

UDC 338.48

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PROSPECTIVE DIRECTIONS OF HOTELS DEVELOPMENT AS INFRASTRUCTURAL ELEMENTS OF MICE TOURISM IN UKRAINE

Abstract. *The specific features of MICE tourism as a specialized type of tourism have been characterized and its main development trends in Ukraine have been highlighted. The state of the current infrastructure of MICE tourism – hotels and business centers, as well as the list of services provided by them in the course of servicing business tourists, have been described. The principles have been detailed, the implementation of which would lead to the development of this type of tourism and the expansion of service range, namely: an individual approach to every client, creating a unique experience for tourists, diversifying, social distancing, and authenticity. Promising areas and relevant activities have been highlighted, the implementation of which would ensure the development of Ukrainian hotels as an infrastructural element of MICE-tourism, namely: 1) rationalization of hotel management systems within the following subsystems: diagnostics of financial condition and assessment of prospects and business development, marketing, investment policy, personnel management, organizational and production management; 2) improving the quality management process of the hotel's MICE-service; 3) expansion of the hotel's MICE-service range: business speed dating; organization and development of express programs for guests within bleisure trips (combining a business trip with a leisure trip); deluxe room (a room containing an office); 4) providing additional benefits for consumers within the framework of loyalty programs and innovative organizational and design solutions on the hotel territory, e.g. three nights for the price of two; special prices for three days before or after the scheduled date of the business trip; early check-in or late check-out; organization for corporate clients of the so-called "flexible" spaces in halls and other public areas, which would be multifunctional and easily adaptable to various formats of events; offer of free tea and coffee in the hotel lobbies; the possibility of taking all kinds of water procedures included in the price; additional discounts in themed restaurants of the city and the organization of a cultural program, etc.*

Key words: MICE-tourism, infrastructural element, hotel management systems, quality management, service range.

JEL Classification: L80, L83

DOI: <https://doi.org/10.36477/tourismhospcee-3-3>

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ПЕРСПЕКТИВНІ НАПРЯМИ РОЗВИТКУ ГОТЕЛЕЙ ЯК ІНФРАСТРУКТУРНИХ ЕЛЕМЕНТІВ МІСЕ-ТУРИЗМУ В УКРАЇНІ

***Анотація.** Охарактеризовано особливості МІСЕ-туризму як спеціалізованого виду туризму та висвітлено основні тенденції його розвитку в Україні. Описано стан сучасної інфраструктури МІСЕ-туризму – готелів та бізнес-центрів, а також перелік послуг, що надаються ними при обслуговуванні бізнес-туристів. Деталізовано принципи, реалізація яких призведе до розвитку цього виду туризму та розширення спектру послуг, а саме: індивідуальний підхід до кожного клієнта, створення унікального досвіду для туристів, диверсифікація, соціальне дистанціювання та автентичність. Виділено перспективні напрями та відповідні напрями діяльності, реалізація яких забезпечила б розвиток українських готелів як інфраструктурного елемента МІСЕ-туризму, а саме: 1) раціоналізація систем управління готелями в межах таких підсистем: діагностика фінансового стану та оцінка перспективи та розвиток бізнесу, маркетинг, інвестиційна політика, управління персоналом, організаційно-виробничий менеджмент; 2) удосконалення процесу управління якістю МІСЕ-сервісу готелю; 3) розширення спектру МІСЕ-сервісів готелю: бізнес-експрес знайомства; організація та розробка експрес-програм для гостей у рамках відпочинкових поїздок (посідання відрядження з відпочинком); номер-офіс (кімната з кабінетом); 4) надання додаткових переваг споживачам у рамках програм лояльності та інноваційних організаційно-дизайнерських рішень на території готелю, зокрема: три ночі за ціною двох; спеціальні ціни за три дні до або після запланованої дати відрядження; ранній заїзд або пізній виїзд; організація для корпоративних клієнтів так званих «гнучких» просторів у холах та інших громадських місцях, які були б багатофункціональними та легко адаптованими до різноманітних форматів заходів; пропозиція безкоштовного чаю та кави в холах готелю; можливість проведення всіх видів водних процедур, що входять у вартість; додаткові знижки в тематичних ресторанах міста та організація культурної програми тощо.*

Ключові слова: МІСЕ-туризм, інфраструктурний елемент, система управління готелем, управління якістю, асортимент послуг.

Formulation of the problem. At present MICE tourism has occupied its niche in the tourism business, dealing with problems related to the seasonal nature of tourism and attracting foreign tourists. This business is capable of providing many economic benefits to develop the country's economy. Business tourism is expected to be one of the fastest-growing markets for travel providers, as well as its development in subsequent years should be paid special attention to, especially in the post-pandemic period.

Successful functioning and ensuring the continuity of the hotel business development is a paramount purpose under current socio-economic conditions of a dynamic and unstable environment. Simultaneously 60 % of hotel revenue is generated by serving business travelers. Given this, it is necessary for any country to have the appropriate level of hotel industry development, because it leads to the revival of all social-economic contacts and ties, strengthens the economic potential of regions, raises the rating of the state and its cities in the world community. In addition, it is a multiplier of national income and employment growth, as well as local infrastructure development.

This is what caused the choice of research direction and its relevance.

Analysis of recent research and publications. The process of research of theoretical and practical bases for determining the development of hotel enterprises as an element of MICE-tourism has been continuous and its results have widely been represented in the scientific works of domestic and foreign scientists, namely: Muzychka Ye., Petrenko V. [1], Kovalenko L., Nahernyuk D. [2], Buntova N. [3], Cherepanova A., Halasyuk S. [4], etc. However, insufficient attention has been paid to methods of increasing the attractiveness of national tourism through the development of MICE tourism.

The purpose of the research is to develop promising areas of hotel development in Ukraine as a basic infrastructural element of MICE tourism. The research has been based on the use of various individual elements and systematic analysis of the data in general. The research has been based on expert opinions and survey results. Forecasts of future trends in economic development and the experience of advanced countries in the development of business tourism have been used to determine promising

directions for the MICE tourism development in Ukraine.

Presentation of the main research material. MICE tourism covers the organization of business meetings, incentive tours, conferences, exhibitions, and events, as well as their support. The fundamental difference between MICE and ordinary tourism is “the total planning” and the extreme exactingness of clients. Even a little mistake of the organizers can cause irreparable consequences for their business.

MICE tourism is all-season, predictable, and focused on high-income clients who consume high-quality services and manifest themselves in a variety of business travel forms. Table 1 presents data on the total number of tourists and, in particular, business travel within the 2017–2019 period.

According to the given data, it can be argued that the role of MICE tourism in Ukraine is gradually growing. As for foreign (inbound) tourists, more business tourists are coming to Ukraine from Belarus. Among European business guests, business tourists from Poland, the Czech Republic, Germany, and France have to be noted. The main purpose of such visits is to visit subsidiaries and partner companies located in Ukraine.

Regarding Ukrainian trends in the development of MICE tourism, we believe that, in general, they correspond to international ones. However, especially recently, some specific peculiarities for Ukraine have been added to the global trends, namely:

- the growing popularity of MICE-events within the country;
- increasing the role of IT technologies in organizing business events;
- increasing postpaid clients;
- complicating the process of organizing events due to their entering the international level;
- increasing services according to the principle of Business travel – the purchase of individual services, attentive attitude to the quality of each service and its cost;

– increasing interest in such types of activities as “eco-building”, which is caused by the popularity of a healthy lifestyle, attention to environmental issues, and other positive social trends.

MICE tourism in Ukraine is developing at a steady pace. The reason for this is the high return on well-organized business events. It is expressed in the emergence of new business relationships, motivation of employees, enhancement of the company's image, and ultimately – in profits and strengthening of business positions.

MICE tourism, on the one hand, requires a sufficient development of the infrastructure for accommodation in the region, and, on the other hand, it leads to the development of this infrastructure.

Hotels and business centers play a leading role in organizing the infrastructure of MICE tourism. The convenient and ergonomic conditions created by these institutions for business tourists have to ensure their efficient operation. In the domestic hotel industry, a business center is most often associated with an office that combines Internet services and some pieces of necessary office equipment in a conference hall.

Nowadays in Ukraine, there are about 250 hotels that provide services for business tourists. Most business hotels are concentrated in the centers of business activity, such as Kyiv (27%), Odesa (24%), and L'viv (14%) regions, which account for 65% of their total number. A similar situation is observed with the location of conference halls at hotels, the total number of which is 722 units. Part of the three leading regions of the business tourism market in Ukraine for this indicator is 67% (483 halls), in particular: Kyiv region – 34% (246 halls), Odesa region – 21% (152 halls), and L'viv region – 12% (85 halls) [6].

As mentioned before, almost all high-class hotels are located in Kyiv and the largest regional centers – Odesa, L'viv, Kharkiv, Dnipro. At the same time, according to the monitoring of incentive infrastructure by specialized international organizations, highly categorical hotels in Ukraine

Table 1

Characteristics of the MICE segment in Ukraine

Indexes	2017		2018		2019		2019 to 2017, %
	Total	including for business purposes	Total	including for business purposes	Total	including for business purposes	
Total number of served tourists, individuals	2425089	149313	2019576	183656	2549606	180900	121,0
Foreign (inbound) tourists, individuals	17070	3735	15159	2209	35071	2361	63,0
Outbound tourists, individuals	2085273	71620	1647390	69627	2060974	74318	103,0
Domestic tourists, individuals	322746	73958	357027	111820	453561	104221	140,0

Source: based on [5]

is significantly inferior in terms of service level to generally accepted international standards. Only one-fourth of all hotels that are focused on business travelers correspond to them. Hotels in Ukraine, specializing in serving guests from the MICE segment, have a typical structure of services, the range of which is not wide. We think the solution to the problems of the MICE-service development in hotels on the MICE-tourism market in Ukraine has to take place with government support and appropriate initiative of market entities.

In our opinion, it is important to consider several necessary principles in a detailed way for the development of this type of tourism and the expansion of the service range. We believe that under the current circumstances an individual approach to every client is an important aspect of traditional travel; MICE-tourists also appreciate when a service, program, offer or event is designed specifically for them. To do this, service providers need to know more about the interests and preferences of participants, as well as constantly update their bank of offers.

It is also important to create unique experiences. Business travelers prioritize attending a conference or meeting, but they can also stay in the city, and, likely, they are not coming here for the first time. Therefore, each stay must be unique, and it is not only about the activities guests enjoy, but also about making them feel rested until the end of the trip. This is partly due to the introduction of wellness measures. In this sense, a business traveler can see on a trip not only work but also relaxation for body and soul.

It is also necessary to carry out diversification. In particular, the cities of Ukraine, in addition to novelty, need to offer tourists, including those from the business segment, more approval value for money of services. A really useful development for the regions would be the introduction of a tourist card

of city guests, the installation of maps, signs with information about attractions on the streets, as well as the application of QR-codes on the objects of tourist routes and the creation of 3D excursion routes for tourists. We believe that the introduction of unified systems of discounts for business tourists will allow them to receive benefits for visiting museums, cafes, and restaurants, as is done in the advanced tourism countries of the world.

The pandemic of COVID-19, of course, has made its adjustments. Social distancing has become the main trend in the life of modern society. Given the current situation, we believe that shortly, holding online business meetings, conferences and discussions will remain relevant. Taking into account the existing format of this type of tourist activity, we are sure that it is also possible to develop MICE events remotely. Many companies actively “meet” their business partners on various online platforms.

The demand for authenticity is greater than ever before. Guests being on a business trip want to get an honest, transparent, and real experience whether on holiday or during and after business events.

We have highlighted and detailed promising areas and relevant directions of activities that, in our opinion, would lead to the development of Ukrainian hotels as an infrastructural element of MICE tourism (Figure 1).

To improve the activities of hotels, as well as to develop measures to adapt to environmental conditions, it is urgent to rationalize hotel management systems. It is our view that a modern hotel management system has to include the following subsystems:

- diagnostics of financial condition, assessment of prospects and business development;
- marketing;
- investment policy;
- personnel management;
- organizational and production management.

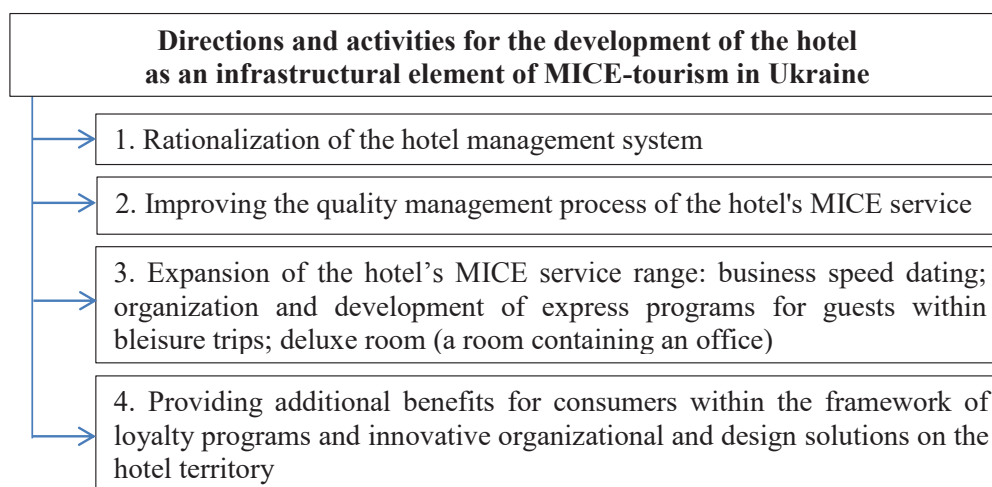


Figure 1. Recommended promising directions and measures for hotel development as an infrastructural element of MICE-tourism in Ukraine

To increase the level of competitiveness of hotels, it is also advisable to improve the process of managing the quality of the MICE service that it provides. The main goal of the hotel development policy has to be the creation of a competitive hotel product, which will ensure the supply of a wider service range, an increase in inbound and domestic tourism, and an increase in budget revenues.

In today's environment, the top management of hotels must find new ways to increase the attractiveness and availability of their services, since the emergence of innovative distribution technologies in electronic booking systems integrated with hotel management systems has led to revolutionary changes in this segment.

The choice of innovative behavior of hotels is determined today by the level of knowledge about the possibilities of innovations, the tendency to accelerate their impact on environmental changes, the ability to spread, ensure the efficiency and competitiveness of economic activities, and improve the corporate culture. The final result of hotel innovation should be the production of competitive services, strengthening its market position, and maximizing customer satisfaction.

To expand the basic and additional MICE-service range of hotels, we propose including in the list a number of the following services: business speed dating; organization and development of express programs for guests within bleisure trips; deluxe room (a room containing an office); providing additional benefits for consumers within the framework of loyalty programs and innovative organizational and design solutions on the hotel territory.

Business speed dating service is an event for quick acquaintance and exchange of contacts between entrepreneurs and businessmen. For example, for the market of the city of Zhytomyr, this service will be unique, since none of the hotels in the city offers their tourists such a business event. This format of meetings has become quite widespread in America, England, and neighboring countries.

This service is based on a format popular all over the world, the so-called "speed dating" for busy men and women. In the modern world, time is highly valued, and the secret of the huge popularity of speed dating is, first of all, in saving time. The speed dating format offers a unique chance to meet and communicate with 10 or more people in one evening, therefore this service is a unique platform for business dating, a platform for business communication and establishing personal connections in an informal setting. The purpose of this event is to allow each participant to get acquainted with a large number of interesting and useful partners for their business in a short time.

One of the popular trends in the global MICE service is a combination of directions. Today, in the

course of one business trip, the most experienced and progressive companies are trying to achieve several goals at once: combining a business trip with a leisure trip. This is the so-called bleisure (business + leisure) concept: when the time for entertainment/relaxation is added to the main travel time. According to the study, there was a rapid growth in trips in the bleisure format. This phenomenon is associated primarily with the entry of millennials (generations born in 1980–2000) into the labor market. These professionals tend to blur the boundaries between work and personal life, they value new experiences more than comfort. It should be noted that the Hilton hotel chain has already announced the creation of a new lifestyle brand for the so-called "new generation", which is united not only by age (year of birth) but also by the way of thinking: focusing not only on career but also on personal growth, presence in the value system of such a concept as "sustainable development", attempts to make the world a better place, etc.

The business travelers who add a couple of days off to a business trip typically work in the IT, healthcare, government, finance, sales, and consulting industries. 25% of businessmen admit that on business trips they have absolutely no time for rest, and 15% would prefer to familiarize themselves with local sights as a rest.

Unfortunately, a typical business trip often robs employees of proper sleep, routine, and even a few hours of relaxation, while bleisure trips would help achieve these goals without compromising work. This is a certain compromise between work and rest, salvation from travel stresses, and the opportunity to devote time to self-development. Today, about a third of customers in the world orders this service, whereas a few years ago only one in ten did it.

Indeed, why not take the opportunity to visit interesting historical sites while being in the city for a business purpose? As a recreation for business tourists of hotels, one can organize and conduct short sightseeing tours, acquaintance with local cuisine, a study of unique cultural traditions and customs, an intensive training program, lunch in an unusual place, a bold volunteer project, etc. Since leisure trips are planned on a tight schedule, hotel specialists need to know about the individual characteristics of each guest to develop individual express programs. In addition, while developing these programs as part of such trips, it is necessary to take into account the age of the guests who will make up the potential target audience – 45–54 years old (generation X) and 25–35 years old (millennials). Moreover, quite often such guests take their family members on a bleisure trip.

Despite the predominantly remote format of the life of modern society in a pandemic, it makes sense to provide and equip a deluxe room containing an office, in which it will be possible to comfortably live, work,

and relax, or allocate some rooms for long-term rent. We believe that such opportunities will be of interest to IT specialists and those who work remotely.

These deluxe rooms containing an office require special Get Ready areas for both work and a heightened sense of coziness, namely: illuminated desks and mirrors for business hours, while open wardrobes, steamers, and mini-refrigerators will create the illusion of “home away from home” where is pleasant to cook your favorite dishes, including those related to “healthy eating”.

In addition, taking into account the latest global trends, hotels for business travelers can offer the following additional benefits in the context of relevant existing loyalty programs and innovative organizational and design solutions:

- 1) three nights for the price of two;
- 2) special prices for three days before or after the scheduled date of the business trip;
- 3) early check-in or late check-out;
- 4) organization for corporate clients of the so-called “flexible” spaces in halls and other public areas, which would be multifunctional and easily adaptable to various formats of events;
- 5) offer of free tea and coffee in the hotel lobbies;
- 6) the possibility of taking all kinds of water procedures included in the price;
- 7) additional discounts in themed restaurants of the city and the organization of a cultural program, etc.

Conclusions. Summing up, it has to be noted that MICE tourism keeps being one of the most promising types of tourism, which is focused on the high-income client. In Ukraine, one of the main constraints to its development is the lack of hotels with a sufficient number of basic and additional business services and an appropriate level of comfort. We are of the view that the implementation of our proposed set of activities in the context of Ukrainian hotels will improve the situation and ensure their further development by

increasing the level of competitiveness of MICE services.

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