





# Innovative Management of Business Integration and Education in Transnational Economic Systems

Collective Monograph

**ISMA University of Applied Science** 

Latvia, 2023

# INNOVATIVE MANAGEMENT OF BUSINESS INTEGRATION AND EDUCATION IN TRANSNATIONAL ECONOMIC SYSTEMS

**International Collective monograph** 

ISMA University Riga (Latvia) 2023

Batumi Navigation Teaching University Georgia (Batumi) 2023

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Innovative Management of Business Integration and Education in Transnational Economic Systems: Collective monograph. Riga: ISMA, 2023. 362 p.

#### ISBN 978-9984-891-26-2

Publishers: ISMA University, Latvia

Batumi Navigation Teaching University, Georgia

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## **CONTENTS**

David Katamadze, Guliko Katamadze, Tamila Kartsivadze	
PROBLEMS OF BUSINESS MANAGEMENT IN THE CONDITIONS OF MODERN GEORGIAN	
OPEN ECONOMY	5
Irma Chkhaidze	
THE ROLE OF A PROFESSIONAL PROJECT MANAGER AS THE KEY FUNCTION IN BUSINESS PROJECT MANAGEMENT	15
Larisa Potravka, Ivan Pichura, Olena Rutta	
PROSPECTS FOR THE DEVELOPMENT OF ECONOMIC TOURISM OF THE BLACK SEA	
REGION OF UKRAINE IN CONDITIONS OF POPULARIZATION OF ORGANIC PRODUCTION	29
Merab Vanishvili	
PECULIARITIES OF CORPORATE GOVERNANCE IN GEORGIA: CHALLENGES AND PERSPECTIVES	36
Mamuka Jolbordi, Nino Liparteliani	
THE FIRST JOINT-STOCK COMPANY IN GEORGIA "CHEMO" FOR THE PRODUCTION OF MANGANESE AND COAL AT THE TURN OF THE XIX-XX CENTURIES	48
Olga Iermakova, Viktor Koval	
INCLUSIVE APPROACH TO INNOVATION SYSTEM DEVELOPMENT AT THE REGIONAL	
LEVEL	54
Olga Dyudyayeva	
THE MODERN MODELS OF THE SUSTAINABLE TOURISM IN THE CONTEXT OF THE	
REGION'S STRATEGIC DEVELOPMENT	64
Viktoriia Prokhorova, Liliana Horal, Volodymyr Onyshchenko	
SOCIO-ECONOMIC PROCESSES REGULATIONS AT THE REGIONAL LEVEL	73
Igor Shchurov	
PARADIGM OF ENERGY SECURE ECONOMY IN A TRANSNATIONAL DIMENSION	84
Svitlana Skok	
IMPROVEMENT OF A MANAGEMENT MECHANISM IN THE AREA OF AGRICULTURAL PRODUCTION UNDER GLOBAL WARMING	0.7
Vitalii Pichura, Larisa Potravka, Nataliia Dudiak	97
ECOLOGICAL AND ECONOMIC CONSEQUENCES OF THE DEFLATIONARY DESTRUCTION	
OF THE UKRAINIAN STEPPE SOILS	104
Oksana Shukatka, Illya Kryvoruchko	104
THE HISTORICAL BACKGROUND OF THE VACCINATION OF MANKIND	118
Daria Kononova, Olena Kobus	110
THE CONCEPT OF COLOR IN THE PHRASEOLOGICAL UNIT "GREEN TEA" IN ASIAN	
LITERATURE	127
Svitlana Skok, Victoria Almashova	
BIOLOGIZATION OF AGRICULTURE AS AN ELEMENT OF INCREASING ECONOMIC	
EFFICIENCY OF CROP PRODUCTION IN THE TERRITORY OF SOUTHERN UKRAINE	140
Anatoly Telnov	
THE CONCEPT OF MARKETING MANAGEMENT AS A BUSINESS PHILOSOPHY ON THE	
BASIS OF HR MARKETING	148
Natalia Stratichuk, Olha Yevtushenko	
ENVIRONMENTAL EDUCATION AND TRAINING IN UKRAINE	161
Viktor Koval, Iryna Honcharova, Tetiana Metil, Nadiya Stepanova	
CONCEPTUAL APPROACHES TO CREATING INNOVATIONS IN THE FIELD OF CROSS-	
BORDER TRANSPORT	170
Mariia Moshnoriz	
THE ARCHETYPE OF THE MOTHER IN THE POETIC WORLD OF S. CHERKASENKO	121

Victoria Kolisnyk	
FORMATION OF FOREIGN LANGUAGE READINESS FOR FUTURE IT-ENGINEERS'	
PROFESSIONAL APPLICATION	190
Hennadii Leshchenko, Hanna Deforzh, Artem Kyrstia, Yaroslav Kichuk	
VECTORS OF FORMATION OF RESEARCH COMPETENCE OF FUTURE SPECIALISTS IN THE	
PROCESS OF THEIR SCIENTIFIC AND PRACTICAL TRAINING	202
Yuliia Remyha, Oleksii Hutsaliuk, Viacheslav Kotlubai, Olha Slobodianiuk	
INTEGRATION THEORY AND EFFECTIVE PARTNERSHIP OF LOGISTICS CHAIN ENTITIES	222
Vitalii Pichura, Larisa Potravka, Denys Breus	
LAND AND WATER RESOURCES MANAGEMENT BASED ON THE BASIN ORGANIZATION	
OF NATURE USE	231
Yevhenii Domaratskyi	
ECONOMIC ANALYSIS OF THE USE OF ENVIRONMENTALLY SAFE GROWTH STIMULANTS	
IN THE TECHNOLOGY OF SUNFLOWER CULTIVATION	251
Oleksiy Stupnytskyy, Olena Pryiatelchuk	
THE POTENTIAL OF THE EMOTIONAL INTELLIGENCE AS MODERN COMPANY'S	
COMPETITIVE ADVANTAGE	259
Natalya Kozmuk	
THE MAIN TRENDS IN THE DEVELOPMENT OF SOCIAL MOBILITY AS A RESULT OF	
SOCIAL MANAGEMENT	267
Olga Vyshnevska, Liliia Kozachenko, Olena Velychko	
GLOBAL PROCESSES AND BUSINESS MANAGEMENT ON THE BASIS OF PARTNERSHIP	275
Olena Zhuk	
CROWDFUNDING AS AN INNOVATIVE FINANCING TOOL FOR ENTREPRENEURSHIP IN	
CREATIVE ECONOMY	288
Hladkyi Oleksandr, Volodymyr Kylivnyk, Oleksandr Marchuk, Kateryna Postovitenko, Oleksandra	
Horodetska	297
FUNDAMENTALS OF MICE TOURISM DEVELOPMENT IN HOSPITALITY INDUSTRY	291
Viktor Koryahin	
FEATURES OF THE DEVELOPMENT AND USE OF MODERN METHODS OF PEDAGOGICAL	307
CONTROL OF SPECIAL PHYSICAL FITNESS OF ATHLETES	307
Yaroslav Izmailov, Iryna Sahaidak, Olga Ivanyshyna, Tetiana Chorna  DUAL EDUCATION: PRACTICAL EXPERIENCE OF THE STATE TAX UNIVERSITY IN	
	320
TRAINING A NEW GENERATION OF UKRAINIAN CIVIL SERVANTS	320
Serhii Poida, Tetiana Galych  MANAGEMENT OF MODERN UKRAINIAN ORGANIZATION OF PEDAGOGICAL WORKERS'	
PROFESSIONAL DEVELOPMENT	332
PROFESSIONAL DEVELOPMENT  Lamara Qoqiauri	
INTELLECTUAL RESOURCES AND INTELLECTUAL CAPITAL OF AN ENTERPRISE	339

### FUNDAMENTALS OF MICE TOURISM DEVELOPMENT IN HOSPITALITY INDUSTRY

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#### **ABSTRACT**

The main fundamentals of MICE tourism development in hospitality industry are explored. The concept of business tourism is substantiated. The main motives of foreign tourist's business travel to Ukraine are highlighted. The development of the world's latest technologies in electronics and satellite communications for business tourism using modern innovative technologies are investigated. The difference between Business travel and MICE-tourism is defined. The main criteria as the specifics of the service, the direction of the service, the attributes of the service of Business travel and MICE-tourism are proposed. The different types of interaction between the studied categories of Business travel and MICE-tourism are systemized. The common differentiation of MICE-tourism management system is researched. The unified classification of MICE tourism elements is proposed. The specific classification of international conferences, seminars, meetings and exhibitions is substantiated.

**Keywords**: MICE tourism, business tourism, hospitality industry.

#### INTRODUCTION

Business tourism is one of the largest segments of the global tourism industry, characterized by special requirements for travel organization, a formed consumer profile, a long-term impact on the national economy and high standards of transportation and communication infrastructure. Business travel or MICE-tourism is considered one of the most profitable types of tourism for organizers, moreover it stimulates the development of other types of tourism, as well as the activity of unrelated branches of the national economy.

The demand for high-quality MICE tourism services is constantly growing. That is why our local market should introduce new services for business tourists. This target audience prefers specialized business hotels that could provide diversified business center that should provide many business services including entertainment programs. The role of congress hotels in the development of Ukraine's business infrastructure is growing. This type of hospitality institution is rapidly gaining popularity.

Textbooks, scientific manuals, works of domestic and foreign authors were used in writing the thesis. Business tourism in its specificity has become the subject of research of such domestic scientists as: Abramov V.V., Andrenko I.B., Bezugliy V., Bilozorov A., Brych V. Ya., Garbera O., Dekhtyar N.A., Daydechko L.P., Dzyublenko I.M., Golovko O.M., Kalchenko O.M., Kosiy T. M., Kruchek O.A., Kyfyak V.F., Lau Chloe as well as Malinovska O.Yu. At the same time, the study of scientific works shows that some of the theoretical provisions regarding the interpretation of the concept of MICE tourism are debatable, and a number of important aspects of the development of business hotels in Ukraine and the organization of MICE events in the hotel establishment need improvement, which led to selection of the research topic and its relevance.

#### **METHODS**

Research methods. The methodological foundations of this paper are the provisions of economic theory, scientific works of domestic and foreign economists, which relate to the development of MICE tourism in the hotel business. The following research methods were used in the paper: logical and theoretical (when studying the essence and classification of MICE tourism); historical (when systematizing the development of business tourism over time); statistical, prognostic and economic-mathematical methods (when studying the

current state of development of business hotels in Ukraine); system analysis and synthesis, generalization (when investigating problematic aspects of the development of business hotels in Ukraine and improving the quality of business services in the investigated hotel).

In the process of studying the organization of MICE tourism, various research methods were used, such as analysis, synthesis, comparison and grouping of data, causation.

#### RESULTS

#### Characteristics, essence, role and importance of business tourism in the hospitality industry

Business tourism is one of the most notable phenomena of the XXI century and is a major segment of the hospitality market. It has an important role in raising the rating of any country. The research on the development of business tourism is relevant, because it's one of the most profitable industries in the world today.

There are different definitions of the concept of "business tourism". The most common definition is the following: business tourism is a trip of people, most often businessmen and civil servants for business purposes: signing agreements, contracts, negotiations, consultations, exchange of experience, etc. [2].

Certain authors describe it as temporary trips with business purposes, including participation in conferences, congresses without income at the place of business [7].

Domestic authors define the concept of "business tourism" as journeys related to professional duties [3], and according to O.A. Smirnov business tourism is a set of relationships and phenomena that occur when moving and locating people during working hours, the main motivation of which is to attend and participate in various business meetings, congresses, conferences, exhibitions, fairs and incentive events in places other than their usual place of residence and work [4].

Another piece contains the following definition of business tourism: "... touristic trip for business purposes with no gratification received while abroad" [15].

The analysis of various definitions of business tourism allows us to conclude that it corresponds to the concept of business travel - a trip with business and professional purposes during working hours without income at the place of residence. Thus, business tourism is a set of relationships and phenomena that occur while people travel during their working hours, the main motivation of which is to participate in business meetings, congresses, conferences, exhibitions, fairs and incentive events in places outside their usual residence and work.

Business tourism has a very deep history, which is closely linked to the history of human development. Human activity from the first days of its existence was due to the need to move from one place to another. Historically, modern tourism has been the result of the emergence and evolution of travel [12]. Travel had a significant impact on trade, culture, and art of ancient civilizations. In most cases, trade was the engine that contributed to the development of business tourism. The presence of water and land routes by which merchants went to foreign and overseas countries facilitated the first business trips. But, at that time, the merchants who sold their goods and spent a lot of time in other cities and countries, did not even think about what to call his trip.

In their research on the history of tourism, scholars identify several eras of tourism development that can be linked to the development of business tourism. These are the pre-industrial era of socio-economic development of society, which covers the times of antiquity, the Renaissance, as well as the Early Modern Period. The distinction of traveling at those times was that the trips had a pronounced business purpose. The goal of travelers was to organize trade, open new lands, capture new markets [4]. Exchange and trade became the essential purpose with the advent of the division of labor. People traveled to discover new places and expand their knowledge about the world around them. Initially, the cognitive motive was of secondary importance, but over time it has become an independent goal of travel. Economic needs and humans' curiosity were the first motives to travel, many of them are reflected in ancient epics that have survived to our time [13].

We have information about trade relations between different peoples of the ancient East from sources that are 5 thousand years old. The first king of the Sumerian dynasty began trade relations with the North and the South. Ancient Oriental caravans filled India, Armenia, Arabia, Persia, and Medes with Babylonian carpets and dyed cloth, pottery, and weapons. The caravans returned with gold, precious metal and stones. Thus, the Babylonian merchants were the first business tourists of the ancient East [7].

Mostly maritime trade developed in ancient Phoenicia. Phoenician ships ruled the Mediterranean from the middle of the second millennium BC. [1]. The Phoenicians made their first sea voyage between Gibraltar and the Pillars of Hercules, and built a shopping center in Cadiz in 1100 BC. [6]. Then Phoenician sailors sailed along the coast of Spain to the north and along the west coast of Africa to the south, where they loaded their ships with fruit, wood and metal, and then sailed to India, Arabia, Palestine, Egypt, Greece, where they took wine, wool, grain and oil. This was the beginning of maritime business tourism [7].

In the ancient Persians, trade became even more widespread. Thanks to the introduction of money and the construction of roads, the possibility of free transportation of goods and people within the empire, travel for various purposes are now becoming a characteristic feature of its inhabitants. The business relations of the Persians were already reminiscent of modern ones.

The oldest courier and postal road in Persia was built under King Darius I. Roads connected Susa with Ecbatana, the capital of Medes, and Babylon. The length of Persian roads was more than 2100 km [1]. The first signs of business tourism in Ukraine were mentioned in the papers of Herodotus, Strabo, Arian, Hippocrates, Polybius, Claudius Ptolemy, Tacitus, who noted that the active development of trade was facilitated by the construction of seaport cities that gave Greek travelers the opportunity to visit new lands.

In the history of business tourism in the Ancient East, the most important event was the appearance of the Great Silk Road in the second century. B.C. It started from Sinai via Lanzhou to Dunhuang. Then it forked – its northern part went to the Fergana Valley, and the south, crossing the Pamirs, led to India and the Middle East. Merchants usually spent 2-3 years on the Great Silk Road. They gathered in caravans while traveling in the Ancient East. On the caravan routes tents were set up for travelers or caravanserais, which, unlike tents, were more equipped and protected merchants from sandstorms and robbers [1].

In the Middle Ages, the development of trade led to the emergence of travel to sell goods outside the place of manufacture [13]. The organizers of the trips were often merchants. They not only paved new trade routes, but also enriched their knowledge of new countries and lands. Among the travelers of the early Middle Ages an important place was occupied by the inhabitants of the Scandinavian and Jutland peninsulas, known as the Vikings. Extensive fishing and trade contributed to the active development of navigation among the Normans. The influence of the Vikings extended due to the development of trade [1].

The Hanseatic League, which finished its formation in the 14th century, had an important role in the development of business relations in Europe. In the middle of the XV century the Hanseatic League included more than 100 major cities. Thus, the cities of Mainz, Cologne and Lubeck, taking advantage of Germany's location on trade routes, began to actively develop through trade, and the Hanseatic League became a monopoly intermediary between areas of Northern, Western, Eastern and Central Europe. Trade began to flourish, merchants traveled around the world. The active work of the Hanseatic League has contributed to the spread of business travel, primarily to study the experience of conducting trade transactions. Genoese and Venetian merchants started paying attention to Central Asia, India and China.

The most desperate ones left looking for new trade routes. Brothers Niccolo and Marco Polo in 1260 made a journey from Constantinople through the Crimea, Bukhara and the mountain ranges of Central Asia. They spoke to the Mongol khan, whom they were able to convince about the benefits from trading with Europe. In 1269 they reached the shores of Italy. In the East in medieval times people traveled by camels, because they could withstand the heat of deserts and thirst. Traders used special fasteners to tie the goods to the camels and successfully made their business trips [1]. In medieval Ukraine' business tourism was actively developed due to its favorable geographical location. One of the most famous was the trade route "from the Vikings to the

Greeks", connecting the Black and Baltic Seas and the Volga Great Trade Route, which stretched from Novgorod along the rivers Lovat, Western Dvina, and the Volga to the Caspian Sea. In the XVI and XVII century. one of the main shopping centers was Kyiv. Caravans from Poland, the Crimean Khanate, Turkey, Moldavia, Hungary, Greece, Eastern and Western Europe marched to the Grand Duchy of Moscow. Zaporizhzhya Sich also conducted active trade with neighboring countries and was a transit point in trade of all Ukrainian lands and Moscow with the East [1].

In the XV century, during the Renaissance, when the economy began to grow rapidly, new crafts appeared, trades between countries expanded, business tourism was formed as a phenomenon and received a strong impulse for development [8]. However, until the middle of the XIX century, business tourism was predominantly commercial.

From the second half of the XIX century, the second epoch of tourism development began, when the first generalizations of tourist practice appeared [4]. German researchers suggest considering the entire XIX century as a period of elite tourism, when it was very prestigious to make business trips. At this time there were serious changes in the socio-economic nature, as well as this time not only industrial but also scientific and technological revolution. The popularity of business tourism began to grow with the advent of a more developed transport industry. Construction of railways, maritime transport, construction of hotels, energy supply, the birth of communications (telegraph and telephone) - all these aspects of life have become a stimulating link in the prosperity of business tourism. People began to communicate more and it led them to travel more. Tourism started becoming widespread.

Foreigners from another continent no longer caused aggression and opposition among locals. In the first half of the XX century, Germans, Americans, and Japanese were excited about tourism [13]. In the 1950s, with the advent of jet aircraft, business tourism invaded people's daily lives. Airplanes made the few-hour trips to another continent very convenient, which sub served the spread of business travel. In the West, business tourism was talked about as an independent type of tourism in the late 1970s - early 1980s, when the world tourism business began to use special terminology related to business travel as a highly profitable segment of the industry [8]. Today, business tours are in demand all year round, because the work does not stop. Modern humans have all the opportunities to find a business partner abroad. Business trips don't only mean leisure in foreign countries, but also the discovery of new opportunities and skills for business growth and prosperity. Conferences, exhibitions, seminars develop human intellectual abilities. Business trips help entrepreneurs to generate brand new ideas while exchanging experience with foreign partners.

Currently, one in four tourists travels due to business needs. And the whole huge sector of travel made for a variety of business purposes is called business tourism. In the beginning of the XXI century business tourism is firmly established in many countries as the fastest growing economic sector, providing foreign exchange inflows and job creation, increasing demand for various sectors of the tourism industry, development of economics, science, education, culture and health [8]. Thus, in the pre-industrial period, business travel was an integral part of the history of ancient civilizations. Initially, such trips were commercial in nature.

The Egyptians, Persians, Phoenicians, Greeks, and Romans established trade relations with other peoples. The first centuries of our era were favorable for travel: convenient roads were well guarded, Roman money was accepted everywhere, Latin and Greek were understood in most countries, the borders were transparent.

The early Middle Ages were marked by difficult conditions for business travel. Feudal disunity of territories, numerous threats on the roads, robbers and pirates, poor condition of roads and imperfect transport – all of these factors hindered the development of travel.

At the same time, the infrastructure of the feudal states required constant connections, which were provided by travel. At this time, the business travels of merchants were given considerable attention. This was a period of great migrations, military campaigns and conquests, which helped increase the mobility of the masses. Very often the motives of travel were intertwined: trade was combined with cognitive motives,

religious motives stimulated conquests, which also contributed to the discovery of new lands, peoples and cultures. At the end of this period, the process of discovering inhabited continents was almost complete.

During the second period, the largest rivers and lakes were explored and mapped, the reliefs of the continents were determined, and their borders were delineated. In these processes, a significant role was played by the great powers of the time, engaged in the search for new territories for trade, such as the Netherlands (Netherlands), England and Russia. Tourism has begun to become a significant social phenomenon. Business travel, stimulated by the development of large monopolies and the international nature of trade, continued to develop actively, developing new markets for investment. At the beginning of the XX century, masses of Europeans began to travel to the New World in search of work, while expanding the labor market.

Today, business tourism plays a significant role in international and domestic tourism of Ukraine and is a promising path of tourism development in our country. Foreign experts believe in the potential of foreign tourists to travel to Ukraine, highlighting the following motives:

- history, culture and art of our country, the diversity of nature and national characteristics are of a great interest to the foreigners;
- the desire of foreigners to get acquainted with the modern life of Ukrainians and with the political and economic and social changes in Ukraine;
- significantly simplified visa, border, customs, currency and other formalities for foreigners;
- openness of Ukraine, freedom of movement of foreigners on the territory [9].

But foreign tourists note a number of shortcomings that negatively affect the potential demand for tourist trips to Ukraine. This is primarily a difficult political and socio-economic situation in our country; limited material and technical base of the hotel industry, which began to develop properly only during the preparations of Euro 2012. Still, the volume of international contacts connecting Ukraine with foreign countries is constantly growing, so the priority for the development of hotel business in Ukraine is the construction of comfortable, conveniently located hotels that increase their quantity in large industrial and cultural centers of Ukraine every year. Newly built hotels are already equipped with everything necessary for business and MICE tourism, and the old hotel facilities are modernized taking into account the requests of businessmen [9].

Today, about twenty travel agencies are engaged in business tourism development in Kyiv. They provide various services to business tourists: meeting and picking up from the airport, transportation around the city, hotel reservations, rental of conference rooms, office equipment, catering, cultural and sports leisure, purchase of all kinds of tickets, including those that take the businessmen back home. Not only travel companies and hotels, but also airlines are trying to meet the needs of business tourists in Ukraine. By improving the flight schedule, they help business tourists to optimally build their schedule, using, for example, night flights.

The development of the world's latest technologies in electronics and satellite communications requires business tourism organizers to hold business conferences in Ukraine using modern innovative technologies: invitations to conferences and conventions are sent to business travelers online. It is used to acquaint business tourists with the conference or congress program, provide an opportunity to remotely monitor speeches and even participate in discussions and voting. Business people working in various fields, including science, not only expect the conclusion of new profitable contracts from business trips, but also increase creative activity through new unforgettable impressions of our country and its national specifics [9].

It is believed that in the future business tourism in Ukraine would develop on the basis of a special Ukrainian national identity so the business trip will become a pleasure and help increase efficiency and creativity. But the main thing is the friendly attitude of business tourists to Ukraine and the desire to visit it again. Unfortunately, the current conditions of business tourism in Ukraine often won't provoke such a

feeling. Thus, for the effective development of international business tourism, it is necessary to improve the political and socio-economic situation in Ukraine and create the conditions for business people.

In order to do it, modernizing and developing the material and technical base of business tourism infrastructure is a necessity, as well as training of high-level specialists to provide services for business people. Particular attention should be paid to promoting domestic tourism products abroad and creating a positive image of our country.

#### The concept of MICE-tourism and its classification features

In recent years, scientists and practitioners, whose subject of study and activity is the service sector, note the increased and growing interest in business tourism (business travel). However, the analysis of the variety of terms used by experts allows us to conclude that there are different, often contradictory interpretations of the category of "business tourism" (Fig.1).

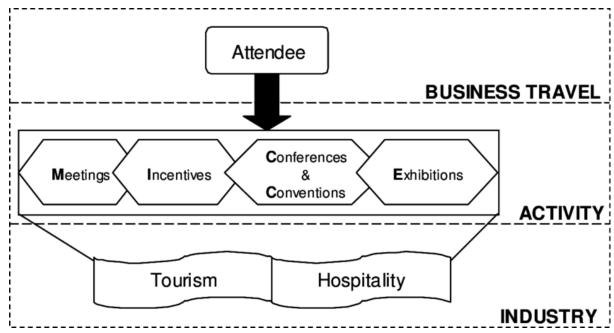


Fig.1. Business travel vs MICE-tourism

Source: [14].

Along with the concept of business travel (English business trip) today is often the MICE tourism concept. The first letters of the English abbreviation MICE indicate the structure of this type of tourism: Meetings - M, Incentives - I, Conferences - C, Exhibitions - E [10].

The categories of business travel and MICE-tourism have many common features, but in fact they are somewhat different. To find out what is free and what is different in these categories, it is worth considering concepts such as travel and tourism. Travel is the movement of people in time and directly in space, and the person who actually makes the trip, a traveler, regardless of the goals or direction, as well as means of transportation and time intervals. Travel is the movement of people in a certain area to get acquainted with and expand the worldview, and the purposes of travel can be both general and cognitive or sports. Thus, the main feature of the term "journey" is the movement of people in space, regardless of the purpose of such movement.

In the study of the concept of "tourism", all definitions can be combined into three groups. The first group includes definitions that reveal tourism as a form of recreation, i.e. the impact of expanded reproduction of physical, intellectual and emotional forces on a person, as well as the system and form of leisure through the use of tourist services in hiking or travel, which can combine active recreation and strengthening

human health in order to improve its general culture and education. The Manila Declaration on World Tourism considers the concept of "tourism" as one of the forms of active recreation, which consists in making trips to explore and get acquainted with certain areas, new countries [5]. Such definitions are highly specialized and apply only to certain areas of tourism or its specific components. The second group defines tourism as one of the types of population migration and connects it with the process of movement, travel, overcoming distances and acts as a mechanism of tourism statistics. The third group characterizes tourism as a rather complex phenomenon of socio-economic nature, reveals its inner essence and is expressed in the unity of diversity of properties and relationships.

Thus, travel and tourism are similar concepts, while travel is a broader concept, and tourism has a specific purpose and a special way of life in the places visited.

The above allows us to study the relationship and relationship of another pair of concepts: business travel and business tourism. Consider the two most commonly used business travel concepts. First, it is a trip, the purpose and location of which are set by the business, and all costs are reimbursed by the company. Secondly, travel, business and government tasks provide a secondary motivation for rest [11]. The above definitions allow us to conclude that the business goals of travel are the key word in the concept of "business travel", and tourism goals are considered secondary and not mandatory. In other words, business travel does not directly agree with tourism. It is no coincidence that the concept of "business tourism" does not exist abroad, but the concept of "MISE-tourism" is used.

To determine the differences between the concepts of business travel and MICE, we also use such criteria as the specifics of the service, the direction of the service, the attributes of the service.

- a) Specifics of the service. When conducting business travel, the agency is not responsible for its content. The agency's task is to provide travel support (visas, hotel reservations, tickets, etc.). The MICE event is not only organized by a mediator (specialized agency), but also organized by him. The professional organizer independently forms the program.
- b) Direction of service. Business travel events can be conditionally attributed to the scope of protocol activities. The MICE events are at the intersection of protocol and internal PR.
- c) Service attributes. The attributes of business travel include the ability to optimize travel expenses, compliance with the rules of business travel, compliance with the principle of just-in-time. MICE attributes include all business travel attributes, but also creativity, mood and individuality.

A business traveler, when making a business trip to one of the above activities, one way or another interacts with the MICE industry. However, when there is a tourist motivation, i.e. the need for recreation, entertainment, cultural and cognitive purposes, a business traveler who came, for example, to the exhibition, acquires the status of a business tourist. Thus, we have identified three types of interaction between the studied categories of business travel and MICE-tourism:

MICE + tourism = business tourism;

BT + tourism = business tourism;

BT + MICE = business trip.

In the first case, the business tourist travels to events held by the MICE industry, with the secondary purpose of recreation and entertainment. In the second case, the business traveler makes a business trip (business trip) on behalf of the company, while he is given time to implement cultural, cognitive and recreational goals. In both cases we can talk about business tourism. The last relationship involves combining a business trip with attending MICE events on the company's mission. In this case, it is more appropriate to talk about a business trip.

Practically, MICE-tourism covers a wide range of trips, including individual business trips of company employees for negotiations, participation in production meetings, presentations and sales activities, as well as congress services - trips to congresses, conferences, seminars. MICE-tourism also includes trips to exhibitions, fairs and exchanges, and trips to team sports, tours and official delegations. Also, among the types of

business tourism there is incentive tourism -a form of incentive companies gives to their employees in the form of organizing a free tourist trip for them [5].

To ensure effective management of MICE-tourism it is differentiated:

- by the number of groups of travelers: individual and collective;
- by form of organization: unorganized business trip to a company, organization, institution; organized related to trips to pre-planned events within the MICE);
- by length of stay: short-term 1 day, individual business tourism; medium-term 2-3 days, incentive tourism; long-term more than 3 days, incentive tourism, exhibition tourism;
- by distance from permanent residence: domestic and outbound [11].

The unified classification of MICE tourism does not exist. Therefore, we should take into account the realities of recent times, to classify it as the following features:

- political component: visits, congresses;
- scientific component: forums, conferences, congresses, symposiums, seminars;
- commercial component: exhibitions, fairs;
- professional component: business trips for professional purposes, incentive tours, trips of sports teams to competitions, trips on tour;
- social component: meetings, gatherings.

According to the nature of the reception, visits are divided into governmental, official, working and informal. Visits of delegations and statesmen by invitation to the anniversary holidays are sometimes singled out. Visitors are being housed in accommodation establishments, but in most cases those are not hotels.

During informal, working and individual official visits, delegations can be accommodated in hotels where hotel conference rooms are used for events. Visits are a means of realizing many other forms of diplomatic activity, such as international congresses, conferences, forums, and congresses.

A congress is a meeting of representatives of any organization or community group that has a common goal, such as a meeting of political party delegates to shape policy and elect governing bodies. A congress is a congress, assembly, or meeting, usually of an international nature; a formal meeting of delegates who are usually relevant to a particular field of human activity or involved in a particular field to discuss various issues.

A symposium is a meeting; a conference on a special scientific issue; a meeting on any scientific issue (often international); an event accompanied by a casual conversation; a formal meeting where experts make short presentations on a specific topic or several related topics; or a scientific meeting, often international.

A conference is a meeting of representatives of any state, organization, group, or state, as well as individuals and scientists to discuss certain issues, i.e., a formal exchange of views at a meeting to discuss common issues for all participants [11].

International conferences (congresses) are also a traditional form of diplomacy and are meetings or meetings of delegations of different countries, convened to study and solve problems. The terms "international congress" and "international conference" are considered identical, although previously used as different or equivalent.

International conferences are classified according to various criteria depending on the purpose, object-tives of the meeting, the scope of activities of participants, their rank, form of organization and conduct, etc.:

- 1. Subject matter: political or technical.
- 2. Purposes: advisory, legislative, or informational.
- 3. Type of organization process: bilateral or multilateral; special or ordinary.
- 4. Participant rank: the highest level; high level; intermediate level;
- 5. Participants' positions: general and closed-door;
- 6. Purpose of conducting: diplomatic or plenipotentiary; preliminary or expert [5].

The seminar is practical classes held in groups under the guidance of a professor at the university or the tutor in group classes, for example for training. The purpose of the seminar is to make students discuss the current topic under the guidance of the curator.

The following types of seminars are conducted in modern science:

- a seminar of questions and answers;
- a seminar detailed conversation; involves thorough preparation on the issues under consideration;
- a seminar that provides oral answers followed by discussion;
- a seminar-discussion based on the principle of a round table;
- a seminar that involves discussion and evaluation of the prepared
- abstracts:
- a seminar-conference;
- a problem-solving seminar;
- a seminar classes for manufacture workers
- a seminar press conference;
- a seminar for brainstorming;
- special seminars
- scientific seminars in the specialty [5].

A meeting is the joint presence of people united by something, like members of any organization. A meeting is arranged in order to get acquainted or to have a conversation with someone. The exhibition is a show, the main purpose of which is to provide potential customers with complete information by demonstrating the tools available to society to meet the needs of one or more of its areas of activities or its future prospects.

A fair is an economic exhibition of samples, which, according to the customs of the country in which it is located, is a significant market for goods or services that operates on time for a limited time in the same place, and where exhibitors are allowed to present samples of their products for concluding trade agreements on a national or international scale. Exhibition and fair events are classified according to the following characteristics:

- a) for the purpose of: trade; informational-introductory;
- b) by frequency: periodical, annual, seasonal;
- c) by the nature of the exhibits offered: universal, multidisciplinary, industry-related, specialized;
- d) by composition of participants: regional, interregional, national, international [11].

The classification of MICE tourism is very important for the development of the hotel industry. Knowledge of the structure of the business segment of hotel customers will allow you to most accurately identify it in the segmentation of hotel customers, identify its needs, and focus their services on it. So, today the most common category of guests at the hotel establishments are business tourists. In many countries, MICE tourism is widely used to encourage employees. However, a significant source of increasing hotel revenue can be not only the accommodation of this category of guests. The most promising is the provision of premises for various business events-conferences, seminars, classes, exhibitions and presentations, etc.

#### **CONCLUSIONS**

The demand for high-quality MICE tourism services is constantly growing. That is why our local market should introduce new services for business tourists. This target audience prefers specialized business hotels that could provide diversified business center that should provide many business services including entertainment programs. The role of congress hotels in the development of Ukraine's business infrastructure is growing. This type of hospitality institution is rapidly gaining popularity.

For the effective development of international business tourism, it is necessary to improve the political and socio-economic situation in Ukraine and create comfortable conditions for business people. In order to

do it, modernizing and developing the material and technical base of business tourism infrastructure is a necessity, as well as nurturing high-level specialists to provide services for business people. Particular attention should be paid to promotion of domestic tourism products abroad and creating a positive image of our country. In the future, despite the current difficult political situation, MICE-tourism will continue to play an important role in the development of the national economy and will stimulate its integration into the international market. Ukraine will continue to grow and, as a result, business, cultural, and scientific ties with other countries will develop. Thus, developing a program of MICE-tourism phased development and promotion is important for Ukraine, since the implementation of one will bring a significant share of profits and taxes all year round and create a significant amount of jobs. The most important task is to reorganize business tourism, expand the range of hotels' and resorts' services, and improve the quality of services for business travelers.

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