

Ways of Improving Management System of a Tourism Industry Development

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ABSTRACT

Efficient public administration, the primary function of which is to create a favorable environment for the introduction of new socio-economic and so-cially important trends, has been the basis for any change. Therefore, it is impossible to progress without modification of the management system of the tourism industry. The aim of this research is to identify strategic direc-tions to improve the system of management of tourism in Ukraine. Sustaina-ble economic growth can only be achieved by increasing productivity and in-troducing better services and products of state tourism. The modern state and prospects of tourism development in Ukraine have been analyzed. A strategy for the development of tourism in the regions of Ukraine as a

typical document has been proposed, which takes into account the cultural traditions of the local communities, spiritual and historical development.

Keywords: Tourism industry, Management, Development, System, Analysis, Smart Tourism.

INTRODUCTION

As the world's natural resource capital is limited, mankind is looking for solutions in the domains of water, energy, resource redeployment, alternate building materials, and sustainable livelihoods as well. The tourism industry is a large deployer both of natural and created resources. Responsible tourism presents a wide variety of initiatives in Ukraine that many tourism practitioners can use in their efforts to make tourism for the works of the economic sector and the protection of the environment. The authors conclude that employees are one of the most, if not the most, important assets or resources for tourism organizations in their endeavor to provide excellent service, achieve exceptional organizational performance and competitive advantage, meet and exceed consumer expectations. The development of information technologies, scientific and technological progress, increasing level of well-being and solvency, globalization, and changing visa regimes are just a few of the important prerequisites that influence the formation of modern tourists. Today, many countries rely on cultural sites and destinations to support their economies and markets. The ongoing challenges of sustaining tourist attractions and maintaining the equilibrium between the tourists and local communities have aggravated. It is important to provide a distinct multidisciplinary perspective for bringing together experts in the fields of tourism, management, and environment to disseminate solutions for emerging challenges related to environmental management and sustainable tourism in Ukraine.

The authors examined tourism development in Ukraine comprehensively by the theoretical and applied dimensions of contemporary sustainable tourism from a global perspective. The paper "Sustainable Tourism Development: Theory, Methodology, Business Realities" (Tkachenko, 2006) proposes the modifications and models of existing tourism management mechanisms based on adaptive (active), preventive (crisis), innovative management, and quality management, which are directed at ensuring competitiveness in each of the segments of the tourism industry (hotels and restaurants, transport, travel agents, health resorts, etc.). In (Fedorchenko, 2002) for the first time in the history of independent Ukraine, the specifics of the tourist infrastructure organization were defined and the main stages of tourism evolution at the territory of modern Ukraine were described. The work (Kifyak, 2008, Korkuna et al. 2020, Yakubiv et al. 2020, Hryhoruk et al. 2021) is one of the basic developments in the organization of tourism activities, which outlines the legislative regulation of the organization of tour operators, the components of tourism, travel agency activities, and identifies opportunities for tourism development in the state. International case studies and examples (Valyukh et al. 2020, Anhelko et al. 2020, Skrypko et al. 2020, Ilyash et al. 2020, Kutsyk et al. 2020, Stehnei et al. 2017,

Zakharova, 2020) have provided cutting edge coverage of the latest developments in this area, both practically and theoretically. They have taken the reader through all aspects of sustainable tourism from the emergence of the paradigm to sustainability issues in all types of tourism and all components of the national economy. These authors address the main tourism features and business of the tourist market functioning, as well as the activities of the tourism entities in Ukraine. But their studies should be defined as descriptive in nature with elements of constructive analysis of Ukraine's tourism infrastructure.

The article aims to define the strategic directions of the improvement of tourism management system in Ukraine and producing a strategy for the development of tourism in the regions of Ukraine as a typical document, which takes into account the cultural traditions of the local communities, spiritual and historical development.

METHODOLOGY

The fundamental provisions of economic theory in the sphere of tourism form the methodological and theoretical basis of this study. The methodology of this article consists of methods of analysis and synthesis of information, as well as dialectical, comparative-legal, systemic and graphic methods. The following general scientific method has been applied in the research as systematization – to analyze the economic and legal principles of the tourism's functioning in Ukraine and European countries. The special methods used in the research are a method of analytical tools – to categorize the interests of stakeholders to illustrate possible conflicts and synergy of interests of stakeholders in the process of formation and implementation of the tourist services; a method of analysis of hierarchies – to choose the optimal mechanisms of state regulation scenario of tourism activity of the state.

RESULTS AND DISCUSSION

The important fact is that tourism has economic, socio-cultural, and physical dimensions. We can observe the intensification of tourist flows in Europe, which travelers have come to visit more often. Thus, according to 2017 data, 51% of the total number of international trips accounted for European countries. The upward trend continues. After examining the different forms of tourism-related impacts, this article discusses the role of strategic planning as part of an integrated approach to the mitigation of undesirable impacts and the maximization of the desirable benefits of tourism development. So, in 2018, the number of foreign tourists in Europe reached 713 million and had increased by another 6%. It is expected, that in 2021, the global tourist flows will have increased by another 3-4% due to stable fuel prices contributing to the accessibility of air transportation. Understanding and managing tourism impacts illustrate that well-managed tourism can make a positive contribution to destinations. There is also a tendency towards significant growth in the number of trips from developing countries (United Nations, 2019, UNWTO, 2018, 2019, Ministry of Culture and Tourism of Ukraine, 2019). Speaking of statistics, the trends

in travel geography and top travelers cannot be ignored. This is the basis for forming a clear vision of the end consumer. Thus, the World Tourism Organization points out that four out of five tourists do not travel outside their geographical region. Therefore, Europeans travel mainly to Europe.

As a matter of fact, tourism's impacts vary over time and space, affect both the visitor and the host community, and can be unpredictable in its consequences. But for the nations that are leading the way in their travel expenses, China's tourists, who spent \$ 258 billion in 2017, have been the most dominant ones. Tourists from the United States of America hold second place with twice less figure of \$ 135 billion, while travelers from Germany spent near \$ 90 billion, taking the third position. The ten countries that spent the most money on travel included the United Kingdom, France, Australia, Canada, the Russian Federation, Korea, and Italy. Tourism is the third-largest export category in the world, generating over \$ 1.6 trillion. It is second only to the chemical and energy industries, being ahead of the automotive and food industries (United Nations, 2019). Now the tourism increasingly is implicated as a factor of environmental and climate changes, and the benefits and costs of tourism as a form of economic development are being examined more closely than ever. Today, tourism is an important source of foreign income for both developing and advanced economies, as well as an important component of national export strategies (Table 1). Tourism is a major export category in many developing countries.

Table 1. The dynamics of world tourism in 2005-2019

Region	International travel, million					Market distribution, %	% Change		Medium annual growth 2005-2019, %
	2005	2010	2015	2017	2019		16/15	19/16	
<i>In the world</i>	809	952	1195	1240	1326	100	3.8	7.0	4.2
Developed countries	469	515	655	686	730	55	4.8	6.3	3.7
Developing countries	339	437	540	554	597	45	2.5	7.8	4.8
<i>Regions</i>									
Europe	452.7	487.7	605.1	619.5	671.7	51	2.4	8.4	3.3
Asia and Pacific Region	154.1	208.2	284.1	306	323.1	24	7.7	5.6	6.4
America	133.3	150.4	194.1	201.3	210.9	16	3.7	4.8	3.9
Africa	34.8	50.4	53.6	57.7	62.7	5	7.8	8.6	5.0
Middle East	33.7	55.4	58.1	55.6	58.1	4	-4.4	4.6	4.7

Source: compiled according to the data of the (United Nations, 2019, UNWTO, 2018, 2019).

Methodologically, the Travel and Tourism Competitiveness Index of the country consists of four subindices: enabling environment (I); T&T policy and enabling conditions (II); infrastructure (III); natural and cultural resources (IV). They contain 14 sets of metrics that combine more than 70 evaluation criteria. In this study, the authors have analyzed world tourism reports that emphasize the multi-plier effect of tourism, its complexity, and the need to evaluate socio-cultural effects. According to the World Council, the total contribution of the tourism sector to the GDP of Ukraine is almost UAH 160 billion, which is 6% of GDP [13]. In that time, direct tourist expenditures amounted to UAH 42.8 billion, the rest are the indirect and induced contributions. To improve the situation in the tourism industry, several laws, decrees,

and resolutions that outline the main directions and prospects for the development of the tourist industry of Ukraine have been developed and adopted.

Elaboration of the tourism development strategy based on socio-cultural approach. Considering international trends, the program for the development of tourism on the example of Rivne region for the 2020-2025 period developed by the authors has been the scientific novelty of this research. By systematizing the Rivne region realities, trends, and prospective challenges, it is possible to outline a set of public governance measures of the tourism industry for 2020–2025 (Table 2).

Table 2. Rivne Region Tourism Development Program for 2020-2025

№	Section of the Tourism Development Strategy	Contents of the Strategy section
1.	Sustainable development, socio-cultural and environmental imperatives Improving the welfare of the population of the United Territorial Communities	The efficiently managing by the processes of creating and marketing a tourism product to ensure the sustainable development of the territory and the environment. The objects and territories of the nature-protection fund (NPF) become centers of tourism development (except for nature reserves), where tourist's routes, ecological trails are laid to educate young people in love for their nature, native land, environment.
2.	Investments: Mechanisms' creating development for the different types of investments	Achieving economic effects is the most powerful incentive mechanism. State involvement and co-financing in actions initiated by non-state actors is an indicator of moving in one direction, which encourages initiative. At the same time, financial participation has been a way to show what is a priority and to orient not only the players having already contributed to the realization of national goals, but also those who are still deciding in which direction to move.
3.	Management: Management by human resources Study Motivation Creating an environment of high competition Development of business tourism as a source of competence and factor of development of territories Impact investment support The practice of engaging the public or business initiatives in the Strategy with the consolidation of initiating executors Provision of mechanisms for state participation in the implementation of logistics projects that meet the strategic goals of tourism development	The processes of decentralization have radically changed the structure of human resources in local communities and actualized the need for new approaches to territorial development. Without proper guidance from public authorities, there will be no quick and effective response to the challenges of time. Competition should be promoted not only among business players but first and foremost among territorial communities as a major motivating and stimulating tool. There is a need of assistance in setting priorities, dissemination of information, developing the flexibility to build a new system of public-private partnerships.
4.	Aggressive marketing: The new advertising approaches	It envisages adaptation of the tourist information management system in order to create a positive tourist image of this territory. Such image is formed thanks to a well-planned advertising of tourist attractions, cultural, historical and architectural monuments, organization of promotional tours, family vacations, weekends, etc.

<p>5. Innovation and creativity: Setting 1-3 priority goals for implementation over the Strategy period</p> <p>Improving the environment Design and branding of destinations The focus on small towns and United Territorial Communities to form their positive tourist image Implementation of the practice of systematic active communication with the public, preferably active youth, by type of thematic hubs Cultural and spiritual personality development Use of modern interactive tools for positioning the tourist potential Environmental upbringing and education Preservation of objects of historical and cultural heritage and nature reserve</p>	<p>International experience demonstrates that small towns have been the centers and generators of change. The Rivne region has huge urban potential (13 historic cities). An analysis of international practice has shown that, for rapid progress, the communities must be aware and ready for change. Unfortunately, the introduction of “downward” innovations is not efficient, so the state must, first of all, contribute to the formation of “innovative” thinking, to actualize what seems like a distant prospect, but will soon become a daily reality.</p>
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Source: suggested by the authors.

Application of aggressive marketing. Advertising of tourist capacity is a primary tool for the formation of tourist attractiveness of the territory. That is why it is difficult to overestimate the importance of marketing campaigns and promotional activities as the main priority of efficient management. This is confirmed by the expenditures of state budgets on promotion, which total about 500 billion dollars annually. In each tourism-oriented country, expenditures make up a significant part of the national annual budget (Table 3).

Table 3. The costs of promoting tourism capacity

State	Promotion costs,% of the total budget	State	Promotion costs,% of the total budget
Seychelles	22.4	Dominican Republic	21.8
Mauritius	16.4	Barbados	16.1
Jamaica	17.1	Iceland	10.3
Jordan	10.6	USA	5.2

Source: (United Nations, 2019, UNWTO, 2018, 2019).

The UK is an example of a large-scale marketing campaign. The British Tourist Authority and the English Tourism Council created a new organization called VisitBritain – a grid consisting of 27 foreign offices. This marketing approach provides 88% of tourist visits to England. The main task of VisitBritain is the promotion of national tourist product through advertising of tourist peculiarities and marketing campaigns. VisitBritain is funded by the Ministry of Culture, Media, and Sports of the UK. A brand is one of the key factors of marketing in tourism, which provides recognition of the product in the world market of travel services. Today, not only countries but also regions and cities are branded. Branding territories and tourist destinations are among the latest trends.

Smart tourism. New technologies are creating new opportunities for tourism innovations, contributing to the creation of new ideas, products, and processes. In the

modern «smart economy», innovation is usually achieved through the creation and application of new technologies and management methods. Smart-style is no longer fiction; there are the first practical examples. As of 1 January 2019, the Spanish city of Benidorm (Alicante, Valencia) was the world's first smart tourist destination to receive the UNE 178501 Standard Certificate from the Institute for Spanish Tourism Quality. Means and tools of smart tourism at the level of the destinations in the segment of cultural-cognitive, tour, educational tourism, etc. have been used by entities at the tourist services market, uniting the customer relationship of a certain cluster. The type of ownership of an organizational-legal economy form belonging to a certain type of economic activity is not of fundamental importance for achieving a single goal for all activities.

CONCLUSIONS

Responsible Tourism effectively integrates types and scales of knowledge to present an economical, informative, and stimulating perspective. The development of the tourism industry is one of the priorities of socio-economic and cultural progress in modern countries, as it allows to properly realize the full capacity of social and ethnographic, geographic, historical, and cultural development, increase the level of investment attractiveness of Ukraine, and intensify the processes of its integration into the global economic markets. The article concludes with a synthesis of the key findings with implications for business management, policy, destination planning and donor interventions, and future private sector. The tourism industry has been one of the largest and fastest-growing industries worldwide. According to the World Tourism Organisation forecasts, this industry will continue to grow and employ more people in the twenty-first century.

In parallel with the growth of tourism worldwide, consumer demand and expectations for quality have been rising, while consumer tastes are varying, on the one hand, and competition among the firms, both internationally and nationally, is intensifying, on the other. In such a business environment of high consumer expectations, distinct market segments that demand unique services and products and stiff competition, the tourism organizations have been looking for ways to expand the service quality, competition and performance, and to satisfy customers.

The strategy of tourism development on the example of Rivne region for the 2020-2025 period proposed by the authors is comprehensively based on the socio-cultural approach. To efficiently regulate the tourist environment, the inter-national experience focuses on close stakeholder communication and support. This article demonstrates the innovations in responsible tourism occurring in developed countries and provides lessons from international research and practice for Ukraine.

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