

## THE ROLE OF HOTEL CLUSTERS AND DESTINATIONS IN THE MICE TOURISM INDUSTRY

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**Annotation.** With the rapid development of the MICE industry in Uzbekistan in recent years, the growing role and prestige of our country in the international arena, there is a growing demand for the organization and holding of various events at a high level. This, in turn, creates a demand for convenient, wide and quality tourism services. The role of hotel clusters and destinations is important in the organization of such services.

**Keywords:** MICE, hotel cluster, corporate events, investor, 5P, destination, investment.

The tourism industry includes various types and MICE tourism. One of the most important and fastest growing industries today is MICE tourism. based on entrepreneurial activity. Meetings can be taken as a small conference by others in some areas. Incentive trips (incentive tours or motivational tours) include vacation trips that emphasize pleasure and excitement.

### MICE Components

Event Type	Description
Meetings	Meetings are open only to employees or representatives of a particular organization. They are generally small in size, often only slightly larger than the 10-person minimum to qualify as a MICE event, and focused on specific business functions.
Incentives	Events are usually held to reward employees for excellent work, with the aim of further improving labor efficiency.
Conferences	Meetings aimed at the exchange of experience and ideas. There are 3 types: Congresses allow delegates or association members to meet for a specific purpose. Corporate conferences allow companies to pass messages, exchange best practices, or open up debates. Non-corporate conferences perform the same function as corporate conferences, but the participants are representatives of governmental and non-governmental structures.

Exhibitions	Showing products and services for a specific industry. “Business-to-business” (B2B) trade shows are usually invitation-only and provide an opportunity for professionals to gather information and network. “Business-to-consumer” (B2C) trade shows are open to everyone and give companies the opportunity to showcase their products.
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MICE is derived from the initials of the English word, and is a business tourism industry related to the organization and conduct of various corporate events, such as Meetings, Incentives, Conferences, Events. The main players in this market are MICE and event organizing agencies, which include congressional bureaus, exhibition centers and various venues for corporate events.



In companies, MICE is regulated by special programs, the most popular of which is SMMP (strategic meeting management program), through which data and reports are combined.

Purpose of MICE events:

- Meetings, presentations and negotiations with business partners;
- Participation in professional events (conferences, exhibitions, congresses, seminars, forums, etc.);
- Establish business relationships, attract new partners, customers, investors, suppliers and other partners;
- Participate in team trainings and programs (teambuilding) to improve corporate culture or team building;
- Participate in incentive, motivational events, tours and programs organized by companies for employees or partners;
- Participate in image, PR events and exhibitions to attract the attention of investors, partners and customers to the company's brand and products.



MICE tourism is also called business tourism. Incentive trips (incentives) and events are usually held to reward outstanding employees, with the main goal being to increase productivity. In 2017, the share of MICE in the global tourism industry will reach 22.5% or \$ 1.23 trillion, and by 2025, global experts predict that it will reach \$ 1.67 trillion. However, given the current pandemic situation, the numbers could be slightly reduced due to the COVID-19 pandemic. But such situations do not stop the movement of MICE industry development trends. Organizers resorted to online events and online conferences.

The State Committee for Tourism Development of the Republic of Uzbekistan, based on the objectives and international experience of MICE tourism, is working to implement the concept of MICE tourism development in Uzbekistan in 2019-2025, including the development of a strategy and action plan. The creation of the necessary infrastructure in the regions of the country for the development of MICE tourism, the establishment of active cooperation with the International Congress and Conference Association (ICCA).

MICE tourism also has a positive impact on the economy, both in terms of society, its direct income, seasonal control and employment, foreign direct investment, encouraging technology and innovation, paving the way for the application of new ideas, knowledge and concepts. According to statistics, 6 million 748 thousand 500 tourists visited Uzbekistan in 2019, and in 2018 this figure was 5,346,200, while during the pandemic this figure decreased significantly. Of these, 81.8% came to Uzbekistan to see relatives and friends, and 15.5% came for leisure purposes for other reasons, including medical treatment, shopping, business meetings and training 2.7%.

The MICE sector, as mentioned above, consists of various business meetings, incentive trips, conferences and exhibition events. This sector is considered to be one of the most dynamic and important business-oriented sectors of the tourism industry. In accordance with the Decree of the President of the Republic of Uzbekistan, the Resolution of the President of the Republic of Uzbekistan No. PF-5781 of August 13, 2019 "On measures to further develop the tourism industry" can serve as a basis for this. Industry analysts point out that in some cases, business travel can actually increase as the economy and costs slow. Researchers have identified a number of factors that affect the flow of MICE and recreational travel. In particular,

- competition: setting conditions or prices for the development of other areas that are more profitable;

- The demographic characteristics of the population also contribute to the development of the MICE industry. Because the majority of the population continues to increase consumer spending. It is evident that the number of talented people is growing and the number of people with higher incomes is increasing
- The development of technology and communication systems will help consumers to easily access the necessary services.
- Availability and condition of relevant infrastructure, including places for business tourists, specially equipped places, business meetings, conferences, trade fairs, transport links, etc.;
- exchange rate fluctuations are another factor. Exchange rate fluctuations affect the value of money. Therefore, a country where the value of the currency is declining will increase the flow of business tourists as they may have more value for their money;
- Due to the economic crisis, the wave of the crisis in the countries will be the first to affect tourism.
- Some meetings tend to move from one region to another next year. These are called rotating conferences. Take, for example, the UN General Assembly.
- Finally, one of the most important factors influencing business tourism is political stability. People always want to visit peaceful regions and countries. Along with peace and tranquility, the favorable tourism policy of the leading countries will always increase the flow of tourists.

MICE tourism in Uzbekistan is underdeveloped, but has enough potential. The country's business tourism market is active, but it is impossible to characterize them together. In addition, there is a lack of real statistics. It is impossible to fully analyze the leading markets of MICE tourism. However, the data available today on MICE tourism in Uzbekistan also allow us to draw conclusions. This sector has developed significantly compared to other sectors due to the availability of infrastructure. Hotel clusters play an important role in organizing and conducting MICE events.

Cluster theory was developed in the early 1990s by Harvard University professor of economics, M. Porter, in his book International Competition: Competitive Advantages of Countries. is a group of relevant organizations. The geographical size of a cluster can extend from one city to another or even to a number of neighboring countries. A cluster can be thought of as a system of interconnected firms and organizations that together form a value system.

A tourism cluster is a group of hotels, leisure and tourism facilities, transport and catering companies, tour operators and travel agencies, insurance and financial institutions, universities and public tourism management organizations working together to develop tourism in a given area.

Therefore, the hotel cluster is one of the subjects of the tourism cluster, which aims to increase hotel revenues throughout the year, to establish direct contacts with tourists and expand the range of services, it aims to increase the tourism potential of the region by expanding cooperation with other entities in the field of tourism and creating jobs in new enterprises (value chain).

In other words, if hotel clusters are formed and operational, it will contribute to the success of MICE events. The organizers of the event plan organizational work with only one hotel cluster, and the cluster carries out all the rest of the work with its partners.

The mutually beneficial cooperation of the MICE industry with the hotel cluster is reflected in the following:



1. The hotel cluster will offer a conference hall, technical facilities, banquets, reception and escort services, concert services and other entertainment events that are convenient for the participants of the event;

2. Event organizers work with a single hotel cluster, not with each service provider;

3. Offer professional services for business tourists and VIP guests;

### Tourism cluster.

Along with the rapid development of tourism in the country, the increase in the number of hotels, motels, guest houses and other types of accommodation, the formation of hotel clusters is also important. In the future, with the holding of high-level international events in our country, the country's prestige and tourist attractiveness will increase, which in turn will attract more tourists. In particular, the government is investing 26 \$ 1.1 billion.

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