

The name of the conference– «ACTUAL PROBLEMS OF SCIENCE AND PRACTICE»

ANALYSIS OF DYNAMICS OF BUSINESS TOURISM DEVELOPMENT

Kostyshyn Nataliia,

cand. econ. sc, associate professor of Department of Fundamental and Specialized Disciplines of Chortkiv Educational and Scientific Institute of Entrepreneurship and Business of Ternopil National Economic University

n.kostyshyn79@ukr.net

Yuliia Kovalchuk,

lecturer of Department of Fundamental and Specialized Disciplines of Chortkiv Educational and Scientific Institute of Entrepreneurship and Business of Ternopil National Economic University

jul-mel@ukr.net

The current global economic crisis with the spread of the pandemic in the spread of the coronavirus, has adversely affected the tourism industry worldwide. Today, 96% of countries have restricted travel to their territories, with a significant proportion closing the summer 2020 holiday season for foreign visitors, committing themselves to serving only locals with enhanced security and sanitation. According to estimates by the World Tourism Organization, the industry is expected to reduce its revenues by \$ 500 billion [1]. Ukraine is no exception today, the decision taken by the current authorities to temporarily close the borders, severe restrictions on the ban on entry into the territory of foreign nationals, as methods of pandemic control, have a negative impact on the tourist industry of the country. However, everything sooner or later ends, so we hope that in the near future society will be able to overcome the dominant terrible disease, and Ukraine will be able to restore the state of development of the tourism industry at least to the level of 2018.

It is an indisputable fact that tourism brings a significant share of revenue to the treasury of the state. At the international and national levels, the importance of tourism in the educational, cultural, socio-economic, political life of our people was redefined as an important condition for mutual acquaintance of citizens of different countries with the achievements of world civilization, treasures of spiritual and material culture.

In recent years, since the provision of tourist services, the budget of Ukraine has increased by 1.68 billion UAH. (2017) and 4.2 billion UAH. (2018) [2]. In total, during these years, tour operators and travel agents provided services to 2806.4 thousand people (2017) and 4557.4 thousand people (2018), with them foreign citizens – 39.6 - 75.95 thousand people for the corresponding period. [3]. If we consider the statistical information on the purpose of the tourist trip, the largest share in our country is spent on recreation and leisure – 93% (Table 1).

Table 1

Distribution of tourists served by tour operators and travel agents by purpose and type of tourism in 2017 – 2018

Purpose of the trip	official, business, educational	leisure, rest	treatment	sports tourism	specialized tourism	other
2017	197.36	2517.07	79.3	2.86	2.45	7.39
2018	216.88	4246.18	80.3	3.74	1.98	8.36

We see a positive trend in increasing travel for work, study or business tourism. The increase in 2018 was 19.58 thousand people, which exceeded the share of 5% of the total number of people who used tourism products.

The globalization of the world economy and, as a consequence, the intensification of scientific, business and cultural ties stimulates increased travel for business and business purposes and leads to different levels of business activities. Even in times of political and economic crisis, the demand for corporate events remained steady and was accompanied by a steady upward trend. That is why the

study of the dynamics and trends of business tourism development is relevant in the current environment.

Modern business tourism is increasingly becoming a promising type of tourism. The primary factors are that such tourism does not depend on the season and also on the level of income of the client. Today in the world it is considered a phenomenon of the 21st century, which occupies almost half of the segment of the tourism and hospitality market. Travel experts agree that business tourism is one of the most profitable types of tourism. Yes, it is this type of travel that has brought 50% of revenue to airlines, 60% to hotels and 70% to car rental companies. One of the profitable features of this type of tourism is the demand for the combined program: about 3 days of active work in the conference room, and then 1-2 days of saturated rest with excursion trips. The daily expenses of such tourists averaged about \$ 345 [4].

The first organized tourist trips of cognitive and business nature were trips to international fairs and exhibitions abroad. Business tourism covers groups of people united by one purpose or professional interest. These are businessmen, engineers, doctors, educators, agricultural specialists who travel on special programs and routes.

Business Travel today is an advanced business travel industry. Professionals usually view the concept of business travel as a business system consisting of four subsystems. It is a quadrangle in which the corners are: "customer companies (they send their employees on business trips)", "companies providing certain services" (airlines, hotels, car rental offices, insurance companies, etc.), "full service travel companies (tour operators) in the field of business travel" and "organizations and firms of the MICE industry".

We believe that for the development of the tourism industry of Ukraine, special attention should be paid to the creation of tourist products for business tourism, both in the country as a whole and in specific regions. In our opinion, the organization and holding of conference tours is a particularly interesting and promising form. Conferences are an effective tool for building the image and reputation of any organization. Many businesses, academic institutions and a number of other entities

regularly carry out a number of such activities, pursuing a variety of goals. No initiator of a serious conference will be able to organize its full organization on its own. As a specialist - intermediaries are usually tourism companies. However, travel companies may face different tasks. First, when a travel company only provides assistance in sending a tourist to an international event, that is, its role is limited to hotel reservations, airline tickets, visa processing and transfers. The second, and more difficult, is the preparation of the conference. Before working on such a program, apart from the budget, the number of participants and the venue of the conference, it is necessary to find out the format of the event and the goal pursued by the initiator of the conference. Therefore, a significant number of executives choose to prioritize paying services to outsiders who take responsibility for all the high-level work associated with the organization of conferences, conventions, seminars, symposia and congresses. After all, the level and success of the event depends on the quality of the preparatory work, the thoughtfulness of all the details to the smallest detail.

The fundamental differences between one type of conference and another are their social and economic importance, the complexity of the organization and the procedure for holding it, the number of participants (delegates). Segmentation of the business tourism market can be carried out by the purpose of convocation, the nature of the work, the number of participants and their qualitative composition, the level of competence of the convened meetings, the periodicity of convocation. However, in our opinion, the main criterion for segmentation of the congress tourism market is the nature of the initiator of a meeting. It is the nature of the initiator that determines the type of conference and the list of services required. There are two segments to distinguish: the corporate conference market and the non-corporate conference market – the sphere of activity of governmental organizations and industry associations.

The corporate market for conferences can be divided into three categories: conferences of a scientific nature, conferences of a trade and economic nature, conferences of members of associations that bring people together for different "interests", such as sports, club, etc.

We believe that for the development of conference tourism and tourism in general, it is necessary to create a regional Business Tourism Association, which will be independent, possess the features of the area, as well as unite airlines, hotels, cruise lines, educational institutions, convention centers, consulting and insurance companies, tour operator companies, tour companies, transportation companies. The basic directions of such structure should be marketing support of its members, generalization and dissemination of experience, publication of specialized literature.

Therefore, Ukraine has every opportunity to become a world-class business tourism country and many efforts are needed to build and improve the business infrastructure of the regions, cities, establish cooperation with leading international business tourism organizations and the meeting industry, attract financial support from the state development of a thorough targeted program for the development of business tourism in Ukraine.

Today, and in the near future, special attention needs to be paid to improving the tourism industry. To this end, we consider it necessary to make more efforts to ensure the quality of conference tours, as a kind of business tourism. In order to do this, the coordinated work of all subjects of the tourism and business industry should be organized in order to promote relevant tourist products in the domestic and world markets.

References

1. The UN has calculated the losses of the tourism industry. URL: <https://comments.ua/en/news/money/economy/651280-v-oon-pidrahuvali-zbitki-turistichnoi-galuzi.html> (accessed 23/04/2020).

2. Ukrinform. URL: <https://www.ukrinform.ua/rubric-tourism/2678086-torik-nadhodzenna-do-budzetu-vid-turistichnoi-galuzi-zroli-u-25-raza.html> (accessed 21/04/2020).

3. Tourism in Ukraine in 2018. URL: http://www.ukrstat.gov.ua/operativ/operativ2019/tyr/tyr_dil/arch_tyr_dil.htm (accessed 04/11/2020).

4. Zyma O.G., Kuzminchuk N.V., 2012, Incentive tourism as an example of successful management of organizations, Economic strategy and prospects for development of trade and services, Iss. 1 (2), Pp. 275 - 282.

5. Muzychka E.A., Petrenko V.A., 2018, State and tendencies of development of business tourism in Ukraine, Economy and state, № 1, Pp. 55 - 60.