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The analysis of MICE tourism development in the world and in Uzbekistan

Abstract

The article discusses characteristics of business and leisure tourism and considers the components of MICE industry. Statistical data on the level of development of MICE tourism globally are being presented. The authors make a comparative analysis of MICE tourism in both the countries which are considered to be the leaders in this sphere, as well as in the emerging countries such as Uzbekistan. The relevance of this study is determined by the need to promote and develop MICE sector worldwide. The perspectives of the development of MICE tourism in Uzbekistan are presented on the example of Silk Road Destinations.

Keywords

Business tourism, MICE industry, Meetings, Incentives, Conferences, Events

JEL: Z310**1 Introduction**

The number of business contacts has started to increase steadily at the end of the 20th century. That resulted in the development of business tourism and MICE industry.

MICE (Meeting, Incentive, Conference, Event) tourism sector consists of meetings, incentives, conventions and exhibitions activities including conferences, congresses and trade shows. This sector has been regarded as one of the most dynamic and important sector of the tourism industry that focuses on business activities rather than leisure.

Being developed by more than 115 countries globally, MICE is therefore, considered to be one of the most indispensable conditions for tourism destination development as well as the key contributors to economy of the destination by generating income and sustaining full-time employment.

World travel and tourism council forecasts that the annual turnover of business tourism will increase by 3.7% over the next ten years and will grow from \$1.15 billion in 2016 to \$1.7 billion in 2027 [1].

The object of the study of this paper is entrepreneurial activity within such tourism

division as MICE in the world and in Uzbekistan.

The subject of the study is the perspectives and barriers to development of business and MICE tourism in Uzbekistan on the example of travel company Silk Road Destinations.

The purpose and problem of research is attributed to the low degree of elaboration of the analysis of MICE tourism development as a specific sphere of international tourism.

Uzbekistan is still an “incipient tourist destination” that practically does not exist in the global MICE tourism market.

Researches regarding MICE possibilities and barriers to its development in Uzbekistan are lacking and therefore the research that is conducted by the author will analyze the perspectives of Uzbekistan in this sphere of tourism.

2 Latest scientific progress and publications review

All the undertaken or already existing studies were conducted taking into consideration already well developed countries of the world. In order to make the research the author used the data of the The World Travel&Tourism Council Economic

Report in 2019, SITE (Society on Incentive Travel Executives), ICCA (International Congress and Convention Association), WTO (World Tourism Organization), the state committee of the republic of Uzbekistan on statistics and the state committee of the republic of Uzbekistan on tourism development.4 Respondents

The respondents of the study were mother-administrators occupying key administrative positions in the 13 public and private HEIs. Purposive sampling was used in getting the respondents.

3 The aims of the article

- 1) To examine theoretical aspects of business tourism and give a detailed analysis of the components of MICE tourism;
- 2) To observe the global MICE tourism sector, the latest trends and tendencies;
- 3) To study the specific character of the development of MICE tourism in Uzbekistan on the basis of travel company Silk Road Destinations;
- 4) To evaluate the current state of the resources and infrastructure for the development of MICE tourism in Uzbekistan;
- 5) To develop appropriate recommendations for the development of MICE tourism in Uzbekistan on the basis of Silk Road Destinations.

4 Theoretical-methodological basics of the research

The author adopted comparative approach in order to understand the current situation of MICE tourism in different countries and in Uzbekistan. Quantitative research techniques perfectly fit the objectives of this paper and allowed for statistical analysis, whereas qualitative research allowed the collection of detailed information. The data received from the research has been processed and presented in the forms of tables and diagrams. By practicing both qualitative and quantitative methods of research the author gained a well-rounded analysis and understanding of MICE tourism development in the world and in Uzbekistan.

4.1 THEORETICAL BACKGROUND

This chapter covers the theoretical part of the research. It explores business tourism and its differences compared to leisure tourism and MICE. The history of MICE industry and "bleisure phenomenon is being discussed in the chapter. The statistical part of the research was collected from articles and official online sources.

4.2 THE DIFFERENCES BETWEEN BUSINESS AND LEISURE TOURISM

Before analyzing the aspects of MICE a definition of business tourism needs to be given and the features that distinguish business tourism from leisure tourism as well business tourism from MICE need to be explained.

According to Middleton and Clarke business travel is a "work related travel to an irregular place of work" and according to Swarbrooke and Horner business travel represents "the practice of people travelling for purposes related to their work".[2][3]

The main differences of business tourism from leisure tourism are that the main customers of business tourism are business people, who travel to certain destination in order to work, meet new partners and possible clients. Whereas the main purpose of leisure tourist is to relax and to have a rest.

Leisure tourists are mainly couples, honeymooners, families with children or group of friends. In business tourism it is different. The size of the group can sometimes get thousands or even millions of attendees.

Each year, corporate travelers take more than 480 mln business trips, according to GBTA. In addition, older, more experienced corporate travellers take an estimated 12 trips per year while younger, newer corporate travellers take roughly 14 trips a year. This means today's corporate traveler is getting younger and thus has a different set of demands than corporate travelers of years past [4].

In most cases the choice of the destination and the payment is responsibility of CEO or association. Therefore, we can define a business traveller as "a traveller whose expenses are paid by the business he works for" [5]. The United Nation's World Tourism Organization in its Basic Glossary defines a business visitor as "an individual whose main purpose for a tourism trip corresponds to the business and professional category."

The World Tourism Organization calculated that business people spend three to four times more than ordinary citizens on vacation. The annual cash turnover in this sphere is predicted at tens of billions of dollars. To be more specific, in 2006, 4.4 mln business travellers represented almost \$5100 mln of spend, while the 17.8 mln travelling for personal purposes only spend \$3800 mln. [6].

According to the World Travel&Tourism Council Economic Report in 2019 the share of leisure tourism spending to business one in most countries is around 80% to 20%.

Leisure tours take place during the holidays, during the season periods in certain destination, or at the weekends.

At the same time business tourism is year-round, it has no connection to certain dates of the year.

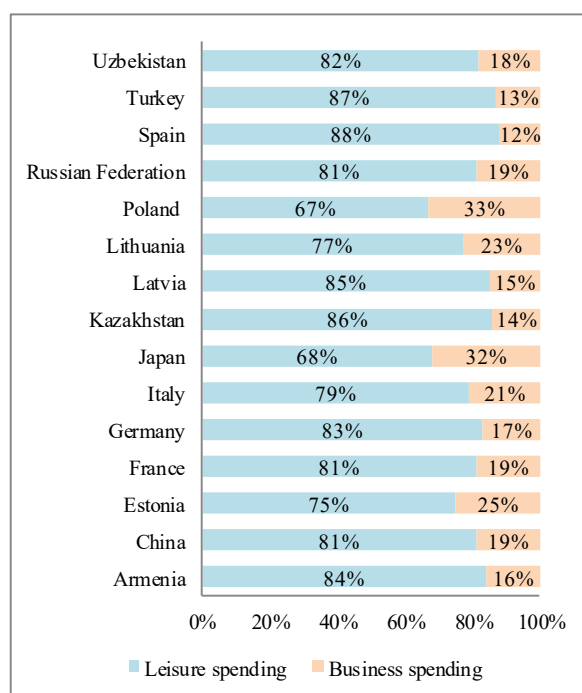


Figure 1 The share of leisure tourism spending to business tourism spending in different countries
Source: The World Travel&Tourism Council Economic Report in 2019

Among the other essential characteristics of business tourism is that participants of business event get profit in the destination they are going to visit.

We have examined the differences between business and leisure tourism, but how is MICE tourism related to business tourism?

In the sphere of tourism MICE is an acronym that stands for meetings, incentives, conferences and events.

There are differences between business tourism and MICE tourism as well.

When organizing business trips the travel agency makes the visa support, books the hotel and air tickets and is not responsible for the entertainment part. Whereas during MICE event the specialized agency is not only holding the

event, but is also responsible for all the arrangements including the entertainment part of the tour program.

Among the characteristics of business travel is the opportunity to optimize the trip expenditures, abidance by the rules of organization of business trips and observance of just-in-time principle. MICE embraces all the characteristics of business travel and at the same time it adds creativity, uniqueness, exclusivity, originality, special spirit and wow effect to the trip.

5 “Bleisure” tourism- a new trend among business travellers

Currently some travel experts mark the appearance

TABLE 1 The differences between leisure and business tourism

| | Leisure tourism | Business tourism |
|---|--|---|
| Participants | Tourists | Professionals, experts, business people. Sometimes may be accompanied by partners |
| Size of groups | Individuals or small groups | Up to million participants |
| The main goal of participants | Entertainment, leisure, exploring new destinations and learning new cultures | Business networking and information sharing |
| Payer | The tourist | The employer or association |
| Decision maker | The tourist, tour wholesalers, travel agents | The organizer of the meeting/incentive/conference/event |
| Period of time when the trip can take place | During the holidays or special occasions | Any day of the year |
| Main economic impact | Direct spending | Trade and investment |

Source: developed by author

of new concept of tourism-“bleisure” that is supposed to be a combination of business and leisure tourism.

There is a growing number of “bleisure” tours being organized globally starting from 2010. In 2014, Bridgestreet Global Hospitality research dedicated to this phenomenon was published. According to the figures, for many this kind of travel have become a way of life, while 78% of respondents say that such trips make them much more loyal to their work, but less than 14% of respondents considered “bleisure” to be more or less officially regulated in the company [7].

According to the research conducted by Carlson Wagonlit Travel, 1 in 5 business travellers take “bleisure” trips each year, accounting for 7% of all business trips. In nearly half of “bleisure” trips, the personal days occur at the end of the trip, in 34% at the beginning, while for the remaining 20% leisure occurs at both ends of the trip [8].

This information is also approved by the research of Booking.com. Now, going on a business trip, people preparing not only presentations and business suits, but also plans to get acquainted with the place where they go, and the amount of such business travellers, according to the study, is already at the level of 49%. Also about 75% of the survey participants plan to make as many trips as possible in the near future. If earlier “bleisure” was not paid much attention, believing, sometimes rightly, that it was a waste of time and could even damage a career, but now the angle has changed. “Bleisure” provides an excellent opportunity to expand horizons, look at some things differently and eventually achieve more in the work. Moreover, for 30% of “bleisure” respondents, it is so attractive that they are willing to accept less paid jobs in order to be able to travel [7].

6 The components of MICE

MICE as noted earlier, is composed of meetings, incentives, conferences or congresses and events. In this part these components will be examined thoroughly.

Meetings. During the meeting groups of people come together to share ideas, important information and discuss various issues.

According to the International Association of Congress Organizers (IAPCO) meeting is “a general term that indicating a coming together of a number of people in one place to confer or carry out a particular activity. [9]

All the meetings can be divided to:

Board meetings. Meeting of company directors that are usually held once a year. During the annuals the company directors discuss the situation of the company, review the progress the company made.

Management meetings. Meetings of the

managers from different regions in order to make important decisions, determine how to put into practice decisions taken by the board meeting

Sub-committee meetings. The meeting of the members of a larger committee.

Training seminars. Meetings during which the participants discuss a certain topic or problem.

Meetings with partners and suppliers.

Product launches. Meeting with customers, the press when new products are entering the market.

Strategic meetings. Meetings of company managers in order to discuss and make plans for the future.

Uzbekistan is only going to host 41 meetings and exhibitions in 2019. It should be acknowledged that is even less than 1% of all the same format events organized globally. To compare in 2017 the number of meetings organized in the USA was 941.

Let us follow the dynamics of the change in the number of meetings in Europe countries in 2016-’17. Figure 2 illustrates the number of meetings held in Germany, the UK, Spain, Italy, France, the Netherlands, Portugal, Austria, Sweden and Switzerland.

As follows from the graph Germany was the leader in both 2016 and 2017, with just a small decrease in number of meetings in 2017. Whereas such countries as Sweden, Austria, Portugal, Netherland, France, Spain and the UK had marginal changes in the number of meetings within a year, Switzerland and Italy managed to increase the number of new meetings in 2017 to 46 and 47 correspondingly.

If to consider Asia Pacific countries the top 10 leaders in the number of meeting organized are Japan, China, Republic of Korea, Australia, India, Thailand, Singapore, Chinese Taipei, Hong Kong and Malaysia.

Among the Baltic countries Estonia hosted 68 meetings, Lithuania-47 and Latvia-36.

From the CIS countries the leader is undoubtedly, Russia with 87 meetings organized in 2017, Kazakhstan-11, Belarus-7.

7 Incentives

To understand what incentive trips are, we need to understand what the word “incentive” means. According to Oxford Dictionary incentive is “a thing that motivates or encourages someone to do something”. [10]

The International Association of Congress Organizers (IAPCO) provide the following interpretation of incentive: “Meeting event as part of a program which is offered to its participants to reward a previous performance.”[11]

The companies organize incentive trips for its employees, clients and partners. The main goal of such trips is to improve both individual and

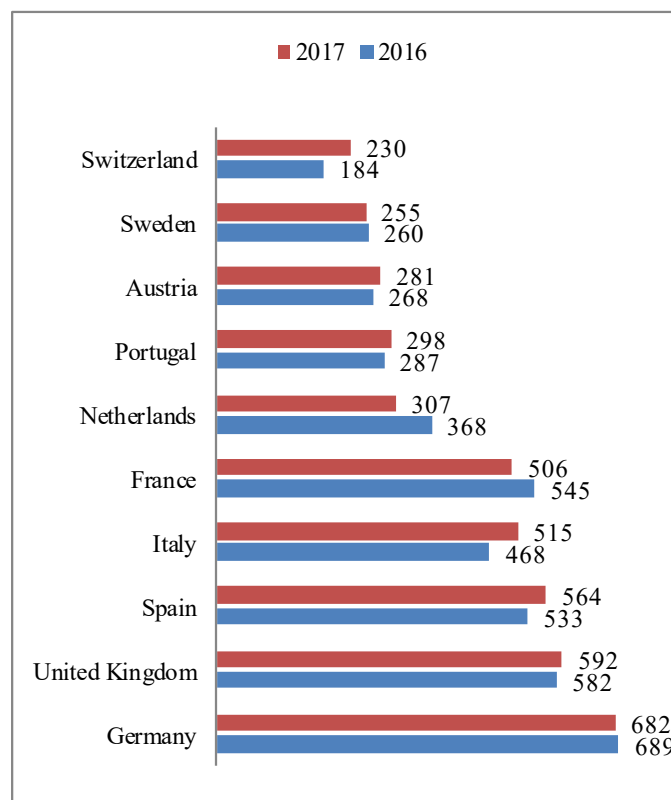


Figure 2 The share of leisure tourism spending to business tourism spending in different countries

Source: *The World Travel&Tourism Council Economic Report in 2019*

corporate effectiveness of managers, strengthen the company loyalty and teamwork, increase sales and motivate the managers to reach the desired outcomes. Thus, the Society for Incentive Travel Excellence (SITE) International Foundation quotes a study by the International Society for Performance Improvement, which established that incentive travel programs can increase performance of an individual by 22% and of a team by 44%. The Society for Incentive Travel Excellence (SITE) International Foundation concludes that “incentive travel programs have been proved to increase sales, boost productivity, retain customers, hold on to top talent, promote teamwork and decrease turnover, among other results.” [12].

The homeland of incentive trips is, no doubt, the USA. The first incentive trip was organized in the USA in 1906. That year the US company “National Cash Registers of Dayton” awarded 70 salespeople diamond-studded pins and a free trip to company headquarters. Few years later the winners got a free trip to New York [13].

However, as an independent industry incentive tourism was established only in 1960s.

These days the USA is an implicit leader in the sphere of business tourism. The USA is followed by Germany, the UK, France and Spain.

Among the most preferable destinations for organization of incentive tours from the USA are

Mexico, the UK, Asian countries and Pacific Rim.

According to statistics, 80% of all the incentive tours take place in Europe, 10% in the USA, 6% in South-East Asian countries, and 4% in other destinations [14].

Mandy Espey in her article “Your Guide to 2019’s Top Incentive Travel Destinations” highlights Vienna, Athens, Cartagena and Edinburgh as Top International City Destinations [15].

These days the budgets for incentives continue to grow too with over one-third of planners now having per-person budgets from \$3,000 to \$4,000 and almost 40% of planners now having per-person budgets of \$4,000 or more [16].

Among the companies that organize incentive tours the following can be distinguished:

- Full service incentive companies are the travel companies that provide almost all the services connected with the organization of active leisure.
- Fulfillment type incentive companies are those travel companies that provide advisory services or specialize in certain areas of active leisure.
- Incentive travel departments only act as providers of certain elements of incentive tour program and don’t participate as independent companies on the market.

8 Congresses and conferences

During the congresses the participants attend educational sessions, participate in meetings, discussions, socialize, or attend other organized events.

Depending on the number of participants the congress events can be divided into:

- Small (less than 250 participants);
- Normal (from 250 to 1000 participants);
- Big (more than 1000 participants).

Depending on the theme the congress events can be:

Political. The meetings of the representatives of several countries in order to hold on negotiations, sign contracts, establish business relations and solve global issues. One of the examples of such kind of conferences is the regional security and sustainable development conference that was hosted by Samarkand from 10th to 11th November, 2017 that gathered more than 500 participants.

Business. Meetings, specifically organized in order to discuss the problems in certain area.

Scientific. Meetings of experts in certain discipline, specifically organized in order to analyse actual scientific problems, find the ways to solve them and inform the attendees about new accomplishments of science. For instance, from 14-15 May, 2014 Samarkand hosted scientific conference "The Historical Legacy of Scientists and Thinkers of the Medieval East, Its Role and Significance for the Modern Civilization".

Theoretical and practical. Meetings of experts in certain discipline, specifically organized in order to analyse actual applied scientific problems, find the ways to solve them and inform the attendees about new accomplishments of science.

Corporate. Meetings that are organized by the companies for its customers, distributors and employees.

Annual general meetings. The meetings that are held by the companies each year. During annual general meetings the company's board members discuss its business activities and performance. Sometimes new officers can also be elected.

The world's first congress bureau appeared in the American Detroit in 1895. However, as a widespread phenomenon, similar congress bureaus began to be created only in the 1960s in Europe.

One of the best examples of congress centers these days is Vienna Convention Bureau. Being founded in 1969 by the initiative of the government, it is functioning as an independent non-profit institution that is responsible for the promotion of Austria on the international level. According to the Vienna Convention Bureau, about 4 thousand events with more than 560 thousand participants is held only in Vienna annually.

These days, among the top 10 leaders that have the best exhibition venues are the USA, China,

Canada, Brazil, Russia and the Netherland. The venues in these countries account for almost 60% of all the exhibition venues in the world. Europe maintains the leadership from this perspective, getting 45% share of the world market. Europe stays ahead Asia-Pacific region and North America that accrue 23.6% and 23.5% correspondingly.

9 Events

All the events can be divided into:

Social events such as birthday party, anniversary, wedding ceremony.

Cultural and religious events such as festivals, carnivals, commemorations.

Political events such as summits, visits of officials and royal occasions. For instance, with around 2 billion viewers around the world, Prince Harry and Meghan Markle's wedding was an event that broke all records. The royal wedding cost approximately \$45 million. To make Harry and Meghan's wedding cake, baker Claire Ptak used 500 eggs. The recipe for the lemon-elderflower cake also called for 200 Amalfi lemons, 44 pounds of butter, 44 pounds of flour, 44 pounds of sugar and 10 bottles of Sandringham Elderflower Cordial. In addition, the cake took five days to make and required a team of six bakers. It was also decorated with 150 flowers [17, 18].

Educational events such as conferences, trainings and seminars.

Sport events. It should be mentioned that sport events help to increase the touristic value of destination. For example, Olympic Games in Korea, firstly, enabled to create a strong material and technical basis for tourism. Secondly, it enabled demonstration of Seoul as a touristic center, that resulted on the development of the development of inbound tourism.

Business events such as trade shows, company launch.

Thus, the findings of this chapter lead to conclusions that go as follows. The main distinguishing features of business trips are that they are being paid by the company or organization. The target group of business trips are professionals, experts and business people whose main goal from the trip is doing business. Sometimes participants may be accompanied by partners. A strong connection of business and leisure tourism resulted on the appearance of "bleisure" tourism. The participants have won this trip for excellent performance rates at their work.

10 Review of the object of research

Silk Road Destinations (C.A.T.I.A-Central Asia Tours Incoming Agency) was founded in 2001. It is a limited liability company.

The legal address of the company is 1, Kuk Saroy Street, Samarkand, Uzbekistan, 140157.

The company is operating under the license #T-0504-14 that was obtained on 10.06.2014.

The founder and the CEO of the company is Ravshan Turakulov.

From the moment of its establishment the company has chosen a focus strategy.

Initially, the company specialized on organization of cultural tours. The target customers were mainly from France intending on sightseeing tours around Uzbekistan. Therefore, the company put all its efforts to instill awareness and confidence in its services.

Each year the client base has expanded, it became necessary to launch new markets and differentiate the service from its competitors, particularly through service and staff behavior.

In this regard, the following markets and departments appeared in the company's structure: Italian, German, Spanish, English, Russian, Chinese markets, reservation department and IT department.

Starting from 2006 Silk Road Destinations started to offer MICE services to its customers and partners.

Starting from 2017 Silk Road Destinations annually takes part on AntorMICE workshop. The AntorMICE Workshop is a one-day event which brings together a strong and effective mix of MICE Industry Suppliers and Corporate Travel Buyers and covers a broad range of industry categories and classes including Conferences, Incentives, Meetings and other business-related travel [19].

Among the most significant events that were organized by Silk Road Destinations are incentive tours for such international companies as Valenta Pharma, Digma and IBSA.

11 The analysis of tendencies, problems and perspectives of the MICE tourism development in Uzbekistan

It is necessary to realize an initial analysis about the current situation in Uzbekistan. With the environmental study of the country it will be found out which circumstances could affect positively or negatively to the development of MICE sector in Uzbekistan.

Uzbekistan gained independence in 1991. There was a need to restructure tourism sphere and to establish the organization in order to develop the tourism industry to the level of relevant international standards, improving the management of this sphere, enhance its economic efficiency, as well as the implementation of a unified state policy on the field of tourism and tourism infrastructure.

The first step was foundation of National Company "Uzbektourism" on July 27, 1992 upon

the resolution of the President of the Republic of Uzbekistan.

National company "Uzbektourism" is the main coordinating body, which provides the development of a unified state policy in sphere of tourism within the territory of the Republic of Uzbekistan.

Another important step was made in 1993, when Uzbekistan joined the World Tourism Organization (WTO).

After gaining independence, tourism sector in Uzbekistan has become a vital part of economy due to reasonable changes in government policy, investment and management efforts.

A positive tendency is being seen each year in terms of the rise of the number of foreigners who come to Uzbekistan.

In 2016, 2157.7 thousand foreign citizens arrived in Uzbekistan, this figure increased by 7 times (1855.3 thousand people) compared to 2000.

Due to the insufficient number of hotels to accommodate all foreign delegates, the Uzbek government started the development of hotels, which involved the construction of new hotels and the reconstruction of old style hotels.

The level of services at the hotels could be compared to those of Europe. Such branch hotels as Hyatt, Radisson, Ramada, Miran and Hilton are functioning in Uzbekistan.

In Uzbekistan, the occupancy rate of hotel and similar accommodation facilities by region (places during the year) was 26.1% in 2016. In particular, the highest rate was in the Syrdarya region – 40%, in the Dzhizak and Kashkadarya regions - 36.5%, in the Tashkent city - 35.7 %, in the Khorezm region - 14.1% and in the Fergana region - 14.6%.

When choosing the destination for organization of MICE event, the customers usually take into consideration a range of factors. Among these factors are the convenient flights, the availability of venues for organization of the high-level events, the availability of creative and beneficial packages at the hotels. Besides, the customer considers the previous experience of organization of MICE events of the same format, the level of infrastructure and the security of the attendees at the destination that is being considered.

Since independence, transportation links (airports, roads and railways) in Uzbekistan have been improved.

Four main International airports in Tashkent, Samarkand, Bukhara and Urgench have been rebuilt, the country's principal highway has been updated.

Nowadays, Uzbekistan Airlines operates regular flights to more than 40 world's leading countries- Russia, Belarus, the USA, Italy, Germany, France, Latvia, the UK, India, Thailand, the UAE, China, Malaysia, Korea, Singapore, Turkey, Israel, Azerbaijan, Kyrgyzstan and Kazakhstan. The representatives of Uzbekistan Airlines are open in

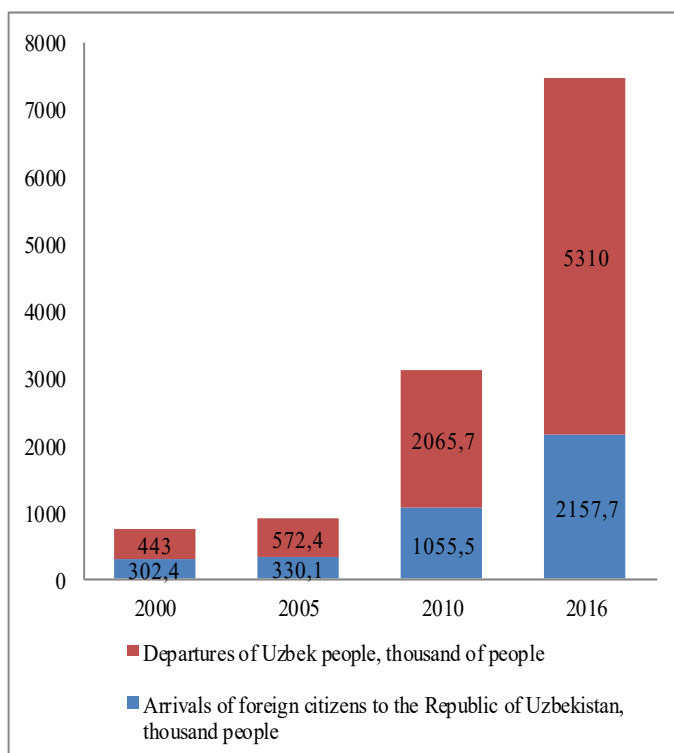


Figure 3 Arrivals of foreign citizens to the Republic of Uzbekistan and departures of Uzbek citizens in 2016
 Source: The state committee of the republic of Uzbekistan on statistics

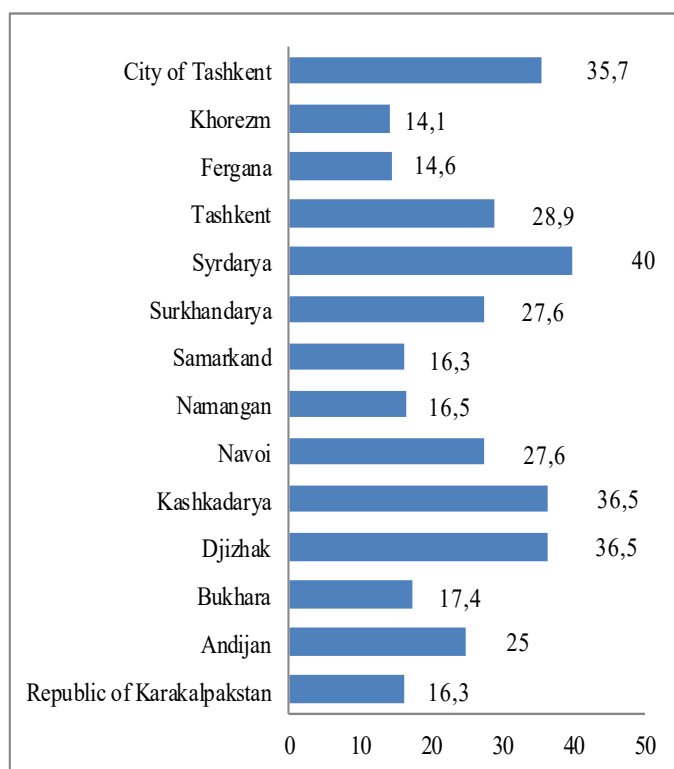


Figure 4 Occupancy rate of hotel and similar accommodation facilities by region, in percent
 Source: The state committee of the republic of Uzbekistan on statistics

25 countries.

An important step in implementation of new technologies was commencement of high-speed train "Afrosiab", manufactured by Spanish company "Talgo". Named after the founder of the historical city of Samarkand, the new trains have significantly reduced travel times between the destinations while offering the safest and most comfortable means of travel.

The latest events that take place in different parts of the world have proved the importance of security during the trip. For a company the disruption of business processes during the business trip will face with the threat of serious undermining of its budget. According to research by the IRF and the University of South Carolina that was released in June 2017, almost 60% of planners have experienced some form of disruption in their events, estimating that almost a quarter of their events have been affected in some way. Almost 50% of planners said they experienced a disruption costing their organization \$10,000-\$99,000 [20].

In this regard, it should be noted that Uzbekistan is in the list of the safest countries in the world. This is proved by a Solo Travel Safety Report 2019 by Wegoplace online travel service regarding the countries that would be the safest for single tourists in 2019. The report was based on a survey of residents of 142 countries according to several criteria, among which were questions about how safe they feel when walking alone in the city at night, whether they trust the local police and whether they have been robbed or attacked.

According to this report, Singapore has the highest security index (97 units). It is followed by Norway, Iceland and Finland, each with a safety index of 93 units. Uzbekistan is ranked the 5th in the ranking (91 units), followed by Hong Kong (91 units), Switzerland (91 units), Canada (90 units), Indonesia (89 units) and Denmark (88 units).

According to the survey of WTO carried in 2014 83% of international tourists suggested that they felt safe whilst travelling in Uzbekistan and 76% would recommend the destination to friends.

However, the analysis of the MICE tourism sector in Uzbekistan allowed finding several problems as well.

MICE tourism at certain destination can only function effectively under the following conditions:

- Additional and true statesmanship;
- Stable legislation;
- Absence of problems of communication between law enforcement bodies;
- Professional MICE organizing companies;
- Specialized print media;
- Objective official statistics;
- Targeted and always improving training of the staff;

- Scientific research.

In general, the prospects of Uzbekistan in the sphere of MICE tourism are great. Due to a stable socio-economic and political situation, the country is becoming more recognizable and attractive from the point of view of enhancing business relations which in its turn causes an increase in the number of trips undertaken for business purposes to Uzbekistan.

However, there are still the challenges that slow down the development of MICE tourism in the region that cannot be ignored. The in-depth and sequential analysis of the barriers for MICE tourism development follows.

The lack of close cooperation at various levels between the authorities and the professionals of the industry. In order to make the MICE industry and, in general, domestic business tourism globally competitive, such interaction is imperative. In countries with a well-developed tourist infrastructure, the industry is developing due to:

Active support and regulation of the state. In international practice, one of the main forms of the government regulations in the sphere of tourism is the creation of associations of tourist companies and tour operators, transportation companies, hotels and restaurants. This is due to the fact that public organizations are more flexible compared to the state ones in responding to all the changes in the marketplace and the wishes of customers. What is more, they have a more detailed and professional understanding of the intricacies of organization of the process of service delivery.

Private investments. Attracting investment is one of the most important factors that determine economic growth and improves the competitiveness of the national economy, as well as contributes to its integration into global production processes.

Insufficient promotion and PR to form a positive image of Uzbekistan for the development of inbound tourism. In order to enhance the development of MICE tourism it is necessary for the government of Uzbekistan to start the creation of an attractive image of the country since creating a strong positive brand and image of the destination is nowadays an important factor for building its competitive advantage.

Moreover, the failure of some destinations to fulfill their tourism potential is related to their promotional strategies. Promotion is the process of communicating between suppliers of tourism product and the potential tourists; it enhances their demand for travel.

Due to the lack of consistent promotional campaigns in the sphere of tourism there still exists the misperception regarding the security situation in Uzbekistan.

When creating MICE image of Uzbekistan, the government need to demonstrate it as a compelling and differentiated destination. Uzbekistan can

boast its ancient architectural monuments, exquisite cuisine, traditions, hospitality and these factors are good prerequisites for the development of Uzbekistan as MICE destination.

Insufficient attention to participation in international exhibitions in MICE industry. In order to promote and introduce the potential of Uzbekistan as MICE destination on international market the travel community of Uzbekistan need to be involved in MICE tourism fairs and exhibitions. The tourism companies of Uzbekistan should exhibit at EIBTM in Barcelona and IMEX in Frankfurt since these exhibitions are a great opportunity for networking.

Insufficient level of training. We need to understand that MICE tourism implies as a delicate work with entrepreneurs in tandem with professionalism in consulting and management. Therefore, only professionals who have strong general understanding of not only the intricacies of business travel, but also of the needs of business travelers should work in this industry.

MICE services in Uzbekistan are provided by quite a few companies, most of which are tourist. Thus, according to the CEO of International Business Travel Muzaffar Kasimov, Uzbekistan outnumbers more than 350 tourist companies, though only 8% of them could be related to the category of business tourism.

MICE knowledge of the personnel working in the sphere of tourism in Uzbekistan needs to be improved through MICE related certification and accreditation. The government should engage tourist companies, institutes of higher education as well as international associations to establish the MICE Industry Education Committee on the basis of the State Committee on Tourism Development of Uzbekistan. Specialized academic programs need to be developed in order to develop the skills of existing local MICE suppliers and broaden available specializations in the sphere of tourism.

It should be also admitted, that such associations as ICCA (International Congress and Convention Association), MPI (Meeting Professionals International), SITE (Society on Incentive Travel Executives), IAPCO provide trainings that can help the companies of Uzbekistan to learn important aspects of MICE industry and therefore become more successful in this sphere.

Undeveloped infrastructure (hotels, roads, transport). For the effective development of MICE tourism a certain level of infrastructure as well as all the necessary conditions for a comfortable stay on a business trip must be created, which include:

- specialized centers for the organization of exhibitions, congresses and conferences;
- business hotels for business people;
- business aviation;
- mobile and satellite communications, other

modern technologies.

Comparatively low level of development of hotel infrastructure in Uzbekistan affects negatively the development of MICE tourism. In regional context 40% of the total tourism capabilities is concentrated in the capital, 37% in Samarkand, Bukhara and Khiva, about 16% in Fergana. The share of the remaining cities, constituting 50% of the total area of the republic, accounts for only 7% of the productive potential of tourism in Uzbekistan. This is due to the fact that Tashkent and Samarkand are centers for major events of both republican and international importance.

The other problem with the hotels in Uzbekistan is overbooking during the season. The fact is that in most cases the travel companies have to refuse MICE requests since all the business hotels are already full of reservations or the existing business hotels do not meet the requirements of the request.

Speaking of business aviation, it should be noted, that though, the work on improving the infrastructure of airports and the quality of passenger service is being carried out systematically, some terminals and the runways at the airports still require renovation and modernization.

Despite the availability of direct flights from major cities of the CIS, Europe and Southeast Asia, due to the high cost of air tickets, a tendency of a weak load of aircraft can be observed. The main reason for the high rates for air travel is the absence of any financial support for national carriers and government regulation of all air traffic to Uzbekistan; as a result, tickets remain inaccessible to the mass tourist who wants to visit Uzbekistan. One of the solutions to this issue could become low cost airlines. They would help to increase the awareness of Uzbekistan as a tourist destination.

The State Committee on Tourism development should also enlarge and systematically improve the free WI-FI zones so that tourists can easily access the internet.

12 The analysis of Silk Roads Destinations competitiveness

The following text will present the results of the competitive analysis of the quality of travel companies in Uzbekistan. The quality of services of travel companies is what distinguishes a successful travel company from others. The tourists form their perception of the quality of service of a travel company before travel, during travel, during their stay at the destination and after return from trip. One of the key factors in achieving and maintaining competitive advantage of travel companies in the market is a high quality of services provided and customer satisfaction. In modern terms, therefore, the quality is a key factor for survival of travel companies in the market [21].

The aim of the research was to assess and to distinguish the factors that play a great role during the assessment of the quality of services the travel agencies offer such as:

- The image of a travel company;
- Web-pages;
- Recommendations from the travel managers;
- Tour price.

In order to conduct competitive analysis of Silk Road Destinations TM the author has chosen 14 different travel companies that offer tours to Uzbekistan on their web-sites.

These are the following companies:

- Advantour;
- Afsona Travel;
- Canaan;
- CATS;
- Central Asia Travel;
- Dolores Tour Service;
- Global Connect;
- Inter Mice Asia;
- Olympic Tour Service;
- Orexca;
- Orient Voyages;
- People Travel;
- Silk Road Destinations TM;
- Tashrif Tours.

The following travel companies were chosen

based on the internet search.

In order to determine the degree of compatibility of the service level to customers' expectations the author used the method "Mystery shopper". Mystery shopper is an effective form of marketing research that is used to evaluate customer service process with the help of specially trained people. The essence of this technology is that the "secret buyer" acting as a real buyer, checks the performance of the managers and makes records of the details of the process of visiting and interacting with the staff.

The author's aim was to check the quality of work of the managers with new requests.

The first step in this analysis was to check the web-sites of the selected companies. The web-sites were checked on the number of languages they were presented at.

The next step was to create a gmail account in order to send the request with the legend to all the companies.

According to the legend the client was interested in a luxury tour for the family with two children. The client wanted a 7-10 day tour to Uzbekistan, oriental atmosphere, 5* hotels, activities for children, the best restaurants and all inclusive. The only detail that could beat the rush of the managers was a small puppy, the client had intention to take with them.

TABLE 2 The analysis of the visibility of the web-sites of travel companies

| | The name of the company | Web-site | Languages |
|----|---------------------------|---|---|
| 1 | Advantour | https://www.advantour.com/ | The web-site is presented on 5 languages: English, Russian, German, French and Chinese |
| 2 | Afsona Travel | https://afsona-travel.com/ | The web-site is presented on 5 languages: English, Russian, Italian, French and Chinese |
| 3 | Canaan | https://canaan.travel/ | The web-site is presented on Russian only |
| 4 | CATS | http://cats.com.uz/ | The web-site is presented on 6 languages: English, Russian, Italian, French, Japanese, Chinese |
| 5 | Central Asia Travel | http://www.centralasia-travel.com/ | The web-site is presented on 5 languages: English, Russian, French, German and Spanish |
| 6 | Dolores Tour Service | www.dolorestavel.com | The web-site is presented on 2 languages: English and Russian |
| 7 | Global Connect | http://globalconnect.uz/ | The web-site is presented on English |
| 8 | Inter Mice Asia | http://mice-uzbekistan.uz/ | The web-site is presented on English |
| 9 | Olympic Tour Service | http://olympic-tour.com/ | The web-site is presented on 7 languages: English, Russian, German, Spanish, French, Chinese and Hebrew |
| 10 | Orexca | https://www.OrexCA.com | The web-site is presented on 4 languages: English, Russian, Spanish and Chinese |
| 11 | Orient Voyages | http://tour-orient.com/ | The web-site is presented on English, Russian, French and German |
| 12 | People Travel | https://www.people-travels.com/ | The web-site is presented on 5 languages: English, Russian, French, German and Spanish |
| 13 | Silk Road Destinations TM | https://silkroaddestinations.com/ | The web-site is presented on 4 languages: English, French, German and Russian |
| 14 | Tashrif Tours | http://www.uztour.biz/ | The web-site is presented on 2 languages: English and Russian |

The author assessed the companies according to the time within which they answered the first email. As it was revealed the fastest manager

(Canaan) answered the first email within 3 minutes, whereas the slowest answered within 9 days (Dolores Travel Systems).

TABLE 3 The response speed of travel companies

| | The name of the company | Response speed |
|----|---------------------------|-------------------------|
| 1 | Advantour | 2 days |
| 2 | Afsona Travel | 55 minutes |
| 3 | Canaan | 3 minutes |
| 4 | CATS | 2 days |
| 5 | Central Asia Travel | 15 minutes |
| 6 | Dolores Tour Service | 9 days |
| 7 | Global Connect | 4 hours 55 minutes |
| 8 | Inter Mice Asia | 4 hours |
| 9 | Olympic Tour Service | 2 hours 9 minutes |
| 10 | Orexca | 52 minutes |
| 11 | Orient Voyages | 27 hours and 36 minutes |
| 12 | People Travel | 2 hours and 10 minutes |
| 13 | Silk Road Destinations TM | 2 hours 11 minutes |
| 14 | Tashrif Tours | 27 hours and 36 minutes |

The next point for evaluation was the attempt of the company to contact the client by phone, whatsapp, viber or telegram. Only 2 managers tried to contact the client. One was the manager from Global Connect. The other manager was from Central Asia Travel, who left his personal contact phone so that the client can reach the manager if he has any additional questions.

The important moment in author's experiment was the evaluation of the quality of first response. From 14 selected companies only the following 6 companies sent the tour idea to the client in their first message: Advantour, Canaan, Dolores Travel Systems, Olympic Tour Service, Orient Voyages, Tashrif Tours.

The managers of the companies Afsona Travel, Central Asia Travel, Inter Mice Asia, Orexca, People Travel and Silk Road Destinations TM in their first messages clarified the questions by asking the age of children and type of accommodation.

In author's next message the client answered all the questions and provided the managers with all the necessary information. At the same message the client asked all the managers about the possibility to bring the puppy to Uzbekistan. From all the 14 selected companies the only manager from Afsona Travel asked about the size and the breed of the puppy.

The next point of evaluation was the tour price. From all the managers the only manager from Advantour gave the family discount. Two companies Orexca and Orient Voyages gave adult price and child price. The average tour price given is 1330 USD per pax.

Another important moment was the

assessment of manager's attention to special moments.

The only company that included city quest for children was Central Asia Travel.

The following companies included culinary workshops: Central Asia Travel, Canaan, Inter Mice Asia, Orient Voyages, People Travel, Silk Road Destinations TM

The following companies included folk show at madrassah Nodir Devon Begi in Bukhara: Canaan, CATS, Orient Voyages.

The following companies included visit to puppet theater in Bukhara: Dolores Travel Systems, Silk Road Destinations TM.

Only two companies offered hotels with family rooms: Orexca, Olympic Tour Service.

13 Results of the research

The research helped to reveal the following problems in the tourist companies in Uzbekistan:

- 1) Lack of initiative of staff, unwillingness to communicate with customers. Managers don't work to their full capacity. Questions are answered in monosyllables and without clarifications. Promises to send tour programs remain promises for a long period of time. The companies need to understand that the result of such an attitude may be the loss of the customers, which in conditions tough competition and falling consumer demand will affect the financial performance of firms and staff salary.
- 2) Incompetence of knowledge in tourism. Managers are often unable to respond

correctly to fundamental questions. And most importantly: they clearly do not want to study such elementary, but important for every tourist issues, in order to promptly provide the maximum amount of information to each customer.

14 Conclusion

Despite the economic importance of MICE tourism,

this sphere still remains underdeveloped. It is high time for the governments, travel companies, hotels and other associated organizations and companies to think seriously about the attractiveness of MICE tourism.

Analysis of international business tourist attractions helped to reveal the important impact of MICE tourism such as economic growth of the region, creation of new job opportunities, development of infrastructure and tourist awareness.

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