

DEVELOPMENT OF THE TOURIST BUSINESS INDUSTRY

Nadiia Bakalo, PhD in Economics, Associate Professor
Viktor Hryshko, PhD in Economics, Associate Professor
Poltava National Technical Yuri Kondratyuk University

© Bakalo N., 2019.

© Hryshko V., 2019.

Стаття отримана редакцією 20.08.2019 р.

The article was received by editorial board on 20.08.2019

Introduction. Over the last twenty years, the tourism business has evolved into a powerful, highly profitable industry in Ukraine, a complex that closely linked economic and social interests. Due to the rapid growth rate in the early 21st century, the tourism industry has become a leader in the world economy. Tourism began to occupy a more prominent place in the economy of all developed countries. Given the large number of works on tourism, there are a number of issues that have received insufficient attention in scientific works, especially indicators of the development of tourist flows, as well as the prospects and trends of world tourism, taking into account the current realities. That is why the research topic is relevant.

An overview of the latest sources of research and publications. Theoretical and practical aspects of the development of business tourism tours were studied by such well-known domestic and foreign scientists as: D.D. Hurova, L.P. Diachenko, I. Zhuk, V. M. Makhovka, I. V. Chernysh and others.

Setting objectives. The problems of tourism business development in Ukraine depend on the institutional environment that dictates the political, financial, social and legal rules and organizations that affect the economy and society at large. Tourism is one of the main activities for a large part of the population living in tourist-attractive regions around the world. With this in mind, tourism needs to be researched and analyzed by scientists, researchers, politicians, national and local authorities. Therefore, we consider it advisable to pay attention to the analysis of tourism business development and strategic directions of its development.

Basic material and results. The tourism industry is regarded as one of the leading sectors in the field of structural restructuring of the economy. It should be noted that the development of tourism business in Ukraine depends on sectors of the economy such as agriculture, transport, trade, communication, construction, production of consumer goods and tourist destination.

The tourist business as a component of the economic complex of the country is characterized by the following properties and functions:

- has its own industry of manufacturing and providing services to tourists;

- creates tourist services, forms tourist products and sells them;

- shapes the market of tourist services of different complexity;

- acts as a multiplier for the growth of national income, gross domestic (national) product, employment of the population, development of local infrastructure and improvement of the standard of living of the population;

- serves as an effective means of protecting the environment and the historical and cultural heritage of mankind, and therefore is the material basis of the tourism resource potential, which forms a specific sphere of activity;

- interconnected with practically all spheres, industries and types of human activity;

- has advantages in the integration and globalization processes taking place in the world [1].

In our country a large number of tourism companies are focusing on outbound tourism, that is, send Ukrainians to rest in foreign resorts. Unfortunately, the number of people leaving the country significantly exceeds the number of those who visit our country, which has a negative impact on the budgeting of our country.

In 2014–2018 Ukraine has seen growth and downturns in the dynamics of the tourism industry, as shown in Table 1.

Table 1

Indicators of development of tourist industry of Ukraine for 2014 - 2018 years [2]

Indicators	Years				
	2014	2015	2016	2017	2018
Number of tourists served by tourist operators in Ukraine	2425089	2019576	2549606	2806426	4557447
Foreign tourists who visited Ukraine	17070	15159	35071	39605	75945
Tourists-citizens of Ukraine who went abroad	2085273	1647390	2060974	2289854	4024703
Domestic tourists	322746	357027	453561	476967	456799

Today in Ukraine there are more than 4, 7 thousand establishments of accommodation of tourists and vacationers on 300 thousand places, but they need radical changes which will meet international standards. In addition, recreation areas, cultural and architectural monuments of Ukraine are also in demand.

According to the World Tourism Organization, more than 800 million people travel annually. It is noteworthy that in more than 40 countries, tourism is a major source of national budget revenue. For example, in Spain, the share of income from foreign tourism in total exports of goods and services is 35%, in Cyprus and Panama - over 50%, in Haiti - more than 70% [3].

The strategic goal of tourism business development in Ukraine is to create a competitive tourist product in the world market, which is able to satisfy the tourist needs of the guests and the population of the country to the maximum, on this basis, to provide a comprehensive development of the country's infrastructure and their socio-economic interests while maintaining ecological balance and historical -cultural environment. The strategic plan should be geared to achieving this goal and be in line with the pace of market economy development, as well as consistent with the policy of structural reforms, analyze and apply the accumulated experience of tourism development in the world, which will create favorable conditions for updating the regulatory framework of tourism.

Tourist activity is based on conditions and factors that encompass the economy, politics, culture of the countries of the world, the speed of penetration into the world civilization, the ability to adapt to new tourism technologies based on computer technology, and the flexible promotion to integration and other processes in the world space. We distinguish the main factors of tourism development Table 2 [4].

Table 2

Factors of tourism development

Positive	Negative
Stability and openness of politics and economy	Tensions in international relations
Increase in public wealth and income	Political instability and closed economy
Reduced working time and increased leisure time	Stagnation of the economy
Development of transport, communication and information technologies	Disordered tourist resources
Increasing urbanization	The underdeveloped tourism industry
Building an Intellectual Society	Irrational use of cultural, historical and religious heritage and environment
Orientation of the country to the intellectual economy	Legal restrictions on tourism: ban on free movement of tourists, out of reach of tourists in areas, etc.
Encouraging national and foreign investment in the development of the tourism industry	Low level of knowledge about tourism among the population
Strengthening of Ukraine's position in the world tourist market	Underestimation of the role of tourism in the intellectualization of society
Simplification and harmonization of tax, currency, customs, border and other forms of regulation	Lack of effective incentives to invest in the development of the tourism industry at the level of world standards
Promoting tourism for children, young people, the elderly, people with disabilities and needy families by providing benefits	Underestimation of the role of the tourist business in filling the budget
Promoting the development of a priority tourism industry	Low income and lack of free time

With the indirect impact of tourism on the national economy, the direct impact of tourism generates an increase in demand in related industries. That is, enterprises in the tourist services sector, which directly receive income for tourists, also buy goods and services in other sectors of the economy.

Thus, with the direct impact of tourists expenditures provide revenue generation of the tourist services sector, with indirect – generates demand in related industries, which can be quantified using the tourist multiplier.

Improving the tourism business and improving the efficiency of tourism enterprises, becoming a tourism industry as one of the leading branches of the domestic economy is hampered by a number of issues that need to be resolved by state regulation and the support of executive authorities. Let us analyze the trends of tourism development in 2019, that is, what tourists will choose.

1. Unknown destinations. Given the growing problem of overtourism in major cities around the world, travelers will increasingly look for unusual routes next year.

The rapid growth of tourism in cities such as Amsterdam, Paris and Venice has made locals feel displaced from their own cities, leading to conflicts with tourists.

With that in mind, most travelers, more than ever, will choose destinations that are similar to big cities, but less crowded and less expensive. For example, instead of going to Barcelona, tourists will travel to cities with impressive cultural offerings, such as Seville and Valencia [5].

2. Last year, everything was about food.

The Instagram photos of the variety of dishes and fine dining alone totaled tens of millions. The future of culinary tourism, however, will move from expensive lunches to a simpler dining experience. Visiting local markets and eating with locals in their homes (this has become easier through websites such as EatWith) will be a major concern for travelers exploring new destinations [6].

Even whole vacations will be planned around food, and destinations will be selected based on their culinary suggestions. Next year, Japan will be especially interesting for travelers for its unique cuisine, traditional markets and innovative themed dinners.

3. Travel is not just a sightseeing trip. One of the upcoming travel trends of the year is all about traveling. Travelers, tired of doing the same thing, will seek a travel experience that will allow them to reach their destination or accomplish something they have never done before. Problem situations, such as completing a marathon for the first time, climbing a mountain, such as Kilimanjaro, or walking to Santiago de Camino, will be a major factor in travel.

This is similar to last year's trend of travel to experience, which was to immerse yourself in local culture, connect with the community and develop a wealth of knowledge and understanding of the place. But next year, it will focus more on what you can get out of yourself, not what you can get out of the community.

4. Rather than continue the trend of last year's "feeling" (mixing business with leisure), business travelers in 2019 continues this concept even longer. Today, more employees than ever have the freedom to continue their professional business vacation after a couple of extra days or even weeks for personal trips.

However, next year it will not be enough to continue the business trip for a few days.

Having access to reliable Wi-Fi almost anywhere in the world, with the advancement of online communication tools and professional jobs in major cities around the world, will make it easier than ever to live and work in different directions for an extended period of time [9].

5. Many hotels will focus on future efforts to create large public spaces for guests rather than increasing the size of individual rooms. These outdoor seating areas will be a focus for social travelers looking for the comfort and privacy of the hotel, as well as the added benefit of meeting new people.

6. Investing in new technologies will be a top priority for hotels next year. In particular, many hotels will have higher budgets to improve Wi-Fi with faster speeds and wider throughput. Through efforts to facilitate hotel accommodation, the hotel will invest in things such as artificial intelligence, automated check-in and check-out, and mobile applications that meet the needs of guests inside and outside the hotel.

7. Single travel was a major theme in 2017, especially single women's travel. Next year, more travelers will be left with more options for inspiration, but travel in 2019 will receive a great burst of interest in family travel. Family members of all ages, including parents, children and grandparents, will travel to reunite and create new memories. That is, tourism companies and hotels will need to meet more than one age range.

8. Stable trips were one of the most popular in 2017, but the most recent 2019 trip is "conscious travel".

More than ever, travelers will be mindful of their impact on the economy as well as the lives of those who live in the destination they visit. In addition to conscious efforts to make eco-friendly trips and acquire

organic produce in local markets, travelers spend their money to benefit the local economy and the community, rather than large corporations and foreign investment firms. This includes the choice of small boutique hotels rather than large hotels and local shops rather than international shopping centers [12].

Conclusions. Thus, only systematic state support and stimulation of the development sector can provide a stable basis for the formation of highly competitive tourism services enterprises. Having provided public support for tourism development in Ukraine, it is necessary to adopt a joint targeted tourism development program in Ukraine, combining the country's strategic goals and resources, which should be identified as the main goals of the tourism business industry in the short and long term, the means and methods of achieving them, funding sources, timing and program strategies for regional development.

REFERENCES:

1. Diachenko L.P. Economics of tourism business: Tutorial. – K.: Center for Scientific Literature, 2007. – 224 p.
2. Hurova D.D. Modern Geography of Tourist Arrivals and World Trends in Tourism Development // Scientific Announcer of Kherson State University B.8. 2018, pp. 239–243.
3. Features of development of forecasts of development of tourist industry. [Electronic resource] // – Access mode: http://tourlib.net/statti_eng/orlova2.htm.
4. Zhuk I. The current state and prospects of tourism business development in Ukraine // Announcer of Lviv National University. International Relations Series. 2008. Issue 24. P. 71–76.
5. Brokai, R. (2014). Local Government's Role in the Sustainable Tourism Development of a Destination. *European Scientific Journal*, 10 (31), 103–117.
6. Chang, J. (2011). Introduction: Entrepreneurship in Tourism and Hospitality: The Role of SMEs. *Asia Pacific Journal of Tourism Research*, 16 (5), 467–469.
7. Fernandes, P. (2016). What is Entrepreneurship? Retrieved 02 25, 2017, from World wide web: <http://www.businessnewsdaily.com/2642-entrepreneurship.html>
8. Javier, AB, & Elazigue, D.B. (2009). Opportunities and Challenges in Tourism Development Roles of Local Government Units in the Philippines. Retrieved 02 25, 2017, from World wide web: <http://www2.gsid.nagoya-u.ac.jp/blog/anda/files/2011/08/5-rolesjaviere38080.pdf>
9. Blanke, J., Chiesa, T. (2011). Travel and Tourism Competitiveness Report 2011. In: The World Economic Forum Publications (pp. 396–397). Geneva.
10. Compendium of Tourism Statistics (2011). Data 2005–2009, 2011 Edition. Madrid: UNWTO. 640 p. Impact of Global Economic Crisis on Local Tourism Destinations: Survey Report 2009. Madrid: UNWTO. 17 p.
11. OECD (2012). Tourism Trends and Policies 2012. Organization for Economic Co-operation and Development, Paris. Smeral, E. (2001).
12. Beyond the myth of growth in tourism. Tourism Growth and Global Competition, Reports of the 51st Congress, 43: 3–38.
13. Tourism Development after the Crises. Global Imbalances - Poverty Alleviation. Edited by Prof. Dr. Peter Keller and Prof. Dr. Thomas Bieger. Berlin, 2011. 248 p.
14. Chernysh Scientific and methodological aspects of business management and organizational development of the tourism sector enterprises of Poltava region in the context of sustainable development // I. Chernysh, V. Makhovka // *The Baltic Journal of Economic Studies*. - Vol. 3 (2017) No. 5. – p.436–443.
15. Muro J, Gálvez CS, Sanz M.D.M.Z. The impact of ecommerce on the tourist purchase decision: an empirical analysis [J]. *Alcamentos* 2007; 30 (9): 1135-1157.

УДК 338.46(477.51)

Бакало Надія Віталіївна, кандидат економічних наук, доцент. **Гришко Віктор Володимирович**, кандидат економічних наук, доцент. Полтавський національний технічний університет імені Юрія Кондратюка. **Розвиток туристичної бізнес-індустрії.** Розглянуто туристичну галузь як одну з провідних галузей у сфері структурної перебудови економіки, що характеризується певними властивостями і функціями. Виконано аналіз показників розвитку туристичної галузі України. Обґрунтовано необхідність визначення стратегічної мети розвитку туристичного бізнесу. Стратегічний план повинен орієнтуватися на досягнення цієї мети, та бути синхронізованим із темпами розвитку ринкової економіки, а також узгодженим з політикою структурних реформ. Виділено основні фактори розвитку туризму. Визначено перспективи поліпшення туристичного

бізнесу і підвищення ефективності роботи туристичних підприємств за рахунок тенденцій розвитку туризму, які будуть обирати туристи, а саме: вони обирають невідомі пункти призначення, гастротуризм, збільшення кількості днів бізнес-турів, розширення переліку послуг готельно-ресторанних підприємств, зростання інвестицій у новітні технології туристичного бізнесу, збільшення кількості сімейних поїздок на противагу одиночним, поїздки стануть більш свідомими. Усе більше зроблено акцент на екологію та її збереження.

Ключові слова: туристична галузь, туристичний бізнес, стратегічні цілі, туристичні підприємства, фактори.

UDC 338.46 (477.51)

Bakalo Nadiia, PhD in Economics, Associate Professor of Tourism and Administration Department. **Hryshko Viktor**, PhD in Economics, Associate Professor of Management and Logistics Department. Poltava National Technical Yuri Kondratyuk University. **Development of the Tourist Business Industry.** The tourism industry is considered as one of the leading industries in the field of structural restructuring of the economy, characterized by certain properties and functions. The indicators of the development of the tourist industry of Ukraine are analyzed. The necessity of determining the strategic goal of the tourism business development is substantiated. The prospects for improving the tourism business and improving the efficiency of tourism enterprises are determined, due to the tendency and development of tourism that tourists will choose.

Key words: tourism industry, tourism business, strategic goals, tourism enterprises, factors.

UDC 338.46 (477.51)

Бакало Надежда Витальевна, кандидат экономических наук, доцент. **Гришко Виктор Владимирович**, кандидат экономических наук, доцент. Полтавский национальный технический университет имени Юрия Кондратюка. **Развитие туристической бизнес-индустрии.** Рассмотрена туристическая отрасль как одна из ведущих отраслей в сфере структурных изменений экономики, характеризующая определенными свойствами и функциями. Проведен анализ показателей развития туристической отрасли Украины. Обоснована необходимость определения стратегической цели развития туристического бизнеса. Выделены основные факторы развития туризма. Определены перспективы улучшения туристического бизнеса и повышения эффективности работы туристических предприятий за счет тенденций развития туризма, которые будут выбирать туристы.

Ключевые слова: туристическая отрасль, туристический бизнес, стратегические цели, туристические предприятия, факторы.