

ANALYSIS OF THE COMPETITION CONCEPT IN THE CONTEXT OF PROSPECTIVE STRATEGIC SHIFTS OF MODERN ECONOMY

The study analyzes the main content of the concept of "competition" in the writings of prominent economists. The evolution and main directions of the development of scientific schools in terms of interpretation and basic content are shown. What is the focus of the behavioral approach in competition with regard to price characteristics of competition?

Keywords: competition, competitive strategy, market.

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CONTEMPORARY CHALLENGES IN THE DEVELOPMENT OF BUSINESS (MICE) TOURISM

Annotation: *The purpose of the present paper is to promote development of the forms of tourism that can be more beneficial to the country. The current trends developing around the world are studied; the possible positive effects caused by the development of business tourism are analyzed. Encouraging and hindering factors for the development of business tourism are identified and analyzed; the ways for overcoming the problems are proposed.*

Keywords: *MICE tourism, Business tourism, Tourism market.*

Introduction. Business tourism represents a profitable and dynamically developing tourism sector. It plays an important role in the development of national economy of any country and actively determines its integration in the world market. It is based on MICE industry, whose Global Market is valued at USD 882.84 Billion in 2018 and expected to reach USD 1546.69 Billion by 2025 with the CAGR of 12.46% over the forecast period [1; 12]. The MICE industry refers to a specialized niche of group tourism dedicated to planning, booking, and facilitating conferences, seminars, and other events, and it is the highest revenue contributor to the travel industry.

Purpose. The purpose of the paper is to study and analyze the trends of MICE tourism development around the world and the obstacles that emerge in modern conditions. Considering the results of the study will help the organizations operating in business tourism and the destinations interested in this form of tourism to succeed in the international MICE tourism market.

The paper uses the research methods such as logic and system analysis, synthesis, analogy as well as historical methods of analysis.

The information base for the research is made on the functioning of the tourism market official data provided by international organizations in the field of tourism (WTTC, UN, International Congress and Convention Association, UNWTO, MICE Forum, GBTA).

Discussion of the results

Priorities of business tourism. In scientific and popular literature the term "MICE Tourism" is often used instead of the terms "business tourism" and "business travel" as the term "MICE Tourism" most precisely reflects the purposes of this segment and the structure of this direction of tourism. It includes: M-meetings (councils, negotiations, presentations), I-incentives (rewarding travel, motivation programs, stimulation of partners and stimulation of loyalty of employees), C-congresses (conferences, forums, conventions) and Exhibitions (participation in

cultural, musical, sports and corporate events/exhibitions). The terms “business tourism” and “business travel” are considered to be synonyms and in the dictionaries of tourism terminology they are largely interpreted as travel for commercial, state or educational purposes [6; 9; 10], while MICE is a business-orientated tourism segment involving obligatory (or non-discretionary) travel [6].

In the modern world, tourism has emerged as one of the most powerful economic sectors and due to its high economic performance it is attractive to the countries with various level of economic development.

According to international experts, MICE tourism is expected to grow further as increasing number of corporate meetings and events from the business sectors is expected to drive the market growth. This has created the huge opportunity to expand the tourism services for the corporate world which is beneficial to the event planners, hotels and event spaces. The hospitality sector is accounted for about 40 to 60 % of their revenue generated in the MICE industry.

Global business tourism expenditures amounted to \$ 1.4 trillion in 2019 [1;3], which means that business tourism accounts for over half of global tourism expenditures. According to the World Tourism Council (WTC), approximately 60% of tourism industry is taken up by business tourism, while business tourists themselves comprise only 25% of the total international tourist flows which indicates high solvency of this segment.

In addition to its dynamic growth and high financial revenues, the attractiveness of business (MICE) tourism is caused by its high multiplier effects, in particular:

- Direct Contribution - Direct Revenue (The MICE industry, business tourism, is known to generate higher spending per capita as compared to leisure tourism. It also affects seasonality control and employment. Direct Contribution - The MICE industry generally reduces seasonality within the overall travel and tourism industry, as most MICE volume occurs during the off-peak seasons [5;11].

- Indirect Contribution - This includes Foreign Direct Investment (FDI). Hosting an exhibition is one medium that can channel products and services to potential buyers on a regional and global scale; attending conventions can also expand the partnership pool for delegates who usually come from the same industry. There's also spurring of technology and innovation, as countries attempting to promote the MICE industry must strive to develop or at least encourage necessary development to keep national technological offerings on par with global standards. There are new ideas, knowledge and insight, as MICE events have proven to be very useful in terms of bringing them to countries, service providers and attendees. The MICE industry has become a channel that allows information and knowledge to spread wider and faster especially in this era of globalization. It can also influence the climate of local businesses, which, in turn, can directly influence the strategic direction of certain industries. Moreover, growth in the industry can also help improve local businesses' procurement and manufacturing standards [5;11].

The MICE market refers to a specialized group of tourism committed to planning, booking, and facilitating conferences, seminars, and other events. This industry includes the number of factors, where agents are working in this field to provide a full range of travel and conference services for business groups and events of longer duration. Despite successful experience in this field, one of the most challenging things in this sector is to maintain the service standards in accordance with intense competition in the tourism industry.

New opportunities in the business tourism market. Changes in the motivations of tourists in the international market and the emergence of new trends in tourism have been reflected in the trends of MICE tourism development. First of all, this change was resulted in the shift of tourist flows to new geographical areas, which, in turn, caused changes in tourist centers around the world.

In terms of MICE tourism, China took the leadership over the U.S. and European countries. Mice tourism growth rate in China was 9%-11% in 2017-2018. High growth rates (11-12%) are also observed in India's MICE industry [8 13].

Corporate travelers are choosing the MICE tours to promote their businesses which is a good combination of business activity and sightseeing relaxation. The MICE industry has been gaining importance over past few years, since meeting planners and travel agents are organizing the corporate incentive travel programs to reward the employees for reaching specific targets.

"An incentive is not a nice trip to reward an employee; it is an opportunity to interact, learn and experience. We're seeing a new generation of global citizens that are committed to the idea of an open and interconnected world,"[2] According to the BCD Meetings and Events "What's Trending" report, destinations need to look at creating experiences, with travelers increasingly seeking to participate in cultural exchanges, connect with nature and history, and have meaningful and environmentally responsible trips. "It's no longer enough to provide the basics — people want to be 'wowed' [2].

The features of the MICE tourists described above provide a good opportunity for the development of business tourism in weak economies with rich natural and cultural resources, which can be offered to tourists in combination with MICE tours.

In our opinion, from this perspective an interesting experience is observed in Georgia's MICE tourism market. This can be formulated as a concept of two-stage development of MICE tourism in two directions.

On the initial stage of development, the first direction is based on the development of business tourism through organizing small and medium-sized meetings without large conventional centers. The main contributor of which is infrastructure resources for small and medium-sized high-class hotels in the regions (mainly at resorts and recreational areas), which were initially built to meet the needs of the tourists of other tourism segment[5]. The strategy of transferring business tourism to the regions is based on the motivations of modern tourists to get more benefits from one tour (business tourism + recreation+ wine tour+ spa, etc.)(4;5]. Initially, this strategy is based on attracting tourists from internal market, neighboring markets and geographically relatively near countries and subsequently generating a distant target market. Such an approach to MICE tourism development will contribute to:

- Selling more MICE and related tourism products on international markets, staying of tourists in the country for a longer period of time and consequently, increasing tourism costs;
- MICE tourism, which is based on the development of hotels, in turn, contributes to the development of hotel business in the non-seasonal period based attracting high-income segment;
- The concept of business tourism development in the regions leads to inclusive development of the sector[5].

The second direction of MICE tourism development is based on the strategy of implementing low-scale and high-intensity business tourism based on improving branded hotel infrastructure and event management services in the capital and large cities of the country[5].

The second stage of MICE tourism development involves the creation of a congress center based on gaining the experience and resources and attracting large business tourism clients with the active involvement of state marketing mechanisms and tools. The concept presented here will be an effective model for the countries like Georgia with low financial resources but with rich tourism resources.

This is also a good possibility for the countries, from Asia to Latin America, to expand their offerings outside of major cities as they look to tap growing demand for social and cultural engagement opportunities, which are often available near natural and historic sites away from large urban centers. This can also help to revive traditional tourist destinations, as business attendees increasingly wish to travel with their partners or families [5].

Peru and Morocco represent two good examples of nations that are leveraging their cultural heritage to provide expanded engagement opportunities for the MICE segment. In the former, the capital city of Lima offers up its gastronomy and connectivity with the city of Cusco

in the south-east, allowing conference delegates to extend their stay for a few days and visit the UNESCO World Heritage site of Machu Picchu [8].

Technologies vs. MICE tourism. Modern technology is another major trend that could completely change the MICE industry as many corporations adopt e-conferences as a substitute for face-to-face meetings and conferences. The major restraint for the growth of the MICE industry is the operational cost associated with these companies. However, the use of teleseminars and virtual meetings to eliminate travel expenses may prove to be a significant growth opportunity in the future.

Looking ahead to the following years, 63% of executives in the MICE tourism sector expect an increase in virtual attendance at events, according to a survey carried out by the MPI (Meeting Professionals International) association among its associates [8].

Therefore, while technologies make MICE industry cheaper, MICE tourism is harmed. In response to this circumstance, the annual report of IBTM highlights the need to "create experiences", which will require more creativity, logistical efforts, etc. by tourism companies and destinations. In addition, the experts of MICE tourism note that there is a strong demand for face-to-face meetings, interaction with peers and listening to experts in their specific fields. This consideration should be also effectively used.

In our opinion, the measures taken in this direction should be based on the trends and an accurate analysis of the demand from potential segments. For instance, international experts note that for incentive travels, the cost per person increases from 3,000 to 4,000 dollars." But beware, because 60% of customers see that costs (flights, hotel, etc.) are growing faster than travel budgets. [2] This means that the destination policy should focus on promoting the activities of low-cost transportation companies.

The leading players in the MICE industry focus on providing customized solution to consumers as their key strategies to gain a significant share in the market. Strategies such as partnership or acquisition of similar companies or related companies in this case travel agencies, tourism company, or event management service company help these companies to expand their service portfolio.

Threats. Along with the global economic downturns, tourism is particularly sensitive to the incidents such as terrorist acts and epidemics.

The recent report by Ostelea School of Tourism & Hospitality recalls that Turkey "has lost more than 45% of the events it held, after the incidents suffered in the last two years" [7;8].

On the other hand, Paris, after the attacks in 2015, "has partially recovered its stability in the tourism sector in a record time, with a year-on-year growth of 7.4%"[7;8].

The coronavirus has the potential to threaten the entire global business travel industry. According to a new lightning poll released today by the Global Business Travel Association (GBTA), the virus could potentially cost the industry \$46.6 billion per month. That translates into \$559.7 billion annually, or 37% of the industry's total 2020 forecasted global spend [3].

MICE events and MICE tourism include mass gathering, which makes it even more sensible to crises. In addition, as practice shows, even in case there is some doubt about such threat, meetings can be easily replaced by competing technologies. Given this, organizers of MICE tourism should be able to assess the situation in a timely manner and since it is impossible to neutralize the above threats, the companies operating in tourism business and destinations should have alternative plans in place.

Conclusions. There are three fundamental challenges identified in the study that must be taken into consideration by destinations interested in MICE tourism development. These are as follows:

Sensitivity to security, which requires the existence of an alternate plan and creation of an image of a safe destination; Technologies that can be considered as a competitor of MICE tourism; and Personalized offerings, which can be achieved based on the increase in creativity and the range of services.

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INNOVATIONS FOR INCREASING PRODUCTIVITY IN AGRICULTURE AND ENSURING FOOD SECURITY (THE CASE OF GEORGIA)

Summary. On the basis of comparative analysis the paper concludes that the level of productivity in agricultural sector of Georgia is low. The key factor for solving the problem is to create an innovation-based agricultural model.

The factors that hinder innovation development and productivity growth are identified in the paper. Recommendations for innovative development and productivity growth in agriculture are suggested.

Key words: innovation, productivity, agriculture, food security.

Introduction. Development of agricultural sector is of particular importance for Georgia. Agriculture in Georgia has always played an important role in ensuring food security and increasing wealth. Nevertheless, food production has reduced in recent decades, the level of self-sufficiency with domestically produced food and incomes are low, poverty level in rural areas is high and the deficit of food is covered by imported products [12]. Food balance sheets show that ensuring food security for the population in Georgia remains one of the major challenges. It is enough to note that according to the data of 2019, the self-sufficiency ratios of wheat, meat and vegetables are low (15%, 52%, 59% respectively) [5]. Household expenditures on food account for 43% of total consumer spending [15].

In a number of official documents, agriculture is regarded as a strategic and priority area by the Government of Georgia. In addition, the country is trying to achieve progress in this area