

## DIRECTIONS OF STRENGTHENING OF COMPETITIVE POSITIONS OF UKRAINE IN THE INTERNATIONAL MARKET OF TOURIST SERVICES

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**Abstract.** The article reveals the problems and potential of development of international tourism activity in Ukraine. The position of the country in the international tourist services market is assessed and directions of increasing the international competitiveness of its tourism industry are offered. The indicators of international tourism activity of Ukraine are analyzed. The possibility of improving the tourist brand of Ukraine in the international tourist environment has been proved. Strategic measures for promotion of the country's tourism brand in the international tourist services market are determined. Recommendations on expansion of innovation activity of Ukrainian companies and introduction of promising types of tourist services for domestic and foreign consumers of tourist product are given.

**Keywords:** brand, branding, international tourism market, strategy for improving efficiency, advertising.

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### Introduction

Although Ukraine has significant potential in the field of tourism, tourism has not yet become the leading sector of the economy (although such a benchmark is defined at the state level) due to a number of reasons, including: military aggression of a neighboring country, high levels of corruption, unstable socioeconomic situation in the country, underdeveloped tourism infrastructure, etc. The dynamic development of tourism in the world and the emergence of a large variety of tourist products have led to increased international competition among tourism companies, which prompts new ways of attracting tourists to tourism, and prompts the search for opportunities and ways to strengthen Ukraine's position on the international tourist market.

### The process of forming and promoting a national tourist product in the international market

Marketing, compared with other strategies, does not require significant capital costs, but only involves investing in improving the information policy on the subject of branding.

Effective marketing activities at the state level not only increase the attractiveness of the country for tourists but also promote the development of local tourism business, which can be based on the established national brand.

The purpose of the article is to determine the directions of increasing the tourist attractiveness of Ukraine in the international market of tourist services and to create and promote a modern tourist brand.

Modern tourism is impossible to imagine without advertising. After all, it is the most effective tool in the attempts of the tourist enterprise to convey information to customers, modify their behavior, attract attention to the services offered, create a positive image of the company itself, and show its social significance. Therefore, effective advertising activities are the most important means of achieving the objectives of the marketing strategy in general and the communication strategy in particular. As the world practice shows, tourism is one of the largest advertisers. Experience of work of foreign travel companies shows that on average 5-6% of their income is spent on advertising tourist trips. The experience of advertising to a certain extent depends on the correct use of the appropriate forms and means of influence on the consumer, which in turn requires the management of tourism company sound knowledge of the modern advertising process, features of advertising in tourism, planning advertising activities, the choice of means of distribution.

Tourist branding involves the formation of preferences (tourist attraction) of places of tourist destination in the process of image management and promoting the tourist attractiveness of a city or country with the help of a tourist brand, which consists of a visual image and slogans (*Muzychenko-Kozlovskaya, 2014*).

Such scientists as O. A. Agafonova, I. Z. Krychivetsky, I. M. Shkola, V. V. Shmagina, O. Vishnevskaya, I.V. Zorin considered the ways of solving the problems of tourism development in Ukraine and positioning the country in the international tourist services market in their treatises.

The analysis of research and development in the tourism sector has shown that the development of tourism requires the study of its current state and activities of resorts, for tour operators and travel agents in Ukraine to formulate strategies for the further development of the tourism industry. This is relevant, in particular, due to the weakening of Ukraine's position in the competitiveness ratings, as according to the International Competitiveness Rating in the field of tourism, our country took 88th place out of 136 countries (*The Travel & Tourism Competitiveness Report, 2017*).

According to the long-term forecast "Tourism: Prospect 2030", it is expected to increase world tourist flows in 2020 to 1.6 billion, and in 2030 – to 1.8 US billion dollars. This means that, after two decades, 5 million of people will cross international borders for free time every day, as well as business goals (*Travel & Tourism: Economic Impact WTTC's 2010*). At the moment, the average annual growth rate of arrival of foreign tourists in the world amounted to 5.1%.

### **Trends in development and directions of improvement of the international tourism industry in Ukraine**

There was a tendency to increase the number of foreign citizens who visited Ukraine. This shows some positive changes in the formation of the tourist climate in the country. The growth of the number of foreign tourists in Ukraine is mainly due to travels that have been carried out for private purposes from Slovakia, Hungary, Belarus, Germany and Azerbaijan.

The increase of interest in foreign tourism in Ukraine is due to the general tendency of increasing tourist flows in the world and changes in the infrastructure of roads. In addition, there was a simplification of procedures in crossing Ukrainian border by foreign citizens. As a rule, foreign tourists visit the balneological resorts of Ukraine, as well as historical and cultural centers - Kyiv, Lviv, Odessa.

Thus, based on Bohush Communication, the most attractive regions of Ukraine for foreign tourists were found: Kyiv - 27%, Odessa - 21%, Lviv - 6%.

The effectiveness of tourism management in Ukraine is shown in Table 1.

Table 1

**Effectiveness of international tourism management in Ukraine for the period 2014-2016\***

Indicator	Year		Relative deviation 2015/2014	Relative deviation	
	2014	2015		2016	2016/2014
Income from provision of tourist services, ths.hrn.	4685427,1	6360148,2	35,7	6199809,2	-2,5
Operating expenses for tourism activity, ths.hrn.	1436669,1	2451280,1	70,6	3928131,7	-80,93
Effectiveness of Ukraine's management of the international tourism market	3,3	2,6	-21,2	1,6	-51,5

\* compiled by authors according to the data by the official website of *State Agency of Ukraine for Tourism and Resorts*

These tables show that despite the high potential and peculiarities, tourist opportunities and resources are currently not used to their full effect, as there has been a decline for the 3 years presented. This situation is related to the fact that there is a need for reforming financial policy due to the tireless growth of depreciation of the material and technical base of tourism (*Izmaylov, Yegorova, Maksymova, Znotina, 2018*).

Contrary to the political and socioeconomic instability of recent years, the volume of tourism services in Ukraine has a tendency to increase by 10-15%. The positive effects of these processes are an increase in flows across Ukraine. Also positive tendencies are observed in domestic tourism. If five years ago, most tour operators worked in a ratio of 10-

15% of the income from national tourism service to 85-90% of international tourism, then today the ratio has changed – from 35% to 65%, respectively.

The weak development of the industry is also due to the fact that it is not such a priority sector of the national economy for Ukraine, as for other developed countries, because the tourism industry has many researchers called "a chicken that carries golden eggs" (Davydova, 2012). One of the powerful impetus for the development of tourism in the world is the holding of the Olympiad, Championships, Festivals, the Olympic Games (Davydova, 2012).

The tourist advertising is quite harmonious, noticeable and appeals to the child rather than as a commercial offer, but as an object of exotic interest, which in most cases does not lead to direct motivational appeal to the firm. When developing an advertising campaign, namely, media planning, a tourist enterprise must take into account the following features:

1) as a limitation of advertising campaign cycles, it is necessary to determine periods that correspond to different consumer activities in the tourist market. When developing a media plan, it should be remembered that periods of maximum advertising stimulation of demand must precede periods of natural growth of market activity;

2) all the burden of advertising influence should fall on working days, because the weekend interest in print media and radio is significantly reduced due to a sharp increase of attention to television. In addition, during the working days advertising of recreation is perceived with greater interest than on the weekend, when the level of psychological tiredness significantly lower, therefore it is during working days that an active person is easier to stimulate to rest;

3) in the media plan optimal media parameters should be laid, through which the guaranteed optimal effect is achieved. So for business publications the most optimal is the appearance of an advertisement every two weeks in one medium, or a weekly alternation of advertising publications in various business publishing houses that have similar audiences.

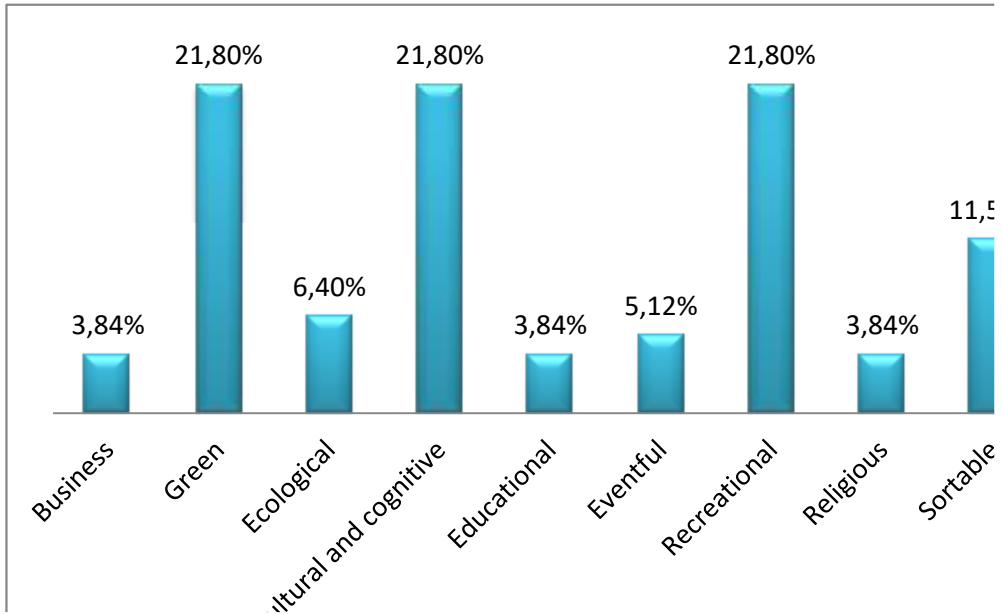
Despite all the upheavals 2008-2014 years UNWTO follows its previous forecast for the prospects of tourism in 2020 ("Panorama 2020"), under which provided the average annual increase in the number of international tourists by 4% and by 2020 it is planned 1.6 billion travelers (World Tourism Organization UNWTO, 2016).

According to forecast indicators, in the coming years the deterioration of the situation in the tourist market can occur due to: unemployment (because the financial crisis has added to the political one); military action; slow economic growth in key markets, especially in Europe and the US; reduction of market stimulation measures; increase of prices for tourist services, which leads to additional pressure on family budgets; experience of previous pandemics; energy prices which continue to increase, etc.

The most common types of international tourism are green, recreational, cultural and cognitive tourism, as shown in Fig. 1

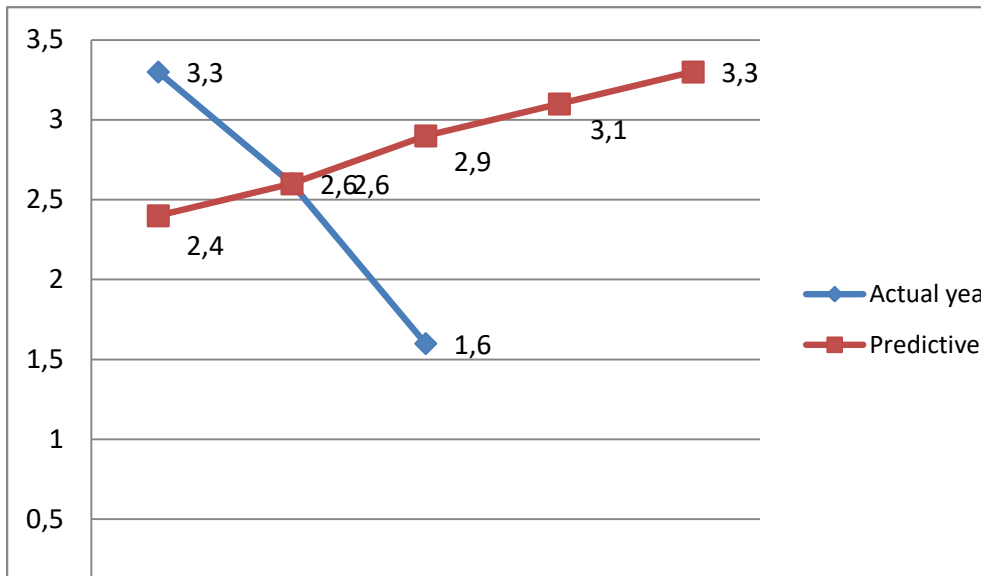
It is important to emphasize the perspective nature of the consumption of domestic tourism product by species. These types of international tourist services can create an alternative to both imported tourism products and domestic ones. Positive results will depend on a balanced state policy that will be based on cooperation with national tourism enterprises and a qualitative improvement of the national tourist product.

There is a tendency to increase international tourism activity of Ukraine not only for the period 2019-2021, but also in the future, as shown in Fig. 2. This is an indication that the ways to improve the efficiency of international tourism management activities are long-term.



**Fig.1. Distribution of types of tourism in the regions of Ukraine (2016)**

\* compiled by authors according to the data by the official website of *State Agency of Ukraine for Tourism and Resorts*



**Fig.2. Actual and predictive indicators of international tourism activity of Ukraine**

\* compiled by authors according to the data by the official website of *State Agency of Ukraine for Tourism and Resorts*

The elevation of the competitiveness of the country's tourist industry in the world tourist market should be achieved by:

- ensuring the formation of tourism as a highly profitable sector of the Ukrainian economy;
- encouraging national and foreign investment in the development of the tourism industry;
- creating new jobs;
- participation of the state in international and regional tourist organizations and associations.

The main measures for the development of the tourism profile of a tourism company under the conditions of competition may be: improving the image by improving the quality of the tourist product (services) and additional advertising; increase in the volume of production (sales) at the expense of stimulating the work of own employees of sales and marketing departments; expansion of the sales network by finding new partners and introducing technological innovations; development of innovative programs (tours); modification of price policy through the establishment of discounts.

Ukraine has significant opportunities for developing tourism business and entering the international market. The development of tourism in our country is facilitated by a convenient geographical location, temperate climate, various relief conditions, a rich cultural and historical heritage and a diverse sanatorium and resort base in most regions. Ukraine has a significant natural and recreational potential, which, under the conditions of rational and lean use, is able to meet the tourist needs of all inhabitants and guests of the country.

It is proposed to introduce motivating measures to improve international tourism activities in Ukraine:

- creation of prerequisites for increasing the trust of business and consumers of international tourist services in Ukraine to economic reforms that reduce the tax burden;
- ensuring the recovery of deferred demand, which comes after a sharp fall and start a new life cycle in the "new" business rules (go to the next level of development, accompanied by a "spirit of cooperation and partnership that generated the crisis stored stakeholders" (Bagel, 1996);
- Increased flexibility in responding to rapid changes in demand (implementing logistic concepts "just in time" and "responding to guts" in order to reduce the cost of travel services);
- consideration of unstable market conditions in international tourism activity.

Crises provide the opportunity to eliminate major structural weaknesses and implement strategies that promote sustainable development and transition to a green economy.

International tourism is an industry that is constantly being refined and replenished with new tools to meet public goods. Each year, the state receives new challenges, including the need for socialization of various groups of people with physical, psychological, intercultural, linguistic or religious barriers that interfere with them with others, receive standardized services. The tool for solving this problem is "barrier-free tourism".

In the countries of the European Union, the issues of barrier-free tourism are dealt with by the European Commission and ENA (European Network for Accessible Tourism), which in turn carry out financial, organizational and scientific and technical support for this type of tourism.

In Ukraine, unfortunately, barrier-free tourism has broad state support, it turns out local initiatives of the indifferent population, and is mainly interpreted as tourism for people with

disabilities. De facto, most tourist facilities which are not adapted for people with hearing impairment, vision, musculoskeletal system, do not take into account the growth of visitors etc. The draft Strategy for Tourism Development and Resorts for 2016-2020 provides for the availability of tourism infrastructure objects in Ukraine for people with disabilities and other less-mobile groups of the population. The Ministry of Economic Development and Trade of Ukraine and the Technical Committee for Standardization TK 118 are carrying out work on the implementation of international standards in Ukraine in order to standardize the requirements for tourist facilities, namely ISO170149: 2013 (Accessible design- Application of braille on signage, equipment and appliances) and ISO23599: 2012 (Assistive products for blind and vision-impaired persons- Tactile walking surface indicators) (Tynic, 2016).

### Conclusions and suggestions

The article shows that international tourism is the most promising industry for many small towns and villages of Ukraine, which will promote their socio-economic growth. Given the fact that the development of the international tourist industry in Ukraine is slowing down somewhat due to the restructuring of the municipal authorities in many cities, lack of experience, traditions and knowledge, state and business support of this industry is necessary.

It is determined that the developed tourist brand of Ukraine needs to improve its visual part and improve the progress in the international tourist environment. The strategy of promotion of the tourism brand of the country is proposed, which includes the following stages: assessment of the existing tourist brand of the country; determination of brand content; formation of a tourism brand marketing plan; realization of the tourist brand promotion plan and estimation of brand effectiveness in the country.

In order to increase the competitiveness of domestic tourist services, it is necessary to expand innovative activity, namely:

- to form innovative strategies for the development of tourism industry at the state level, in particular, support of scientific developments in the field of tourism innovations;
- to create a single network of tourist information centers, because it's common and necessary for foreign tourists to use fast and accessible means of obtaining information about the tourism possibilities of the country in which they are located;
- Identify the problems and create conditions for innovative forms of tourism organizations that would increase the competitiveness of firms and regions, as well as the formation of interconnected institutions that are intended to finance the infrastructure of innovation and innovative tourism and recreation projects, for example, the creation of tourist clusters, regional recreational corporations, special economic zones, etc.

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