

# Congress tourism in Russia: global experience, current situation, and development prospects

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**Abstract**—Congress tourism is a real growth driver of the world's largest economies, which intensifies economic cross-industry ties. The priority task, solved by congress events, is to create a free communication space, within which all business participants can effectively exchange information. About 60% of all hotel rooms in the world are booked by business tourists. Globally, more than 10 million jobs are provided by the congress industry.

In the last decade, the number of exhibitions and congress events in Russia increased. The domestic market demonstrates rapid growth and impressive prospects. In Russia, the development of congress activities on the regional and city levels is confirmed by the establishment of multifunctional congress and tourist centers. Congress organizing and hosting services are a powerful incentive to the development of national industries related to the tourism industry – hospitality, transport, trade, communications, leisure and entertainment, and other economic sectors.

Though facing a significant number of existing challenges, the Russian business tourism market has untapped potential, able to reinvigorate social and economic indicators of both regions and the country as a whole.

**Keywords**— tourism, business travelers, congress industry, forum, tourism industry, trends, MICE

## I. INTRODUCTION

The Congress industry is an important sector of the global and Russian business tourism markets. The industry is a relatively young, highly profitable sphere of economy, implementing an important economic and political task and acting as a specific indicator of its development. Congress tourism, along with supplementing budget revenues of a particular country, region, city, creates specific trends and innovative solutions in the digitalization of the tourism, information business cooperation, while simultaneously develops inter-state relations and identifies trends in the global smart market [3].

Over the past decades, it is congress tourism that acts as a separate driver of economic growth in a number of countries due to the accumulation of economic, political and scientific principles into a single system [7]. For this reason, in the United States, France, Switzerland, the United Kingdom, and several other countries business tourism plays a crucial role in

government programs aimed to support and develop territory's tourism.

Congress tourism is a special part of the global MICE industry, covering travel for organizing and participating in congresses, forums, conferences, symposia, seminars, round tables, and other such events [6].

Congress tourism is usually defined in foreign works on tourism as a "meetings market" because it includes not only large congresses and forums but also less significant events such as seminars, conferences, etc. [2,5].

Congress events solve the major task of creating a communication environment, enabling its participants to freely exchange information about technological innovations in production, services and developments in the scientific and practical sphere, to share their own experience and specific knowledge in a particular area, as well as to discuss the achievements and directions of development in all sectors [1].

## II. LITERATURE REVIEW

The analysis of works in the field of tourism development shows that there are certain scientific prerequisites for the search for effective directions for the development of this sphere. In foreign economic literature, the problems of the development of the tourism industry occupy a significant place. At the same time, it should be noted that most often they present the empirical experience of the management sphere. In the study, the authors drew on the works of such experts as J. Swarbrook, S.Horner, L.Dwyer, P. Forsyth, S. M.Tinnish, S. M. Mangal and others.

A contribution to the study of dynamization of the tourism industry has been made by L. A. Ageev, T. I. Anisimova, A. A. Dorofeev, Makrinova, M. A. Morozov, N. S. Morozova, L. B. Nyurenberger, M. V. Pereverzev, F. I. Sharkov, E. I. Rashba, etc.

At the same time, the works of mentioned authors did not adequately determine the direction for finding the effective ways of tourism sector development, taking into account the dynamic transformation of consumer preferences.

## III. RESEARCH METHODOLOGY

The objective of this study is to determine the prospects for congress tourism development in Russia in terms of the

complete satisfaction of the modern business tourists changing needs for the integrated development of territories.

The scientific works of Russian scientists in the field of tourism sector served as the theoretical and methodological basis for the study. The general scientific methods of theoretical and empirical learning were used: analysis and synthesis.

#### IV. PRACTICAL SIGNIFICANCE

In the Russian Federation, the GOST R 53524-2009 regulating congress activities is a fundamental legal basis, stipulating the basic terms and definitions in the field of congress activities.

Theoretically, the distinction between exhibitions and congresses is blurred: conferences, seminars and other events of various kinds are held within the framework of large exhibitions, being an integral part of them; large congresses are often accompanied by expositions. Therefore, in general, today we should talk about congress-and-exhibition events. There are three types of such events: large specialized exhibitions (more than 500 exhibitors) with the program of congress events; exhibitions accompanying large thematic congresses, which can do without the exposition part; congresses with a minimum exposition component. In this regard, one of the directions of further development of exhibition and Congress projects today is the convergence, merger, and inter-penetration of their exhibition and congress parts [4].

#### V. MAIN SECTION

In developed countries, congress activity is a highly profitable sector of the economy. It is characterized by a multiplicative effect, suggesting the development of related economic areas and increasing the investment attractiveness of the territory [5]. Congress tourism has a significant influence on the hospitality industry in terms of close collaboration with the hospitality industry, creating business centers, convention halls, exhibition halls, etc. Thus, about 60% of the occupancy rate in hotels around the world is provided by travelers for business purposes. It should be noted that congress activities have a stimulating effect on such important sectors of the economy of any country as transport, communications, consumer goods and agriculture [8].

According to the International Congress and Convention Association, world congress tourism events create more than 10.3 million jobs worldwide. At the end of 2018, global spending on business trips rose up to \$1.07 trillion. The average cost per tourist was \$704. The top 50 countries accounted for 96% of all revenues [15].

By 2025, the global business tourism market will be estimated at 1.67 trillion dollars, with an annual growth rate of 3.2% [2]. The above provisions confirm the fact that for most foreign countries congress industry is becoming the most important industry, not only ensuring the inflow of funds into the territory budget but also stimulating the growth of the related economic sectors and creating a favorable investment climate.

#### VI. RESEARCH RESULTS

The intensive process of business and congress tourism development has also affected the Russian Federation. At the same time, for quite objective reasons, in Russia congress

tourism is currently positioned as the national umbrella brand in the global MICE business [2].

In the last decade, the number of exhibitions and congress events in the country has increased, the Russian market is still very young, but it is growing rapidly, as well as its importance for the industry. According to the GBTA forecast, in 2019 global tourism spending in Russia will increase by 13.6%, which is significantly higher than the average potential global growth — 8.6% [14].

However, in recent years the increase in demand is continuously accompanied by a slow pace of the world economic growth, which significantly affects the market of business travel, leading to cuts in companies' business services costs [12].

The share of the Russian Federation in the international congress and exhibition activities is still small. Thus, more than 80% of the total market of business events falls on scientific events, with France leading in this area. In the year 2017, the total number of scientific meetings in the world was 12500, and of these, only 506 were organized by French companies. Forums held on the international level brought about \$US 1 032 000 000 to the Treasury. The share of Russia in this number was 87 meetings with total cost of \$US 86 million. [13].

To date, more than 165 Russian cities have facilities for hosting congress events. Moscow and St. Petersburg account for 75-80% of the country's business tourism market.

According to the Exhibition research center R&C, in 2017 the leading position in the Russian market of congress tourism is occupied by St. Petersburg - one of the major event centers in Russia (see Table I) [9].

TABLE I. RATING OF EVENT POTENTIAL OF RUSSIAN REGIONS

No.	City	Position in 2016	Position in 2017	Behavior pattern
1	Saint-Petersburg	1	1	
2	Yekaterinburg	2	2	
3	Sochi	3	3	
4	Krasnodar	4	4	
5	Kazan	5	5	
6	Vladivostok	6	6	
7	Nizhniy Novgorod	8	7	+
8	Ufa	11	8	+
9	Yaroslavl	10	9	+
10	Chelyabinsk	12	10	+

The research of modern world practices of Congress tourism allows us to conclude that nowadays in Russia the system of the Federal and regional forums of economic and social orientation has been created. They act as a basis for congress activities in the country, facilitating the implementation of a considerable number of the most important national tasks:

- promotion of Russia and domestic business;
- promotion of the Russian territory as an attractive tourist destination;
- providing organized venues for meetings of the government authorities and business community;
- raising funds for the Federal and regional budgets of the country [2].

The Federal government, regions, and cities of Russia pay close attention to the development of congress industry and

the solution of the related problems, which include the following:

- insufficient number of sites for significant events with three thousand participants and more;
- imperfection of the legal framework;
- lack of a comprehensive approach to the development of congress infrastructure;
- lack of statistical data on the impact of the industry on the economy;
- lack of coordination of the market players;
- lack of professional congress associations;
- imperfection of staffing, the need for professional education of specialists [11].

The growing popularity of Russian regions among business tourists is one of the main trends in the development of the domestic MICE-tourism market. Earlier the three most popular business destinations, according to Skyscanner, included Prague, Istanbul, and Moscow but now foreign sites have been replaced by St. Petersburg and Sochi.

Today, Russian business events customers are increasingly opting for domestic destinations, which can significantly minimize organizational costs because all the logistics are carried out within one country, and pricing is in rubles. According to experts, three years ago about 51% of corporate events were held abroad, and now this number is 10%. This trend is connected with the fact that it is more convenient for clients from government agencies and businesses to participate in business events in Russia [10].

In the sense of the potential development of congress activities in Russia, the data listed in Table II are considered to be of interest.

TABLE II. RATING OF EVENT POTENTIAL OF RUSSIAN REGIONS

Indicator	2017	2022
Contribution of the event industry to Russia's GDP, billion rubles	42.9	58.4
Number of existing regional congress bureaus	8	30
Positions of Russia in the events industry international ratings (ICCA ranking)	41st position	38th position
Number of international enterprises engaged by the National Congress Bureau	–	11
Number of events per year (ICCA rating)	87	117
Russia's share in the international event market	Less than 0.8 %	1,7 %

In 2017, the R&C Institute conducted a marketing study. Based on its results, experts identified the following possible scenarios of the congress market development in Russia:

- the market will grow and develop (noted 55% of respondents);
- the market will develop but at a slow pace (33%);
- it is difficult to predict in the current conditions (6%);
- the market will fall and stagnate (6%) [9].

Moreover, according to ICCA forecasts, it is potentially possible to organize and hold more than 8,000 congress events in the Russian Federation by 2020, only with the participation of international associations [15].

## VII. CONCLUSIONS

Thus, the prospects for the development of congress tourism in Russia include the following:

- Construction and reconstruction of sites for significant events with the number of three thousand people and above;
- Reorientation of the industry to domestic markets (Russian regions);
- Consolidation of efforts of regional congress bureaus, simplification of the visa regime, costs saving;
- Improvement of the legal and regulatory framework: adoption of laws, approval of the developed concepts;
- Assigning the statistical process to a certain body. Introduction of professional ratings;
- Development of the branch of educational and research programs, carrying out educational conferences, congresses;
- Establishment of the professional Congress Association (ICCA type);
- Consolidation of authorities, regions, and cities, chambers of Commerce and industry, as well as business communities to create conditions for the development of the congress industry;
- Professional education, development of educational standards for training programs.

Also, one of the main trends in the near future is the expansion of the formats of congress events by organizing them at the interface of the business format and the event industry; introduction of the so-called creative breaks, interactivity, involving the impact on the emotions of participants and their involvement. The use of mobile applications, online voting, multiple tools for networking and communication can enhance the effect of the participation of each participant in the substantive part of the event.

The obvious advantage of Russia in the world market of congress tourism is that congress and exhibition activity has existed for a long time and is quite a mature industry. Today, thanks to the congress activity of Moscow, the work of the National Congress Bureau and a number of international events, for example, FIFA, EURO 2020, Russia has excellent opportunities not only to strengthen its position in the global market of congress events but also to improve the image of the country.

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