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ORGANIZATION AND MANAGEMENT OF CONGRESS BUREAU AS A FACTOR OF TERRITORY BRAND CREATION: THE ROLE AND INTERNATIONAL EXPERIENCE¹

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Each society is faced with the decision of how to provide the well-being and high quality of life of its citizens best. Increasingly, cities, states, and nations are turning to tourism as an important element in their economic portfolio as they recognize the potentially significant economic rewards at stake. Much of tourism development entails community development. If handled appropriately, tourism can become an important engine for achieving broader social goals. Whereas societies may aspire to achieve these goals, communities are struggling to manage tourism development effectively. Modern innovative management trends in tourism cluster modernization and diversification processes of the business have been launched: tourism business has grown significantly, the new functional structure has changed, and national tourism services sector broadened and consolidation is the main priority. In this case, Russian MICE-tourism development has recently gained greater urgency. Congress bureau as one of the important element of business tourism and MICE industry development has become a strategic factor of territory brand creation, according to the regional economy diversifications.

Keywords: congress bureau, business tourism, MICE industry, regional tourism and investing potential.

Introduction. The Meetings, Incentives, Conferences and Exhibitions (MICE) industry is extensively and rapidly growing and is largely associated with travel for business purpose.

Each different subsection of MICE has quite different characteristics but on the whole they are referred to as MICE Tourism.

The MICE industry — a service industry combining trade, transportation, finance, and travel — has been active in Europe and America for over a century.

Despite the development of telecommunications and the current financial crisis, the need for direct contact has always existed and will always be there.

Today, countries all over the world are putting their best foot forward to develop the MICE industry as a means to enliven national economic development.

The first organized travel happened within the framework of a congress visit in 1841 when Thomas Cook arranged the transportation for 570 participants of the annual congress.

Problem statement. Brand territory as a factor of destination prosperity. Creation and promotion of a regional brand is an integral part of improving the competitiveness of Russian territory with the key and the unique characteristics of individual regions. That is why the formation of regional infrastructure, construction and upgrading of convention centers, convention establishing offices in the regions should be considered a relevant mechanism of the industry, as the marketing area. Congress bureau is the driving force behind progress and prosperity of cities and regions. Marketing of the MICE industry is important as the market of cultural tourism.

Convention Bureau aims to represent the best opportunities and perspectives of the city, region or country, according to its territorial jurisdiction, coordinating offers MICE-territorial structures and thereby strengthening the territory brand positioning in the world.

Regional branding as a separate type of marketing has attracted the attention of experts in 1970. But only recently it has received a practical application at the regional and national level. Nowa-

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days, we are witnessing the active pursuit of countries and regions in the sequence of formation of its own brands.

It's important to work hard to promote a positive image of the leading countries such as France, Germany, Portugal, Poland, Estonia, Hong Kong, Egypt, Turkey, Greece. An interesting example is a national branding program "Japan Brand", which is being realized in Japan. A separate group of successful projects is the branding campaign of individual cities — "Glasgow Smiles Better", "Sydney Freedom Capital", "I Love New York", "London Olympic", "I Am Sterdam", etc.

Beneficially, the city of Amsterdam has chosen this particular brand strategy and positioning the city as a tourist and business center "I Am Sterdam". The city taken separately as a territorial mechanism subconsciously associate themselves with every interesting tourist capital of the Netherlands, in turn, tourists feel themselves part of Amsterdam, though for a short period of stay for leisure or business. And this is not the only example of the positive branding area. In modern practice of international marketing there are many such examples, however, we will focus on directly addressing the issue as a separate instrument, in our case, this Convention Bureau, has a significant, positive role in shaping the brand area of business travel, MICE and business destination.

It should be noted that as a congress office this Convention Bureau is a non-profit organization, officially representing the city/state in the market of international meetings, its main aims being the following:

- Dissemination of information on Events city / region in the market of international meetings
- Attraction to the city/region and international meetings
- Promoting international meeting planners the choice of venue.

At the professional approach brand building is constructed largely relying on social ties within the community, to share information on the standard of living, quality of management and the provision of state and local government services to residents of the area, the business climate of the city and region. Here we see one of the modern ways of branding territory, namely, the use of the natural process of impressing people who were direct its visitors territory. Deep knowledge of the area, the formation of interpersonal relationships is an effective tool to improve business and migration attractiveness of the region. In this regard, attention should be paid to the development of the tourism industry, not only in the traditional forms of tourism-related recreation, therapy and entertainment, but also to the business tourism, development of the exhibition and congress activities.

The solution to this problem might create an enabling environment for visitors and tourists — convenient transport infrastructure, good hotels in different price categories, attractive cultural objects, and objects of event tourism.

Trade and exhibition sites present level, intended mainly for events of MICE industry and business networking industry (Meetings Industry) — a powerful integrated marketing tool to promote products and services firm, industry, region and national economy. MICE industry stimulates the economy of many countries greatly, especially Germany, the U.S., Switzerland, Japan, Hong Kong, Taiwan, South Korea [1].

In Russia, the MICE industry as a means of multi-purpose commercial communication in the emergence of new market participants and the need to establish between the socio-economic relations acquires urgency and scale of the issue. Over the last decade, Russia began to form the basis of modern infrastructure of business travel: congress and exhibition companies, organization of business travel, business forums, and others in the industry of business meetings involving millions of people and tens of thousands of members of the business community. Given the complexity and the development of this dynamic and competitive area every day needs planned management and coordination of its activities.

Convention Bureau international experience. Main Competing Destinations. Destinations for MICE tourists are influenced by safety and security. However, there is also a desire to find new destinations, although they need to be deemed politically safe to travel to (chart 2).

Some of the most popular MICE destinations include [10]:

- Vienna, Austria
- Paris, France
- Singapore
- Barcelona, Spain
- Berlin, Germany
- New York, United States

Chart 1

Top 10 destinations for MICE business [10]

The new top 20 country rankings, according to the number of confirmed major meetings held, are:	The top 20 city rankings, again going by the number of meetings hosted in 2011, are:
1. USA — 759 meetings	1. Vienna — 181 meetings
2. Germany — 577	2. Paris — 174
3. Spain — 463	3. Barcelona — 150
4. UK — 434	4. Berlin — 147
5. France — 428	5. Singapore — 142
6. Italy — 3637.	6. Madrid — 130
7. Brazil — 304	7. London — 115
8. China — 302	8. Amsterdam — 114
9. Netherlands — 291	9. Istanbul — 113
10. Austria — 267	10. Beijing — 111

For the incentives segment, however, up market resort locations in areas such as Asia and the Indian Ocean are popular.

Conferences or conventions are generally described as multi-day events attended by at least a hundred delegates for the purpose of exchanging business information. The difference between meetings and conferences lies in, both, the number of people attending and the duration of the event. The main and important elements of MICE industry development in the particular region, place or destination are factors used for Considering the Venue for an International Conference (chart 2) [10].

Chart 2

Factors used for considering the Venue for an International Conference [10]

Rank	Factor	Score
1	Business/Networking	7.8
2	Total Cost	5.8
3	Conference Facilities	5.6
4	Miscellaneous Facilities	5.6
5	Connectivity	5.4
6	Accommodation	4.4
7	Immigration	4.0
8	Tourism	3.1
9	Other Recreation	3.1

In Europe the development of the city Congress office is in succession. The initial phase of construction of tourist infrastructure in the countries that are attractive from the point of view of tourism have begun to appear within the urban tourist centers that provide services to tourism, and to promote the city as a destination for a recreational holiday. In the making of business tourism as a promising and profitable segment of the industry, the function of promoting the city as an attractive destination for business events or added to the work of the existing agencies for tourism (as was the case with Con-

vention Bureau Abu Dhabi) or singled out independent organization (for example Convention Bureau Vienna and Dublin).

In European practice, there are two main approaches to the organization of the congress office. The first is the organization of the structure at the initiative and with the support of local authorities, in which case the Congress office exists as a department and is fully subject to the local administration. The second option is the Congress office organization in the public-private partnership format.

The country often has both a national and a city-level convention bureau. The National Congress is the central contact office in the country to foreign organizers MICE-industry gathers comprehensive statistics about the market meetings industry, is promoting the country as a destination for business events at the international level, helping to raise the educational level of the market players to help local players in entering international market, the country attracts large business events.

Promoting national convention bureau is required at the primary level, where the potential foreign customers not informed and poorly represents the level of development of the meetings industry in the country, for a closer acquaintance it is desirable to go to the level of urban convention bureau. A small size of the country, or a substantial number of small cities having the infrastructure for business events may restrict the congress office at the national level. Most European countries have a national convention bureau, possibly of the whole country, and the Congress Bureau of the capital. But now there is a tendency of organizing the congress office even in small towns in Europe.

Some national convention bureaus play a secondary role in a city: for example, in Austria, there is one of the best congress Peace Bureaus — Vienna Convention Bureau, which is responsible for the country's progress at the international level, also Poland Convention Bureau which is actively working in international market including the offices in Krakow, Gdansk, Poznan.

Convention Bureau financing. Convention Bureau is a nonprofit organization which was funded by the state budget and contributions from the private sector: for example, German Convention Bureau fund administration of German cities with developed market meetings industry, event organizers, the owners of venues, hotels, travel and incentive agency service companies, as well as such major companies and associations as the German National Tourist Board, Lufthansa German Airlines and the German Railways.

Exact figures for the budget of the Bureau of the Congress do not result in official data sources or secondary sources, but we know some city budgets convention bureau. In this connection, we recall that many of the city's convention bureau exceed the national indicators, the maximum of the budget can be considered the city's congress bureau of Vienna, which is 16 million Euros, the lowest budget in the Congress Bureau of Olomouc (Czech Republic) — 170 thousands Euros.

Regarding the structure of the distribution of funding between the Bureau of the Congress government and private business, according to the study of European Cities Marketing, conducted in 2010, on average 52 % of the budget of the city Congress office provides private business, and 48 % funded by the city or the state treasury including grants.

However, there are interesting variations: Congress Bureau of Antwerp is financed by the state by 98 %, Amsterdam — 53 %, Stockholm — 50 % of Geneva — 2 %, and the contribution of statehood treasury activities in Zagreb Convention Bureau — 0 %.

If Congress Bureau is created without government funding and with its hand, then we're talking about players association market meetings industry — the association operates in New Zealand (New Zealand Convention Association) and performs all Congress offices but the main sources of funding are membership fees and donations from the private sector.

Regional experience developing business tourism perspective reflects this type of tourist activity. Repeatedly in the media, reports the Division of Administration of Rostov-on-Don and the Rostov region,

employed in the tourist industry, published data that hotels in Rostov-on-Don focus more on the business flow and not on cultural tourism.

Meanwhile, the Rostov region is actively pursuing a strategy aimed at increasing the attractiveness of the region for the Russian and foreign business travellers. At the last International Conference "Business as a Tool for Socio-economic Development", held April 6, 2012 with the support of the ARC, the Congress Hotel "Don-Plaza", the participants tried to analyze the current trends in business travel, as well as to take a series of measures to improve business tourism in the region [2].

To confirm the high potential in the field of business travel and the goals in the development of the tourist industry, Rostov region has to create a tourist product that would meet the needs of business travelers. To create it, as in other matters, and to implement all plans related to development of the industry, it is necessary to develop a strategy on which the combined forces moved the authorities and the business community. In addition, an important step to increase the flow of business in Rostov-on-Don and the Rostov region is required for the creation of congress bureau of the South of Russia, which would become part of the developed brand territory.

Potential for Growth. The MICE segment is exhibiting encouraging growth potential, with Russia, India and China likely to drive the market. In 2006, Brazil made the International Congress and Conference Association top ten for meetings organized in that country, and was the first from the so called BRIC (Brazil, Russia, India, China — countries with rapidly growing economies) countries to do so.

Companies tend to choose meeting locations based upon their core business values and relative expensiveness. They do not stray too far from their headquarters. The incentives market is slightly more diverse with firms liable to send employees to more exotic long haul destinations. An increasing recognition that motivational programmes are important for staff retention means that the incentives market will increase in the coming years.

Whilst the MICE market is expected to continue to exhibit moderate growth, it is dependent upon the prevailing economic circumstances. A confident market will lead to more meetings and incentives whilst a nervous market is liable to have the opposite effect.

According to the regional economical level, the idea of creating congress office in Rostov-on-Don has been discussed for several years; the need for such a structure has been repeated by foreign experts and representatives of government and business circles of the city. However, all initiatives taken to create a focal point for the development of congress activities and promotion of the market of international meetings were fragmented and did not lead to the emergence of an effective framework for these tasks. At the same time, some business organizations town meetings industry actively considering participation in construction projects centers.

Conclusion. The main conclusion is that for the effective development of the international congress of the Rostov region it is necessary to unite the efforts of all participants in the meeting industry, with the obligatory participation of city and regional governments.

These efforts should be taken to create an official of congress (convention) offices of the city, organized and funded by the principles relevant to international standards, and with a complete set of functions and tasks that perform similar structures in other cities that are significant centers of international meetings. Moreover, it is to show the role of congress office in the development of business tourism city/region, the principles of organization and functioning of the international experience and its significance for the Rostov region, such as organizational and managerial subjects' component of business travel.

The quality of the offices of congress is an important factor when choosing an international association of the venue. For example, more than half of the Stockholm International Congress are involved with the help of the congress office [3].

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Организация и управление конгресс-бюро как фактор формирования бренда территории: роль и международный опыт¹

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Развитие цивилизованного общества в социально-экономическом направлении нацелено на решение вопроса предоставления своим гражданам стабильно высокого уровня качества жизни. В последнее время современное развитие городов, регионов, национальных экономик строится по направлению нового вектора функционирования туристской отрасли, где туризм выступает важнейшим элементом социально-экономического управления территориального развития. Современные тенденции, обозначенные деловым сообществом, кардинально повлияли на формирование нового сегмента в развитии туристского кластера: деловой, бизнес-туризм, MICE-индустрия. Развитие MICE-индустрии в России характеризуется быстрыми темпами, приобретая особую актуальность вопроса. Конгресс-бюро является движущей силой продвижения и процветания городов и регионов в контексте развития MICE. Конгресс-бюро призвано представлять всё самое лучшее, что есть в городе, регионе или стране, в зависимости от его территориальной принадлежности, координируя предложения территориальных MICE-структур и усиливая тем самым позиционирование территориально бренда территории в условиях диверсификации регионально экономики.

Ключевые слова: конгресс-бюро, деловой туризм, MICE-индустрия, региональный туризм и инвестиционная привлекательность.

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