

## Organizational Model of the Congress and Exhibition Cluster in the Field of Business Travel

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### ABSTRACT

The relevance of the analyzed issue is caused by the growth of the international trade in the intensity of business travel services, including in the field of the congress and exhibition business, which necessitates the formation of the effective management model of business travel services at the destination level. The purpose of the article is to substantiate the formation algorithm of the cluster development strategy of tourism and the development of organizational functioning models of the congress and exhibition cluster in the destination. The leading approach to the study of this issue is the method of modeling, which allowed considering the practice of clusters functioning as a sequence of stages of its formation and development, taking into account the resource potential of destinations. Results: the article presents a stepwise algorithm for creating the congress and exhibition cluster in the destination and proves the fundamental organizational model for its functioning in the business tourism market; isolates and systematized criteria and indicators for assessing the contribution of participants of the tourism cluster in the destination development. The contents of this article may be useful for researchers, interested in the use of the cluster approach in the services sector, as well as to regional authorities, responsible for the development of tourism.

### KEYWORDS

Services; business tourism; congress and exhibition tourism; destination; cluster approach

### ARTICLE HISTORY

Received 11 May 2016  
Revised 19 June 2016  
Accepted 19 June 2016

### Introduction

The international services market is now one of the most dynamic segments of the world trade. This is due primarily to the fact that the service economy has become a reality of world development. Today it is no secret that the contribution of services to the economy is becoming more significant. Modern society is increasingly focused on the provision of services, many scientists point out that the services sector dominates the modern economy (Țîțu, Răulea & Țîțu, 2016). According to estimates of the World Bank experts in 2015, the total contribution of the service sector in the world GDP was more than 70% (The

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World Bank, 2016). The changes in the position of services in the economy require greater attention to the development of service industries at both the global and national levels.

The growth in the share of services in the world markets can be called one of the most important contemporary phenomena as there are changes in the way of thinking of the economy when not material consumption but intangible consumption, which creates favorable conditions for the reproduction of human existence, comes to the fore. At the same time there are new trends, not just when the service is placed at the center of the consumption, and the service, which provides some new impressions of the cultural and historical sites, natural sites, events and activities of various kinds. And, first of all, tourism is the service sector, which has its main purpose - to provide such experience to a person (Getz, 2005).

The tourism industry acts as one of the fastest growing sectors of the international trade. The specifics of tourism services require the cross-border movement of consumers of tourism services. Tourism forms a key source of export earnings in both developed and developing countries. The international tourism leaders are the European countries as well as Asia and North America (International Trade Statistics, 2013). Judging by the estimates, the share of indirect revenues from the tourism sector in all countries is more than half of the total revenue from this sphere of services (Mangushev, 2014; Sakhieva et al., 2015).

The tourism services sector is very diverse, but in general it can be divided into two types - a trip for leisure and a travel for business purposes. The business tourism is an integral part of the international services trade, it is estimated that one-third of the world trade over the past decade has been due to international business trips, the UNWTO experts determine the share of the business tourism in the world at 20%. At the same time 55-60% of rooms in hotels all over the world are booked by "business tourists" (Business travel, 2014).

The rapid development of the business tourism sector poses challenges for understanding this phenomenon both from the theoretical position, and from the standpoint of management practices. It is necessary, first of all, to consider the business tourism and its components, congress and exhibition tourism, as a socio-economic category, to highlight its specific features and on this basis to justify the perspective development directions of the business tourism and to develop the organizational and economic mechanism of its operation in the tourism destination using advanced cluster models.

## **Methodological Framework**

### **Research methods**

In the course of this research were used the following methods: theoretical (generalization and systematization, analysis and synthesis method of analogies); empirical (the study of the functioning of the main industrial and scientific city clusters, the systematization of statistical and factual data obtained from public sources; data compilation of sites of federal and regional authorities, UN sites, the World Trade Organization, the World Tourism Organization and other international organizations.); modeling method, which

allowed proposing an organizational model of the congress and exhibition cluster.

### ***Experimental research base***

The experimental research base were five operating base clusters of St. Petersburg (road, power machine, shipbuilding, a cluster of medical pharmaceutical industry, and radiation technologies, innovative territorial electronics cluster, instrumentation, communications, information and telecommunications, and aerospace cluster) and 15 major specialized congress and exhibition complexes of St. Petersburg.

### ***Research stages***

The study was conducted at three stages:

at the first stage to support the organizational development mechanism of the business tourism in the destination and spread certain types of business travel services the authors use a comparative analysis and systematization of the approaches to this research category; carry out a theoretical study and generalization of the prevailing approaches to consider the business tourism in the economic system of categories; justify the place of services of the congress and exhibition business in the tourist services system; study the formation genesis of the cluster approach as a management tool in the industry and services sectors; generalize the provisions set out in the research literature, dissertations on selected issues, and on this basis, carry out the synthesis of the author's approach to the studied categories; at this stage the authors identify the problem, the purpose and methods of research, make up the empirical part of the study; formulate the task to develop a model of the congress and exhibition cluster in the destination;

at the second stage the authors analyze statistical and factual data, materials, sites of international organizations involved in the development of tourism in the world, which made it possible to generalize the existing positive experience of the tourism clusters; analyze and structure the functioning features of the main clusters of St. Petersburg, by a number of criteria identify and structure the main exhibition recourses of the city that formed the basis of the suggested model of the congress and exhibition cluster;

at the third step the authors form the development algorithm of the congress and exhibition cluster in the destination; by the method of analogies substantiate the organizational functioning model of the congress and exhibition cluster and structure the criteria and indicators for evaluating the entities' contribution to the congress and exhibition cluster in the socio-economic development of the destination; make conclusions and give recommendations on the use of cluster models, as well as the proposals for further elaboration of indicators to measure the cluster's contribution to the economy of the destination; refine theoretical and practical conclusions, and summarize and systematize the results.

### **Results**

#### ***The business tourism as a research category: systematization of approaches***

First of all, we note that in the Russian and foreign traditions, there are different points of view, based on the division of tourism - a travel, a travel for business purposes. As part of the "general theory of tourism", stated in the first half of the XX century and which is quoted by many authors, it states that tourism is defined as "a set of relationships, which are the result of people's attitudes and a stay outside their place of residence as long as the stay does not go into permanent residence and is not connected with income" (Hunziker & Krapf, 1942). That is, tourism as a socio-economic phenomenon suggests that visiting other territory an individual does not earn money by visiting a single destination, but only receives certain benefits, services, experience, spending his own resources (Beech & Chadwick, 2005). The developers of tourist services are trying to anticipate the needs and desires of tourists and, accordingly, offer tourism products and services to meet these needs (Manhas, Manrai & Manrai, 2016). Depending on what is the basic purpose of a tourist, he will be offered a variety of services. It can be argued that if the business issues are the main but not the only purpose of the trip, such a journey could be called tourism, but it is the business tourism, as recreation, acquaintance with historical and cultural sites or attending important "non-business events," as well as the consumption of recreational services are concomitant types of activity, giving him an extra amount of experience (Pine & Gilmore, 1998).

In this regard, we believe it is important to consider the business tourism in the economic system of categories that will determine the preferential direction of its further development. It is necessary to consider the business tourism as an economic category within the framework of the system approach, the use of the category "social institution" in the definition of tourism provides similar consistency, denoting its place in a diverse structure of social relations, norms and traditions, as well as in the system of economic relations. The social institute as an economic category assumes that there are both formal and informal rules and standards for the provision of certain services, describing the rules and principles of behavior, interaction, the level of responsibility of all participants in the process of provision and consumption of services. Here are series of the business tourism definitions, grouped by selected criteria. As the main criteria we offer to use the following categories: target setting; kind of activity; impact on the economy; contribution to the economy; consumer activity.

The focus on target setting is found in many definitions of both Russian and foreign authors. Thus, the "business tourism refers to travel undertaken with the goals related to work", stated in the work of R. Davidson (1994), published at the end of the XX century. The same position is shared by many Russian authors, who point out that at the core is always "a business purpose". In particular, the business tourism is defined as "a temporary trip and travel with the service purposes, including participation in conferences, congresses, etc. without generating income in the place of mission" (Zorin & Quarterly, 2003). Other authors define such tourism as "business trips for business purposes", note the need for specific professional and business goals. These definitions as the essential characteristics of the business tourism destination stand out the business motivation and target audience - professionals or specialists. Several researchers have pointed out that business trips as a mandatory element should contain a combination of a business activity with a recreational activity. Accordingly, despite the fact that "a business tourist" must first pursue professional goals defined by his company, but also the tourist has the

opportunity to acquire new knowledge in the professional field as well as impressions from the trip associated with the study of the cultural and historical “background of the trip”, he has the opportunity to explore the attractions of the place of stay (Chimitdorzhieva, 2010). Thus, the business tourism should not be seen simply as a trip for business purposes, as a special kind of travel that combines business and recreational purposes, however, the decision of professional problems is in the first place, and the recreational problems - are extra, but indispensable.

Tourism as an activity is the basis of such definitions, which note that the business travel covers the travels with official and professional goals without the income of temporary residence (Getz, 2007). This approach is the most common, it focuses on the professional purpose of the journey, thus pointing to the activity aspect of consideration, but on the other hand, the loss of income in the place of stay talks about the “tourist trail” in the definition of a business trip (Elizarov, 2013). A similar interpretation is found in the determination of the Russian Association of the business tourism in which the trip with the service purposes, generally without generating income at the place of this trip is also attributed to the category of the business tourism. Thus, the ability to generate income is not excluded and may indicate the further development of the activity approach by expanding it towards to the activity of the business traveler.

The business activity as a criterion for selection of the business tourism in a number of other types of tourism can be found in works of such authors as A. Aguilera (2008) is, who shows the connection of a tourist trip to the income in the place of stay and defines the business trip as a travel related to work in places outside the normal places of work. This is the most radical approach, which is included in a certain contradiction with UNWTO, but may be considered as a possible development direction of tourism types of classifications.

Another common approach to the analysis and determination of the business tourism is to consider it as a special area of business practices, particularly related to the supply of tourist services, their production and sales, allocating business approach to its interpretation. In particular, science and business western circles widely use the definition of tourism adopted by the US Congress: “Tourism - a cohesive union of activities and organizations that wholly or partially provide transport services, goods, accommodation and other necessary means to travel for any purpose, not related to the daily activities, outside the residence” (Leiper, 2004). The business approach reflects the activity of the service delivery and sale of business travel services, so we are talking about a full realized organization of the business process to provide a full range of services to business travelers, it should be understood that the range of services in this case will be different from the list of maintenance services to a tourist who is in destination with other purposes. Service delivery and provision of a full range of services aimed at a travel and stay during business events, ultimately, generates the income from the business tourism destination.

In the context of the criterion of “contribution to the economy,” the business tourism can be regarded as a branch of economic activity, which unites enterprises providing complex tourist products (goods) and services and implementing these products to meet the needs of business travelers, that can occur during his place of residence (business training) . At the same time the

satisfaction of tourist needs is possible only on the basis of a comprehensive tourist service, including the support of the business activities and the provision of related services (Kolb, 2005). It is important to note that the business tourism market is characterized by a large number of specialized tourist services, business tourism justifies the creation of special infrastructure, such conference and convention centers, and requires specialized service providers (business hotels, business class services in airlines, catering agencies, etc.).

Speaking about the role of the business tourism in the development of the economy destination it should be pointed out that it has a significant impact on all aspects of social and economic relations, in particular it:

- Promotes the formation of a specialized multi-functional infrastructure (in this case these are not just the congress and exhibition complexes, but also the entire spectrum of services of hotels, catering, culture, recreation, etc.);
- Contributes to the growth of the labor market in the destination, due to the expansion of jobs needed to provide services to business travelers;
- Becomes an additional source of income for the local and regional budgets (Elizarov, 2012);
- Creates conditions for the growth of investment activity and the attractiveness of regions (destinations), provides impetus to the development of innovation by bringing new ideas, solutions, mechanisms within the exhibition and congress activity;
- Expands the opportunities for shaping a new model of economic development, with the use of cluster-type organization of the territorial economy, which is based on the approach to the business tourism as a separate social institution.

If you start from the approach that is focused on tourism as a social institution, it will allow systematizing the types of services demanded by tourists, determining the basic infrastructure links, the effective functioning of which, along with the conditions of providing all kinds of services, is possible through the clustering of the economy and, in particular, through the creation and development of the congress and exhibition tourism cluster in the most attractive destinations in terms of the business tourism, which have sufficient resources for its functioning.

### ***The services of the congress and exhibition business in the tourism services system***

There is no clear understanding of the services of the congress and exhibition tourism yet. This tourism can be divided into different types and styles, depending on the specific activity of “business tourists”. In the scientific literature, there is a significant number of descriptions of tourist activity that can be attributed to the business and, in the framework of this activity, further they highlight the different types of the business travel, which acquire independent value under certain conditions. This particularly applies to the congress tourism, and the congress and exhibition tourism. Today, the congress and exhibition tourism is one of the fastest growing segments in the business travel. These types of activities are usually associated with the activity of participation (and / or organization) in conferences, exhibitions, fairs,

symposiums, forums and other activities that involve experts in a particular field to exchange experience, views, to promote their own products, activity, etc.

Speaking about the terminology of the congress and exhibition tourism it is necessary to refer to the definition which is fixed in the current national standards “Activities of exhibition and fair” all-Union State Standards R 53103-2008, characterizing the exhibition activity as a business in providing exhibition services in order to promote “the establishment and the development of relations of trade and economic, scientific-technical and investment cooperation.” Such activities include holding of exhibitions and fairs, and the standard interprets these concepts as identical (all-Union State Standards R 53103-2008).

The dissimilarity of the congress and exhibition tourism from the business tourism is, first of all, that it is always connected with a professional event (exhibitions, congresses, forums), which are previously announced and participation in which requires confirmation (application) (Popova, 2015) . The majority of these events (especially major international events) are on a paying basis for professionals in one form or another (organization fee, purchase of exhibition space, payment of the cultural program, etc.). Congress and exhibition events are recorded in the national and international calendar of business events that are widely advertised, they have the organizing committee that allows its members enter into profitable transactions, contracts, agreements by presenting their products or ideas. The congress and exhibition tourism is always oriented and related to professional and business events. The business tourism as an economic category, in our view, is much wider, as combines the congress and exhibition tourism, MICE tourism, trips to the enterprises in other regions and countries, educational programs within the framework of advanced training, etc. The business tourism is a form of tourism to implement commercial, government, or educational purposes, while the rest is considered as a secondary (additional) motivation (Nicula & Popsa, 2014). It is necessary to separate the business tourism in general and congress tourism as a part of it. In this case exhibition and trade fairs can be regarded as synonyms, because they do not have significant distinguishing features, but the difference is the names of the old historical roots of their manufacturing process.

The presence of a significant resource of exhibition space in the country, including in St. Petersburg makes some confidence to say that the cluster development model of the congress and exhibition activities and the formation of a single cluster can and should be included in the overall strategy of the region's cluster policy, which is both a tourist destination.

### ***The development algorithm of the congress and exhibition cluster in the destination***

As pointed out by many authors, clusters are a kind of growth points of the regional economy, can be considered as one of the most advanced mechanisms for the organization of economic activity, since they allow concentrating on a certain area, which concentrates a variety of resources on a single territory for its effective functioning (Gorkin & Smirnyagin, 1979) . Such a concentration of resources on the one hand makes it possible, on the other hand, stimulates (motivates) organizations and enterprises of different profiles, professionals, the infrastructure systems to develop and implement projects in this particular area of economic activity. “At the same time the development of the cluster concept

seeks to create businesses that are attractive for the implantation of the private initiative in the sphere of research and development, with the competitive position of the international division of labor, and at the same time to provide an effective solution to the regional and social problems” (Dronov, 2014).

We have proposed an algorithm for the formation of the congress and exhibition cluster (Karpov, Khoreva & Popova, 2014), including the gradual creation of a cluster in the destination (Fig. 1).

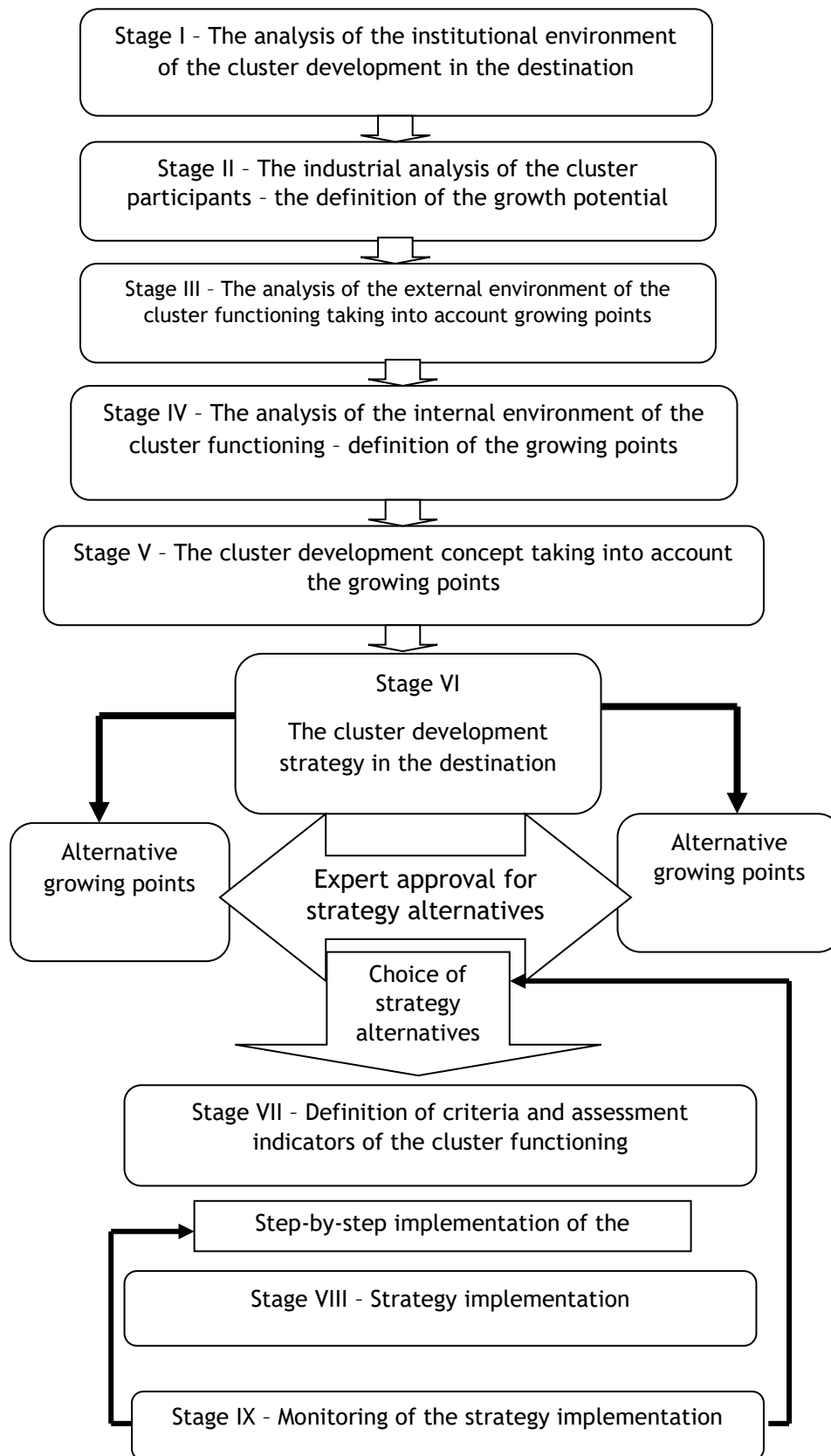
The algorithm, proposed by us, presents nine stages of the cluster strategy.

The first stage - the analysis of the institutional environment of the cluster creation. The analysis covers the following aspects of institutional development: systematization and refinement of the regulatory and legal framework; the assessment of regulatory institutions, professional and social organizations and industrial and destination associations as a whole.

The second stage - the analysis of potential destinations in the following areas:

- The market of tour operators and travel agents who specialize in the chosen segment of tourist services;
- Accommodation facilities, their differentiation into categories, territorial basis, tariff basis and entering into international hotel chains;
- Catering with the differentiation by parameters: geographical location, capacity, specialization, form and level of service, involvement in a gastronomic destination brand and others (Kolb, 2006);
- Enterprises providing transport services (by types of transport services);





**Figure 1.** The algorithm of the cluster development in the destination

- Cultural and historical, event, interactive and innovative potential of the destination;
- Information support of the tourist activity in the destination (availability of specialized information services, the level of accessibility of information on destinations for tourists);
- Trade organizations and systems (differentiated by territorial binding, product line, by the presence of the national color and so on.);
- Organizations that provide related services (recreation centers, entertainment, excursions, medical centers, security, etc.);
- Educational and scientific institutions (the system of training for the tourism industry, labor market saturation of qualified professionals in the hospitality industry);
- Financial and consulting infrastructure (banks, exchange offices, legal and information desk, e-commerce services, etc.).

The third stage of the analysis is directed to the study of the environment and the cluster functioning and it can be carried out in the SWOT - analysis of the traditional scheme with the allocation of strengths and weaknesses, identifying threats and opportunities for the cluster development in a given destination.

The fourth stage involves the analysis of the internal environment with the allocation of the growing cluster points.

The fifth and sixth stages involve the development, assessment, approval and acceptance of the concept and strategy of the cluster development, taking into account alternatives and destination points of the growing points in the destination economy.

One of the nomadic stages in the proposed algorithm is the definition of criteria and indicators for assessing the effectiveness of the cluster activities and the concept of such an assessment (this issue requires special consideration).

The cluster development of the congress and exhibition activities of the claimed algorithm assumes the following tasks (Karpov, Khoreva & Popova, 2014):

- The formation of the final structure of the cluster members, the key players in the provision of services for business travelers, participants in congresses, exhibitions, trade fairs;
- The definition of “the cluster core”, which should be a major infrastructure facility of the destination, which is the center of attraction within the interaction system of entities of the cluster activity. At the same time by the level of proximity to the cluster core, we offer three groups of specialized congress and exhibition centers and groups (fourth) of hotels included in the process of providing services to the welcoming industry:
  - The first group - the center of the cluster core, with a clear specialization in business congress and exhibition services (GK-1);
  - The second group - adjacent to the center of the cluster core with a focus not only on the business congress and exhibition activities, but also on the organization of concerts, sports and other similar events (GK-2);

- The third group - the outer layer of the core with primary ‘non-business’ specialization - art exhibitions, fashion shows, associated with artists, etc. (GK-3);

- Hotels as a separate cluster segment, adjacent to the core, but have a wider range of services, including the provision of accommodation and special areas for meetings and conferences, but the main specialization is in the sphere of business meeting services (GK-4).

The baseline of the cluster includes the companies:

- With the congress and exhibition character and varying degrees of proximity to the core of the cluster components and with the first, second and third lines of the cluster core (GK-1, the GK-1, the GK-1, the GK-1);

- With “entry” into the cluster, by which we mean transportation companies, as well as visa, border and customs services (GT-1 ... GT-n.);

- Accommodation facilities at various levels and various kinds of services - from hotels to tourist centers, the use of which may be under certain characteristics of the exhibition event (GG-1 ... GG-n);

- Catering accommodation in the media and in the public network (GP-1 ... GP-n);

- To the baseline of the cluster and we attribute the consumer of the congress and exhibition services, without whom the formation of the cluster would be simply impossible.

The second level of the cluster includes the companies:

- With cultural, historical and creative nature of the infrastructure in destinations: museums, theaters, concert halls and complexes, monuments, etc. (GI-1).

- Tourism, social, transport, financial and other infrastructural facilities serving tourists (GI-2);

- The population as a subject, and a kind of “object” of tourist destinations (GI-3).

For example, the residents of St. Petersburg will be different from people in other cities of Russia because of the nature, cultural and historical context of the city's development, and it is also applicable to residents of any other destinations.

The infrastructure and institutional environment of the cluster functioning do not apply only to one cluster in the region, as a rule, they are in a “joint” use in different clusters, so these conditions are included in a specific level. These include: regional governments, regulatory framework, financial and fiscal institutions and public organizations with the appropriate activity profile (GI-4); clusters-“neighbors” produce a similar product, but they are independent and may only partially overlap with the congress and exhibition clusters, the latter (as well as clusters-“neighbors” and other entities) may use the services of each other (the GI-5); another indispensable cluster participant of the congress and exhibition activities is the training system of the personnel for this sphere, which at present does not meet the requirements of the labor market in the welcoming industry.

### ***Criteria and indicators for assessing the contribution of cluster members in the development of the destination***

Based on the described model of organizational functioning of the congress and exhibition cluster we may offer the following system of criteria and indicators for assessing the contribution of cluster members in the development of the destination. We believe it is possible to assess the contribution scheme of all cluster participants in the development of destinations at three main levels: the basic level, the inner circle (second level), the level of provision of infrastructure and institutional conditions.

All the outlined indicators can be evaluated by separate influence indicators on the development level of the destination.

The authors suggest implementing the assessment of the cluster impact on the development of the destinations in the following areas:

1. Assessment of the economic effect (increase of cash flow, increase of tax revenues, reduction of transaction costs, increase in the number of jobs, etc.).

2. Assessment of the social effect (level of achievement of target indicators in social development, it has, as a rule, the relative value, the result is important for the entire population or for a group of persons), certain social effect in percentage or absolute terms (as a specific result of the general population or a group of people receiving benefits).

3. Assessment of the information effect (level of information accessibility, relevance and usefulness of information for the participants and consumers of cluster services, as well as regional authorities). First of all we are talking about the use of the information.

4. Assessment of the marketing effect (achievements in promoting the destination to the domestic and world market of the congress and exhibition services).

5. Assessment of the organizational effect (level of influence of cauterizing on the harmonization of the tourist market balance, the competitive environment, tourism infrastructure, its security, innovation exhibition activities, etc.).

### **Discussions**

Theoretically understanding of clustering as a tool of economic management systems was most clearly developed in the 90-ies of the XX century. Usually, the appearance of the basic theory is associated with the names of such authors as M.E. Porter (1980) and M.J. Enright (1995). So, M.E. Porter (1980) pointed out that the cluster - a group of geographically linked companies, cooperating in a particular field of activity, it is assumed that they are characterized by common interests. The "geographical scope of the cluster can vary from one city or state to the country, or even a number of neighboring countries."

It should be noted that in our country for a long time there have been used approaches that focus on the regional industrial or territorial-industrial complex. This was due to the fact that the growing points considered namely industrial enterprises and large-sized industrial complexes having territorial binding. This approach prevailed in the years of the planned economy as the

objects of planning and management were enterprises of the industry, rather than the social sphere. In this regard, the research object becomes, above all, geographically diverse production structures, such as industrial sites, including MIC manufacture products; cross-sectoral and multi-functional territorial production complexes, individual economic regions, concentrating on the manufactured goods. According to some authors, and we fully agree with them, cross-sectoral industrial complexes can be considered an example of clusters in the Soviet industry.

The term of a territorial or industrial complex is usually linked with industrial production, but not with the functioning of the social activities. In modern literature can be found the term of a territorial and industrial complex in relation to the service sector. So, L.I. Fishman, & M.Y. Ivanov, (2013) point out that it is appropriate to use the term – “a territorial and industrial complex of social services.” This authors’ definition is proposed to use in order to describe the range of social services (education, health, culture, physical culture and sports, social services), that the state is responsible for, through its institutions, which operate in some areas.

We are ready to agree with the authors that there is the genesis of the clusters influence, ultimately, on the specifics of their activities, and in modern practice, from our point of view, it is advisable to use that definition of “cluster” because thus we remove the negative connotations that the territorial branch or territorial-production complex has. In its core activities, if not taking into account the differences in terms of the entities control, these terms may be synonymous. At the same time, we believe that as the features of the modern cluster we should point to the increasing orientation of cluster strategies at the innovative development of the regions, as well as intensify the clustering service industries), which was not common at the stage of first clusters in our country.

It should be noted that in the foreign practice the traditional cluster approach is used primarily with respect to its industrial production (similar to the Soviet clusters). The clusters in the electronics and automotive industries in Japan and the United States, the chemical industry in Germany, the Italian footwear industry, the timber and woodworking industry in Sweden are relatively well-studied. (Delgado, Porter & Stern, 2014). In the tourism industry as well as in other service industries, the use of the cluster approach is virtually absent, few authors pay attention to this issue (Hsieh, Lee & Ho, 2012). Meanwhile, the cluster approach plays a decisive role in the formation of tourist destinations, attracting visitors to them and enhance their competitiveness.

The tourism industry has a number of features that give relevance of the cluster approach in the development of recreation and travel. One of the main features is that the tourism industry is closely linked with other industries, which create a tourist service infrastructure, provide appropriate services, and realize all the expectations of the tourists stay in the destination.

One of the most important sources for the creation of contacts with foreign markets is an international inbound tourism (Musso & Francioni, 2015). In the tourism service are traditionally involved the companies from such sectors as

the hotel business (hotels and other accommodation facilities), catering, trade and transport companies, enterprises of leisure industry, recreation, entertainment. The tourism sphere cannot operate without security structures, financial transactions, information and other communications, etc. The nature of tourism determines the feasibility of clusters forming as a network form of cooperation between producers of tourist products. At the same time, the presence of a considerable number of small enterprises hinders their interaction as the communication system in small businesses is not sufficiently developed in the tourism sector. On the other hand - small and medium-sized enterprises are able harmoniously adjust to changing conditions, thereby providing the most complete satisfaction of tourists requests. "Retraction" of such structures in the cluster will be useful not only for themselves but also for the entire cluster as a whole by increasing its flexibility.

The analysis of the literature and development practice of the business tourism in the country led to the conclusion that we need further clarification of theoretical and methodical positions that stimulate the creation of tourism clusters as the growing points of tourist destinations. It can be argued that the proposed fundamental organizational model of the congress and exhibition cluster can be the basis for the formation of a cumulative effect from the efficient interaction of various business entities realizing their goals in the market of tourism and congress and exhibition services.

### Conclusion

The theoretical conclusions, suggestions and guidelines, set in the article, make it possible to refine and relate the concept of "business tourism" and "congress and exhibition tourism", to justify the algorithm for creating the congress and exhibition clusters as growing points of tourist destinations and to offer a principled organizational functioning model of the congress and exhibition cluster .

The contents of this article may be useful for researchers, interested in the use of the cluster approach in the services sector, as well as for regional authorities, responsible for the development of tourism in some destinations.

In the course of the study the authors face new questions and problems that need further understanding and resolution. We need to continue research on the development of approaches to assess the impact of tourism clusters functioning on the regional development and definition of parameters to evaluate different kinds of effects that occur in destinations with a functioning tourist cluster.

### Disclosure statement

No potential conflict of interest was reported by the authors.

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