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TOURISM ENTERPRISES: STRATEGIC ANALYSIS OF SERVICES PROMOTION

The article analyzes the dynamics of the structure and factors that contributed to the growth of revenues from the provision of tourism services over the past 5 years in terms of enterprises providing tourism services: legal entities and natural persons-entrepreneurs. For the first time the features of the strategic analysis of the promotion of tourism services and the factors hindering its implementation have been identified.

The author has conducted own research to find out whether tourism businesses carry out strategic analysis, in particular on the promotion of tourism services, and whether the level of their income has changed since its implementation. It is determined that in the vast majority of domestic enterprises in the field of tourism after the strategic analysis, the level of income has increased and almost all employees consider it necessary to use this type of analysis in the activities of the enterprise.

Keywords: tourism service, tour operator, travel agent, strategic analysis, strategic analysis of tourism services promotion.

Formulation of the problem. The domestic market of tourism services, despite the economic instability and difficult military and political situation in the country, has resumed its development. The resumption of tourism business encourages tour operators to create new unique products and services to maintain existing and attract new tourists to the process of consumption, strengthen their position in the tourism market and find new agents to sell their products and services.

Given that the promotion of tourism services is a component of sales of tourism products, companies need to take into account the available information in the industry and conduct a strategic analysis of tourism services promotion, forecasting and creating innovative services and strengthening positions in covered market segments.

For domestic tourism enterprises, the concept of strategic analysis is quite new, because they are usually accustomed to using available resources and internal opportunities, without taking into account the additional potential and variability of the tourism services promotion.

Considering the limited information about strategic analysis of the promotion of tourism services by Ukrainian companies was conducted own research to find out what percentage of tour operators and travel agents use this tool in their activities and whether the level of income of companies that conduct strategic analysis of travel services change.

Analysis of recent research and publications. Theoretical principles of promotion and sale of tourism products and services are highlighted in the works of scientists, in particular: Tkachenko T., Mikhailichenko H., Melnichenko S., Zabaldina Y., Gorina G., Malska M. Works of scientists are devoted to options for sales of tourism services, but strategic analysis of tourism services promotion of enterprises remains new and unexplored.

The purpose of the article is to study the strategic analysis of tourism services promotion of enterprises.

Presentation of the main research material. The tourist market of Ukraine is characterized by a revival of growth rates, in particular revenues from the provision of tourist services. In 2019, compared to 2015, revenues increased more than 6.5 times and amounted to 32700176 thousand UAH.¹ The dynamics of income of legal entities shows almost 2 times higher growth rate than individual entrepreneurs, which is

¹ Офіційний сайт Державної служби статистики України (2020). *Головна сторінка* <<http://www.ukrstat.gov.ua/>> (2020, вересень, 03).

due with a more stable financial position of large enterprises after the events of 2014 and the possibility of faster recovery of revenues that were before (Fig. 1).

Additional factors in this development were the introduction of a visa-free regime on June 11, 2017 between Ukraine and the European Union¹ and the emergence of new low-cost carriers on the Ukrainian market, as well as the launch of the first Ukrainian low-cost carrier SkyUp, which made the first domestic and international flights in 2018².

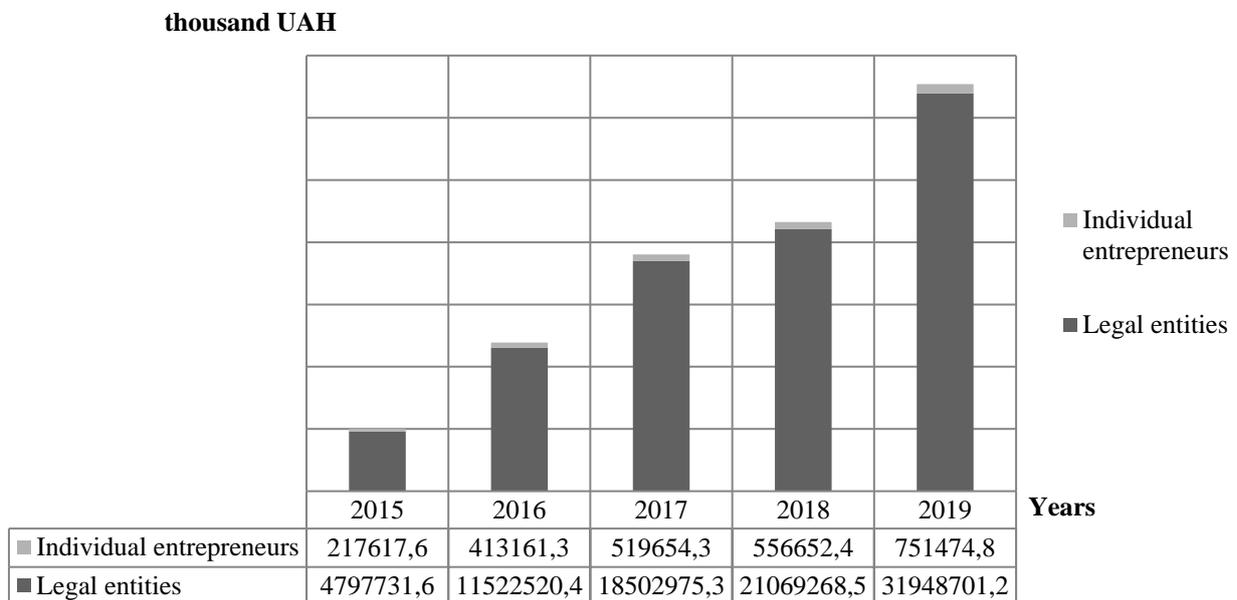


Fig. 1. Dynamics of the structure of income from the provision of tourist services (excluding VAT, excise tax and similar mandatory payments), thousand UAH in 2015-2019

Source: Constructed by the author according to the State Statistics Service of Ukraine³

To continue the trend of increasing revenues from the provision of tourism services, tourism businesses need to conduct a strategic analysis of the enterprise, in particular to promote their own services. The concept of strategic analysis of the promotion of tourist services can be defined as a comprehensive study of quantitative and qualitative characteristics of the internal and external environment of the enterprise in order to form strategic goals for its development and make optimal management decisions for their implementation⁴.

Given that this concept is new, were made own research aimed to find out whether Ukrainian tourism businesses use in their activities strategic analysis and strategic analysis of the promotion of tourism services, in particular, and whether the company’s revenue level has changed since its implementation.

121 employees of tourism business enterprises of various forms of ownership took part in the survey, 60.3% of whom work at enterprises that are tour operators and 39.7% – travel agents. According to the results of the answer to the question whether there is a strategy at the enterprise where they work, 62.8% answered that no (Fig. 2).

¹ Українське національне інформаційне агентство «Укрінформ» (2020). *Безвізовий режим* <<https://www.ukrinform.ua/tag-bezvizovij-rezim>> (2020, August, 22).

² Офіційний сайт авіакомпанії SkyUp Airlines (2020). *Новини* <skyup.aero/news> (2020, August, 25).

³ Офіційний сайт Державної служби статистики України (2020). *Головна сторінка* <<http://www.ukrstat.gov.ua/>> (2020, September, 03).

⁴ Hlushko V. (2017). Theoretical Basis of Strategic Analysis of Travel Services Promotion, *Herald of KNUTE*, 6, 90-99.

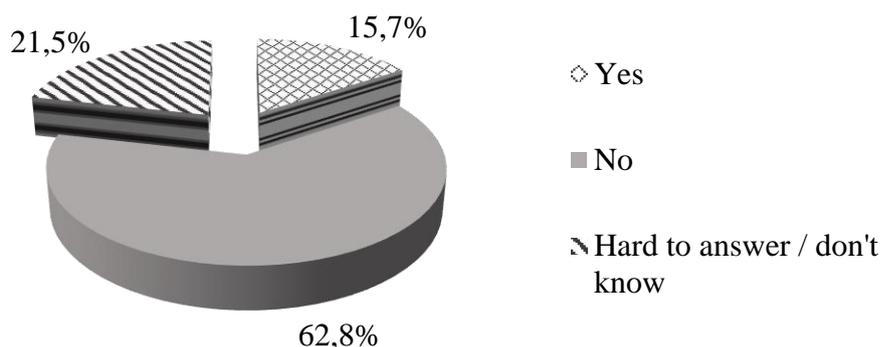


Fig. 2. The results of the answer to the question: "Does the company you work at have a strategy?"

Source: author's research

The results of the survey show that the vast majority of companies do not have their own strategy, ie a certain model of action that is needed to achieve the goals of tour operators and agents. The lack of strategy is due to the fact that in the structure of organizations there are no separate units that would deal with strategic analysis (92.6% of respondents) and only 3.3% of enterprises have a structural unit that performs the functions of strategic analysis and strategy.

Despite the small number of enterprises with a separate unit engaged in strategic analysis, 7.4% of tour operators and agents still conduct this type of analysis, another 12.4% of respondents do not have information on this issue. 8 out of 9 respondents, whose enterprises conduct strategic analysis, know the strategic goals of the enterprise. 66.7% of respondents answered that after conducting a strategic analysis at the enterprise, the level of its income increased and only 11.1% – which decreased. That is, we can conclude that the strategic analysis has a positive effect on changes in enterprise income.

Strategic analysis of the tourism services promotion is a new concept for tourism businesses, however, according to the proposed definition, 22.2% of respondents whose companies conduct strategic analysis, believe that it is a strategic analysis of the promotion of tourism services. However, of the total number of respondents who took part in the survey, it is only 1.7%.

Conducting a strategic analysis of the tourism services promotion has a positive effect on the performance of tourism businesses, so 96.2% of respondents consider it necessary to conduct this type of analysis at the enterprise where they work (Fig. 3).

To conduct a strategic analysis at the enterprise, it is necessary to follow a certain sequence of actions (stages), which will allow to conduct such an analysis as effectively as possible and timely adjust the actions of the enterprise. Shurpenkova R. distinguishes 3 such stages: preparatory (preliminary), analytical (basic) and final (generalization of analytical information)¹. At each stage, there are a number of tasks that the company must solve in order to find optimal management solutions², but as can be seen from the results of the research strategic analysis is the potential for domestic tourism enterprises.

In the works of scientists engaged in research on strategic analysis, there is no clear structure for the creation and implementation of this analysis, its further use and verification of the effectiveness of the actions taking into account the specifics and features of the tourism business. In general, scientists consider only the issues of strategic planning in tourism, and the issue of strategic analysis is given little attention.

Strategic analysis in the management system of a tourist enterprise should play an important role, because thanks to it the enterprise determines long-term goals and plans for its development, and can anticipate possible changes in the environment and prevent or at least reduce their negative impact.

¹ Шурпенкова, Р. К. (2015). Стратегічний аналіз як складова процесу управління підприємством. *Соціально-економічні проблеми сучасного періоду України*, 2 (112), 96-99.

² Зоріна, О.А. (2011). Аналітичний погляд щодо сутності стратегічного аналізу в діяльності акціонерних товариств. *Вісник Хмельницького національного економічного університету*, 5, 2, 309-313.

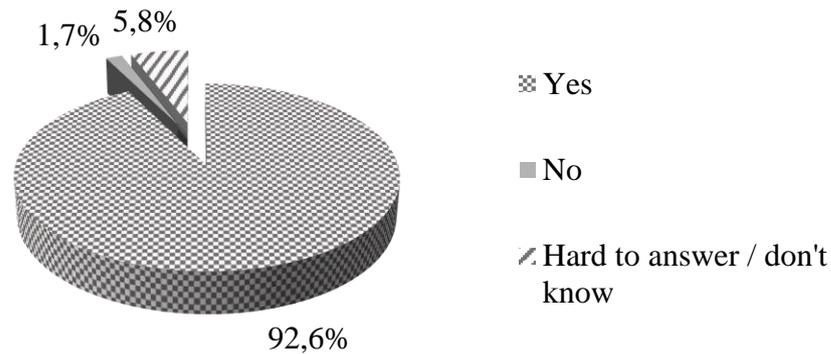


Fig. 3. Results of the answer to the question: "In your opinion, is it worth conducting a strategic analysis of the tourism services promotion in the company where you work, to improve key performance indicators of the company?"

Source: author's research

In addition to defining long-term goals, the strategic analysis of the promotion of tourism services has other features inherent only in this type of economic activity (Table 1).

Table 1

Features of strategic analysis of the tourism services promotion

№ s / n	Feature	Characteristic
1.	The term for which the implementation of management decisions is designed	More than 1 year
2.	Information base used for analysis	Information on annual financial, management and other types of reporting
3.	Availability of information for analysis	Hard to reach
4.	Parallel analysis of two service promotion systems	Analysis of promotion systems: tour operator – tour intermediaries and tour operator – consumer
5.	Risks of the effectiveness of the results of decisions	High

Source: author's research

The standard feature inherent in all types of strategic analysis is the term for which the implementation of management decisions is designed – from 1 year. The analysis also uses information from annual financial, management and other types of reporting, which in the decision-making process helps to choose the best alternative.

However, information for conducting a strategic analysis of the promotion of tourism services is difficult to access, because the state statistical reporting has gaps and is not perfect, which can significantly affect the effectiveness of the decision and the vector of its implementation.

A key distinguishing feature of strategic analysis of tourism services promotion from other types of strategic analysis is the parallel analysis of two systems: from the tour operator to the travel agent using promotion tools (exclusive partnership, integrated marketing communications at the point of sale, preferential terms of cooperation, advertising¹, etc.) and from tour operator to the final consumer using its own network of tourist enterprises without the involvement of other intermediaries in the market of tourist services.

¹ Kannan, S. (2009). Tourism Marketing: A Service Marketing perspective. *MPRA Paper*, 14031. DOI: <http://mpra.ub.uni-muenchen.de/14031/>.

Regardless of the choice of promotion system, the risks of the effectiveness of management decisions are quite high. This is primarily due to the country's economic instability caused by the global covid-19 pandemic and the military-political situation, which affects the change in exchange rates, changes in the purchasing power of the population, inflation and wages.

The coronavirus pandemic in 2020 caused significant damage to enterprises, in particular, according to UNWTO¹, the world economy lost about \$ 320 billion from international tourism, which is more than 3 times higher than the losses during the economic crisis in 2009. Ukraine is no exception and, although the domestic tourism market should now be actively developing, unfortunately, domestic companies do not provide such a level of services and such a set of services that would be equivalent to foreign ones.

The goal of most companies was and remains short-term earnings during the surge in demand in domestic popular resorts (Black and Azov Seas, as well as in the Carpathians) and the lack of a strategic plan to win the consumer and future interaction with him, because Ukraine has good recreational resources to meet tourists demand. Tourism businesses do not take advantage of the opportunities that have opened up to them, and in the long run they lose a lot.

Therefore, it is necessary to respond in a timely manner to market changes and make adjustments to the developed strategy of enterprise development. Unfortunately, the vast majority of domestic enterprises do not conduct a strategic analysis of the tourism services promotion. This type of strategic analysis is constrained by a number of factors that can be divided into two groups: material and non-material (Fig. 4).

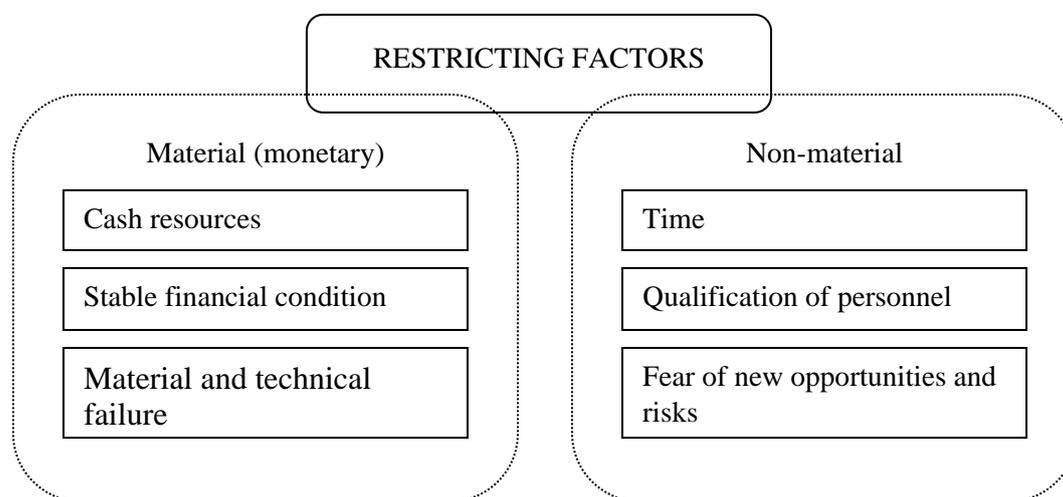


Fig. 4. Factors constraining the strategic analysis of the tourism services promotion by enterprises

Source: author's research

The material can include insufficient level of financial resources needed for the analysis, stable financial condition of the enterprise, when the owner or manager of the enterprise is satisfied with the state of its affairs, and material and technical failure, which makes it impossible to conduct strategic analysis. Non-material factors are lack of free time, insufficient level of qualification of employees², fear of new opportunities and risks.

Conclusions. Despite the economic instability and the difficult military-political situation in Ukraine, tourism enterprises have been restoring the growth rate of revenues from the provision of tourist services since 2015. There is a significant gap between legal entities, which have a more stable financial position compared to individual entrepreneurs.

Own research showed that, unfortunately, 62.8% of tourism businesses do not have their own development strategy, which is due to the lack of a unit or person in the company, which would deal with strategic analysis. The preconditions for such a situation are a number of factors that hinder the strategic

¹ World Tourism Organization (2020). *News* <<https://www.unwto.org/news/>> (2020, August, 29).

² Мармуль, Л. О. (2011). Роль стратегічного аналізу в управлінні виробничою діяльністю сільськогосподарських підприємств. *Наукові праці Полтавської державної аграрної академії*, 2, 1, 152-157.

analysis of the tourism services promotion: insufficient amount of financial resources, material and technical failure, low qualifications of personnel, and so on.

In the current conditions of economic development of the country for the sake of at least survival in the market, tourism businesses must think strategically and anticipate possible risks. That is why the strategic analysis of the tourism services promotion provides such an opportunity, because this type of analysis has a clear stage of its implementation, which helps to adequately assess the state of affairs at the enterprise, find ways to develop it, and assess risks and opportunities that cannot always be assessed during current operating activities of the enterprise. An additional advantage is the ability to respond in a timely manner to changes in external or internal environments and make effective management decisions to adjust development strategies.

The scientific novelty of the study is to justify the need for strategic analysis of the tourism services promotion in tourism businesses enterprises in conditions of economic challenges, highlighting the features of strategic analysis of the promotion of tourism services and identify factors that hinder its implementation. Prospects for further research are to develop methodological support to assess the effectiveness of strategic analysis of the tourism services promotion.

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