

Convergence of Strategic Tasks of Business Tourism and Hotel Industry Development: The Case of Georgia

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Abstract : 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 levels of economic development. The purpose of the present paper, dedicated to discussing the current problems of tourism development, is to find ways which will contribute to bringing more benefits to the country from the sector. Georgia has been successfully developing leisure tourism for the last ten years, and at the next stage of development business, tourism gains particular importance for Georgia as a means of mitigating the negative socio-economic effects caused by the seasonality of tourism and as a high-cost tourism market. Therefore, the object of the paper is to study the factors that contribute to the development of business tourism. The paper uses the research methods such as system analysis, synthesis, analogy, as well as historical, comparative, economic, and statistical methods of analysis. The information base for the research is made up of the statistics on the functioning of the tourism market of Georgia and foreign countries as well as official data provided by international organizations in the field of tourism. Based on the experience of business tourism around the world and identifying the successful start of business tourism development in Georgia and its causing factors, a business tourism development model for Georgia has been developed. The model might be useful as a methodological material for developing a business tourism development concept for the countries with limited financial resources but rich in tourism resources like Georgia. On the initial stage of development (in absence of conventional centers), the suggested concept of business tourism development involves organizing small and medium-sized meetings both in large cities and in regions by using high-class hotel infrastructure and event management services. Relocation of small meetings to the regions encourages inclusive development of the sector based on increasing the awareness of these regions as tourist sites as well as the increase in employment and sales of other tourism or consumer products. Business tourism increases the number of hotel visitors in the non-seasonal period and improves hotel performance indicators, which enhances the attractiveness of investing in the hotel business. According to the present concept of business tourism development, at the initial stage, development of business tourism is based on the existing markets, including internal market, neighboring markets and the markets of geographically relatively near countries and at the next stage, the concept involves generating tourists from other relatively distant target markets. As a result, by gaining experience in business tourism, enhancing professionalism, increasing awareness and stimulating infrastructure development, the country will prepare the basis to move to a higher stage of tourism development. In addition, the experience showed that for attracting large customers, peculiarities of the field require activation of state policy and active use of marketing mechanisms and tools of the state.

Keywords : hotel industry development, MICE model, MICE strategy, MICE tourism in Georgia

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