can be seen that the contribution of Meetings, Conferences, and Events to the hotel occupancy rate in Palembang is the highest at 40-60%, specifically 40.7%. This is followed by 20-40% and less than 20%, which have the same percentage of 22.2%. This indicates that a large proportion of hotels in Palembang rely heavily on MICE activities as a major driver of room occupancy, making this sector a key component of hotel performance. Meanwhile, the 20-40% and less than 20% contribution categories each represent the same proportion, at 22.2%, reflecting variations in how effectively hotels capitalize on the MICE market. These differences may be influenced by factors such as facilities, meeting space capacity, target market segments, and marketing strategies. This is also undoubtedly due to the synergy between hotels and event organizers in hosting such events.

Empirical studies that specifically analyze the synergy between hotels and event organizers within the MICE ecosystem in emerging destinations such as Palembang remain very limited, particularly those that simultaneously integrate institutional collaboration, human resource competencies, and the utilization of digital transformation and hybrid events. Most previous research tends to focus on partial aspects, such as destination marketing, event management, or hotel performance in isolation, and is largely conducted in well-established MICE destinations, thereby failing to adequately represent the local context and structural challenges faced by developing regions.

The optimization of synergy between hotels and event organizers can be understood through a synergy theory framework that emphasizes collaboration among stakeholders as the key to success in the MICE (Meetings, Incentives, Conferences, and Exhibitions) industry (Hussain et al., 2023). This theory explains that the integration of functions and resources between hotels as accommodation providers and event organizers as event managers will create greater added value than if they operate separately (Lee & Hwang, 2023). This synergy operates optimally when communication, coordination, and role distribution are executed effectively, thereby delivering participant experiences that meet international standards while maximizing the use of local infrastructure (Quiroz Villa, 2025).

Furthermore, the MICE ecosystem concept emphasizes that the attractiveness of a destination is not only determined by physical facilities, but also by the ecosystem relationships between various parties,

including hotels, event organizers, the government, and the local community (Lee & Hwang, 2023). In this context, synergy is a process of interdependence that must be based on information transparency and service integration, while also adapting to technological trends and event sustainability (Hussain et al., 2023). For example, the implementation of digital technology and hybrid events supported by hotels will expand the reach of participants and enhance event service quality, thereby improving the image of MICE destinations such as Palembang (LS BMWI, 2024).

In the context of sustainable MICE tourism, synergy among industry players must also consider the social and economic impacts on local communities by encouraging active participation and equitable distribution of benefits (Hussain et al., 2023). Events have significant effects on hotel performance indicators, including hotel occupancy rates, revenue per available room (RevPAR), and total revenue. Consequently, events can serve as a strategic instrument for local governments and event planners to justify financial investments in hosting events as a means of revitalizing tourism in the post-crisis period (Borovcanin et al, 2022). Hotels and event organizers collaborating do not only focus on business aspects but also on empowering local communities through the utilization of local services, culture, and creative products during event organization. This approach strengthens Palembang's position as a MICE destination that is not only competitive in terms of facilities but also excels in sustainability and social responsibility.

Finally, event management theory in the context of MICE emphasizes the importance of market research, strategic planning, and continuous innovation in order to face the dynamics of global competition (Le et al., 2023). Collaboration between hotels and event organizers must be supported by an integrated marketing strategy that combines participant needs analysis, industry trends, and destination brand strengthening. This synergy enables Palembang to continue enhancing the value of its MICE destination, delivering memorable event experiences, while driving sustainable economic growth in line with local potential and characteristics.

In recent developments, digital transformation has made a significant contribution to the development of the MICE industry, particularly through the adoption of hybrid events that combine physical and virtual participation (Hussain et al., 2023; Lee & Hwang, 2023). Hybrid events offer greater flexibility and accessibility for participants while supporting the continuity of events amid global disruptions such as the COVID-19 pandemic (Momentum Matrix, 2025; Humphries, 2024). The implementation of digital technology plays a crucial role in strengthening the synergy between hotels and event organizers by providing an integrated event management platform that enhances coordination efficiency and service quality (Lee & Hwang, 2023).

Furthermore, the use of technology in hybrid events promotes inclusivity by opening up access to participation for participants from various locations and conditions, including those with limited mobility (MEA, 2024). This aligns with the achievement of the United Nations' Sustainable Development Goals (United Nations, 2024), which emphasize reducing inequality and improving education, while also elevating the position of MICE destinations like Palembang to a more competitive global level (Puccinelli et al., 2022). This synergy, supported by digitalization, offers a more personalized and interactive experience, which has not yet been fully optimized by developing destinations.

On the other hand, a collaborative ecosystem involving various stakeholders is an important foundation for the success of such synergies (Hussain et al., 2023). This ecosystem model integrates communication, resource sharing, and community engagement, thereby fostering innovation, social sustainability, and broad economic impact (Journal of Sustainability Science and Management, 2025). With a well-established ecosystem, hotels and event organizers can adapt their marketing strategies and services to meet the evolving needs of the market while maintaining the relevance of the destination's appeal.

The literature review also highlights the need for a sustainable innovation approach that combines advanced technologies, such as augmented reality and big data analytics, to increase participant engagement and strengthen event performance evaluation (Science Direct, 2022; Lee & Hwang, 2023). This approach can provide added value to destinations by providing engaging experiences and strategic data for further service development. The implementation of these innovations is particularly important for Palembang to compete not only in terms of infrastructure but also in terms of the quality of the experience and adaptive event management.

The novelty of this study lies in its focus on Palembang as an emerging MICE destination that requires a specific synergy strategy between hotels and event organizers to address unique local challenges (Le et al., 2023; Wittwer & Bofinger, 2025). This approach integrates comprehensive economic and social sustainability aspects, differing from many previous studies that tended to focus solely on technical or marketing aspects. This research offers a new contribution to MICE literature by providing a collaboration-based development model tailored to the characteristics and potential of the region.

The importance of adapting to global and local trends simultaneously has become a strategic challenge that must be faced by MICE industry players in Palembang (Hussain et al., 2023; Momentum Matrix, 2025). Therefore, the development of synergies between hotels and event organizers must be supported by proactive government policies, enhanced human resource capacity, and adequate technological support to ensure the sustainability of a resilient and competitive MICE destination in today's digital age. By integrating qualitative finding, this study extends MICE ecosystem theory and synergy theory by proposing a collaborative–adaptive framework that is contextualized for emerging destinations such as Palembang, and that is relevant as a foundation for the development of sustainable MICE strategies and policies.

B. RESEARCH METHOD

This study adopts a purely qualitative approach to explore in depth the dynamics of synergy between hotels and event organizers within the context of MICE destinations. This approach enables a holistic understanding of collaborative processes, interaction patterns, and stakeholder perceptions in enhancing destination attractiveness, rather than focusing on numerical measurement or statistical generalization.

The research setting involves hotels and event organizers operating in Palembang City, with participants selected through purposive sampling. Key participants include hotel managers, event organizer managers, and relevant stakeholders such as representatives from the Tourism Office and local MICE industry actors (Pradnyanni, 2023). In total, 29 leaders participated as main participants, supported by three key informants who possess strategic roles and in-depth knowledge related to hotel and MICE development in Palembang.

Data collection was conducted using in-depth interviews, participatory observation, and document analysis, allowing the researcher to capture rich, contextual, and experiential data. These methods facilitated an in-depth exploration of collaboration practices, challenges, and strategic responses among stakeholders.

Qualitative data were analyzed using a thematic analysis approach supported by NVivo software to identify patterns, categories, and dominant themes emerging from the data. This analytical process enabled systematic interpretation of stakeholder narratives and interactions, ensuring rigor and transparency in capturing the complexity of synergy between hotels and event organizers (Pradnyanni, 2023; Nadzir, 2023).

This method enables a comprehensive understanding that not only examines the relationships between actors in synergy but also the actual impact on the development of MICE destination appeal in Palembang, in line with the modern MICE industry research approach recommended by reputable international journals (Hussain et al., 2023; Lee & Hwang, 2023).

C. RESULTS AND ANALYSIS

Based on thematic analysis using NVivo software, this study identified several dominant themes that illustrate how synergy between hotels and event organizers (EOs) contributes to enhancing Palembang City's appeal as a MICE and event destination. These themes reflect not only general patterns in MICE destination development but also specific structural, cultural, and institutional characteristics of Palembang as an emerging MICE hub in Sumatra.

The first major theme is intensive collaboration among stakeholders, particularly between hotels, EOs, local government, and supporting communities. In the context of Palembang, this collaboration is strongly influenced by the city's role as a regional economic and cultural center in South Sumatra. Informants emphasized that successful MICE events in Palembang such as government meetings, national sports events, and cultural-based conventions require close coordination between hotels providing accommodation and venues, and EOs managing event execution, logistics, and creative concepts. This synergy is further strengthened when supported by local government policies, especially in facilitating permits, destination branding, and infrastructure readiness. Consistent with Rumerung et al. (2024), effective communication and shared planning among these actors are crucial in ensuring service integration, reducing operational inefficiencies, and delivering a seamless experience for MICE participants. In Palembang, such collaboration also enables the integration of local cultural elements such as culinary heritage, traditional performances, and river-based attractions into event programs, thereby enhancing destination differentiation.

The second theme highlights limitations in infrastructure and human resources, which remain significant challenges in positioning Palembang as a competitive MICE destination at the national and international levels. While Palembang has experienced infrastructure development, including hotels with meeting facilities and improved transportation access, informants noted gaps in international-standard convention venues, event technology, and specialized MICE human resources. These limitations affect the city's ability to host large-scale or high-profile international events. Human resource challenges are particularly evident in the need for standardized service competencies, foreign language skills, and advanced event management expertise. This finding aligns with Setyowati (2024) and Wahab et al. (2021), who emphasize that the quality of physical facilities and human capital is a decisive factor in MICE destination competitiveness. In the local context, joint training programs between hotels and EOs in Palembang emerge as a strategic solution to address these gaps, enabling knowledge sharing, service standardization, and professionalization of the MICE workforce.

The third theme concerns the utilization of digital technology in event management and destination marketing. Informants highlighted that Palembang's MICE industry is increasingly adapting to digital platforms, particularly in response to the growing demand for hybrid and technology-supported events. However, the adoption of digital tools such as event management systems, virtual meeting platforms, and integrated digital marketing remains uneven among hotels and EOs. Optimizing digital technology is seen as essential for expanding market reach beyond the regional level and improving Palembang's visibility as a MICE destination. In line with Rumerung et al. (2024), digitalization supports not only operational efficiency but also collaborative marketing strategies, allowing hotels and EOs to jointly promote Palembang's unique selling points, including its cultural heritage and strategic location in Sumatra.

Overall, these findings reinforce the relevance of the quadruple helix management model in the development of Palembang as a MICE destination. The interaction between government, industry (hotels and EOs), academia, and local communities enables the city to leverage its creative and cultural assets while addressing structural limitations. Consistent with Setyowati (2024), optimal synergy between hotels and event organizers in Palembang has proven to contribute to increased hotel revenue, expanded client networks, and a stronger destination image. This synergy not only enhances the economic impact of MICE activities but also supports Palembang's long-term positioning as a distinctive and competitive MICE and event destination in Indonesia and Southeast Asia.

D. CONCLUSION

Conclusion should answer the objectives of the research and the research discoveries. The concluding remark should not contain only the repetition of the results and discussions or abstract. You should also suggest future research and point out those that are underway.

Based on the findings and discussions, this study concludes that the synergy between hotels and event organizers plays a crucial role in enhancing Palembang's appeal as a MICE destination. The qualitative findings reveal that effective collaboration supported by intensive communication, shared planning, and active stakeholder involvement within the MICE ecosystem contributes to improved service quality and enriched participant experiences. Nevertheless, the study also identifies persistent challenges related to the availability of international-standard facilities and the need to strengthen both hotel and MICE human resource capacity through specialized training and professional certification.

Furthermore, the qualitative analysis highlights the importance of digital technology utilization, particularly in event management and destination marketing, as a strategic response to the growing trend of hybrid events and the need to broaden market reach. Participants' narratives indicate that the quality of facilities and the effectiveness of communication among hotel and MICE stakeholders are perceived as key elements shaping participant satisfaction and destination attractiveness. These insights suggest that well-coordinated and systematically developed synergies are central to the ongoing development of Palembang's MICE sector. Consequently, efforts to strengthen synergy should be accompanied by sustained investments in facilities, digital infrastructure, and capacity building to ensure that the destination's potential can be optimized in a sustainable manner.

The findings of this study contribute theoretically by reinforcing synergy theory and the MICE destination ecosystem framework through qualitative evidence. The study confirms that integrated collaboration between hotels and event organizers generates higher destination value through the interplay of relational, structural, and technological dimensions. By focusing on an emerging destination context, this research extends MICE literature by demonstrating that synergy must remain adaptive to digital transformation and sustainability demands in order to enhance competitiveness. Future research is encouraged to undertake longitudinal and comparative qualitative studies across different MICE destinations to further explore how digital technology, human resource competence, and policy support interact in shaping destination performance.

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