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COMPETITIVENESS OF TOURISM PRODUCT: EVALUATION AND APPROACHES TO PROVISION

Arthur Levytskyy

Admission Department, Odessa Regional Institute of Public Administration, National Academy for Public Administration under the President of Ukraine, Genyetz'ka 22, 65009 Odessa, Ukraine

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Abstract

The analysis of main components of Ukrainian tourism competitiveness showed the necessity of forming of effective strategically-oriented public policy in this sphere. The most effective means of its implementation is to use competitive strategies based on a combination of strategic and project approach. The basis of its formation is quantitative evaluation of competitiveness in tourism that at the micro level is based on the analysis of two main facilities: tourism product and tourism organization. Marketing approach to destination, which provides the elaboration of complex tourism product, is considered. The activities of management and marketing of destinations are considered as integrity of strategic, project and operational activities. The article proves the necessity of using the project approach, which enables to convert strategic plan into specific goals and programs of territory development.

Key words

competitiveness, tourism product, tourism organization competitive strategies, tourism enterprises, marketing of destinations, project approach.

1. Introduction

Competitiveness is important economic category, which is considered at different spheres and different levels. Competitiveness in the tourism industry has fundamental differences, related to functions, which tourism industry enterprises perform, to place of their activity, to market size with tourism enterprises being oriented at it, to specific service sphere features, where competitive struggle is of particular tension.

The necessity of creation of competitive tourism product at home market and world markets is indicated in the Concept of development of tourism to

2022 (Розпорядження Кабінету Міністрів ..., 2013), and is regarded as one of the factors ensuring integrated regional development.

Research of competitiveness in the tourism industry is based on a strategic approach and is closely associated with notions of competitiveness of the tourism product, tourism enterprises, marketing of destinations, strategies of competition of tourism enterprises and destinations.

Strategic approach to tourism development should be directly consistent to the project approach, which allows converting strategic plan into specific projects and programs of territory development.

2. The competitiveness of tourism market of Ukraine

The concept of “competitiveness” reflects potential capabilities of subject to function effectively in comparison with other market players in a competitive environment. The competitiveness of the tourism market is considered in three aspects: the competitiveness of the tourism industry, the competitiveness of the tourism enterprises and the competitiveness of tourism product.

A positive feature of the definition that is advisable to consider when interpreting the essential characteristics of the competitiveness of the tourism industry, is the prospect of its provision with using the competitive advantages in components of the system of knowledge, abilities and skills – formation of modern competitive strategy based on competence.

Yu. Mihuschenko (Мірущенко, 2013) understands the competitiveness in the tourism industry as the ability of enterprises involved in the creation and implementation of tourist services, to resist competition in the dynamic changes in the domestic and international markets while effectively using the endogenous competitive advantages of its internal environment and exogenous influence in order to maximize customer satisfaction of tourism products (services) and to make profit.

Evaluation of static or dynamic competitiveness of tourism industry in order to justify priorities and strategic measures of its strengthening needs the development of multilevel technique, which would generalize most used methodical approaches at different levels in the sequence of several stages – preparatory, analytical and resulting. One of the methods of diagnosis of tourism industry development at the national level is to study the internal and external environment using SWOT-analysis. SWOT-analysis of the competitiveness of the tourism market of Ukraine (Фролова, 2015) showed that the future development of tourism in the country should be based on the following components: investment and innovation in the tourism and hotel industry; reorganization of transportation services; training of qualified personnel; normalization of political, economic and legislative climate; informational communication.

Tourism and Travel Competitiveness Index (TTCI), developed by the World Economic Forum (Geneva, Switzerland), assesses the factors and policies that promote the development of tourism sector in one country (The Travel & Tourism ..., 2013). The annual rating research conducted from 2007 to 2009 and from 2010 studies are conducted every two years. Ukraine is included in the study since 2007.

According to the Tourism and Travel Competitiveness Index in 2013, Ukraine was able to improve the global competitiveness of this sector, rising by 2 years to 9 positions in the ranking of 140 countries. Unfortunately, in 2015 Ukraine missed a rating of attractive tourist countries.

Ukraine in the ranking in 2013 has been assessed at 3.98 points out of seven possible and took 76th place in the ranking of 140 countries. This is the highest place that Ukraine occupied during the period of calculation of the Index, however, this result says more about the renovation of the lost positions after the crisis (respectively 78th and 77th place in 2007 and 2008). One of the reasons of low competitiveness of the tourism sector in Ukraine is that it is outside the priority agenda of the Government (126th in the world). The relative size of budget funds allocated for the development of the sector, is not inferior to world leaders (38th), indicating a lack of efficient use of these funds.

Despite the resource provision of Ukraine, unfortunately, it cannot compete with developed tourist states. The only way to solve this problem – is to form a solid, strategically-oriented state policy, whose main task would be really identify tourism as one of the main priorities of the state, to create a strong authority to manage tourism development, to implement proven worldwide economic mechanisms of successful conduct of tourism business and encourage investors to invest in tourism infrastructure in Ukraine.

Today there is a trend of transformation of the international tourism market – the market of manufacturers, it turns into a market of consumers. competition not only between enterprises of the tourism industry, but also between countries and local destinations is exacerbated.

3. The key factors of competitiveness of tourism product

At the standpoint of manufacturer tourism product is a combination of a quantity and quality of products and services predominantly recreational character prepared in the very time for the implementation for specific customers and fixed in tour program.

For consumers, the tourism product (potential demand) – is an abstract product, consisting of benefits, the sources of which are in the nature (climate) in the material (buildings, infrastructure, goods of tourist destination) and immaterial (services, social environment) form which is offered on the market and the potential opportunity for its acquisition and consumption exists.

Combining all of these benefits in one notion is an objective necessity, because the consumer cannot meet their diverse needs in restoring vitality only by one type of tourism goods or services, but only in the complex, and thus in a certain place and a certain atmosphere. Clearly, consumers are interested in the basic conditions of travel, his safety, comfort degree that is realized through the level of completeness and quality of services and goods. The impressions that the consumer gets from expected and seen historical monuments, the beauty of the natural environment, traditions, culture and life of local people, etc. remain the main factor of satisfaction (Мірущенко, 2013).

Considering the content that is embedded in the product concept that is offered and implemented by tourism enterprises and consumed by tourist we may assert that the proposal of tourism product in terms of developed market relations has dual nature, and accordingly, description: economic and marketing.

The totality of travel products from an economic point of view is represented in the international document on Statistics "Tourism Satellite Account" (ART), which is developed by the UN on the position of demand (Tourism Satellite Account ..., 2001). Typical tourism products ART include services of temporary accommodation, drinks and food, passenger transport services, travel agents, tour operators and tourist guide services in the field of culture, recreation and entertainment, and other services (financial and insurance, rental of tourist goods and services).

Characteristics of the tourism product from the marketing point of view can have several approaches. One of them may be based on the classification of the resources represented in the report of the WTO (Сенин, 1999), in which resources are divided into seven specific groups: natural resources; energy wealth; "human factor", which is considered in terms of demographics data, living conditions, habits and preferences of the population in relation to tourism and in terms of data on various aspects of culture; institutional, political, legal and administrative aspects; social aspects, particularly the social structure of the country, popular participation in government, the relationship between working time and leisure time, the presence of paid holidays, traditions and level of education, health and recreation; various goods and services, transport and equipment that form infrastructure of recreation and leisure areas; economic and financial activities.

Therefore, the competitiveness of the tourism product is caused by a synergistic combination of economic and marketing component, in the proportion of price and quality "impression" as integral

characteristics that is defined as its advantage over another product that is similar to destination or its substitute while the potential buyer satisfies his needs. However, keep in mind that for assessing the quality of the tourist product there is no real measurement values.

In this regard there are areas of concern to identify and evaluate the competitiveness of the tourism product:

- how to assess the level of quality and customer value of tourism product;
- how to define an objective basis for tourism product price;
- how to determine the competitive advantages of the tourist product.

Considering that the basis for the competitiveness of the tourism product is the quality of its provision to consumer one should stress the lack of a complete system of standardization activities in the tourism sector. We note that harmonization of standards in tourism is a must according to the signed Agreement on association between Ukraine and the European Union. To fulfill this task in March 2015 an order was issued by the Cabinet of Ministers of Ukraine "On approval of the prepared by the Ministry of Infrastructure Plan on implementing the EU Council Directive of 13 June 1990 90/314 / EEC of organized tourist travels and leisure with a full range of services and comprehensive tour". According to the plan of implementation in June 2015 it was planned to make a list of defined standards to national standards development plan for 2016–2017, and in December 2017 to adopt act on the introduction of the standards that stipulate requirements for travel services provided within countries (Розпорядження Кабінету Міністрів ..., 2015):

- a) services to provide transport service;
- b) services of hotels and other tourist accommodation;
- c) conditions for the organization of tourist services;
- d) requirements for the camps, recreation centers;
- e) services of ecotourism;
- f) tourist and excursions services and language support;
- g) security of life and health of tourists;
- h) informing consumers of tourism services;
- i) services for consumers with limited physical capabilities;
- j) other services.

Implementation the work in a technical regulation area of tourism will ensure the compliance of commitments taken by Ukraine to EU countries, will provide domestic tourist products with European level of quality and will improve the country's image in the international arena.

For an objective assessment of the competitiveness of the tourism product one should use criteria, which consumer operates, first of all, one should determine the range of parameters to be analysis, and is significant from a consumer perspective.

Criteria of competitiveness of tourism product include competitiveness of the product itself and competitiveness of an offer and providing product.

1. The first criterion – competitiveness of products – describe indicators such as assortment, price and quality of the product (Лойко, 2005):

1.1. Assortment – is ordered set of tourism products by a certain characteristics that are a set of products, their species and varieties, grouped according to certain criteria.

1.2. The tourist product price characterizes consumer spending for the purchase of the tour and depend on the price of transportation and distance to the subject of a tourist destination, how many stars the hotel has and location of hotel, sales volume, the currency of payment, the duration and nature of business relations with clients, the firm's image and more.

1.3. Product quality is regarded as its ability to meet the specific needs of prospective customers. The quality of the tourism product involves not only the comfort and convenience of accommodation, food and motor transport service, but also the attractiveness of tourism resources.

2. The second criterion – competitiveness of offers and providing product – characterize the indicators of service mode of the tourist site, the average time of service, environment care, qualification and skills staff (Шахова, 2014):

2.1. The form of service – a way to take order for the tour and its providing to consumers. By individual indicators characterizing the form of services we can include: the availability of direct contact with service, customers' time savings, saving of firm resources.

2.2. Operating mode of tourism enterprises – is astronomical and calendar time at which services are offered. Depending on the specific conditions in one case one use optimally distributed one-shift mode, taking into account consumers' free time, and the in the second case – the extended, two-shift and three shifts working day.

2.3. Time of service – the time from taking to performing the order. Since the implementation of services in tourism enterprises (during the execution of documents, making payments on the tour, etc.), hotels (at the time of check-

in, guests settlement), restaurant industry institutions, trade (during the calculation) the satisfaction of consumers depends at most on implementation of services.

2.4. Environment service, which includes external design, state of maintenance and environment of tourist enterprise and is characterized by indicators that assess the exterior (facade design, the availability of signboard, advertising design stands) and interior enterprises (size, furnishings, maintaining order and cleanliness in reception hall and at personnel workplace).

2.5. Compliance with the requirements to the exterior and staff. Constant communication with customers makes special demands on corporate clothes, physique face, hair, attractiveness, personal care, moves and facial expressions, that everything that can be attributed to the appearance of employees. No less important are staff and relationships with customers, their professional skills and qualifications, mannerisms, way of servicing operations.

Thus the main parameters to assess the quality and customer value of tourism products include indicators that determine the technical, functional and ethical quality of certain services and integrated tourism product and indicators of their public-necessary costs.

Through the use of a differentiated approach to the criteria and parameters of assessing the quality of tourism product grounds for the answers to a number of topical issues, including on achieving the planned level of competitiveness of tourism product as a whole are created; identifying specific parameters that have not been achieved in the process provision of tourist services; singling out those parameters which have the largest difference on the qualitative sample offered or provided tourism services. This approach to determining the degree of approximation to the qualitative standard rate should be a reference model for the future application of the relevant criteria for assessing the quality of services or individual product when determining the appropriate price, i.e. be the main element segment of pricing and competitiveness in the market of high-quality tourist services, and further – image component of the tourism product.

Competitive advantages of the integrated tourism product characteristic "price-quality" must be supported by a system of values that is created as a result of the work of tourism enterprises. Creating a system of values can be considered the defining feature of tourist enterprise in terms of its

competitiveness both on domestic and international tourism market.

Thus, the tourism product as the product is characterized by the consumer cost that is utility or the ability to meet the very recreational needs of specific people. The usefulness of the tourism product is determined by its value to the consumer. Accordingly, the travel company (tour operator) seeks to create a tourism product that would be most valuable to more people.

Competitive power of suppliers in the tourism sector is determined by the possibility and the cost in changing the supplier of components of the tourist product or services (transport, insurance company, excursion organization, accommodation and catering facilities, etc.). Suppliers are able to show market power above the participants in tourism industry threatening by increasing prices or reducing the quality of the products and services provided.

Competitive strength is determined by consumer demand, which they form due to their needs and expectations. Precisely them, in full accordance with certain conditions the travel company must satisfy. If the buyer has information about the supply and demand of tourism products, the actual market prices and alternative products or services, existing competitors, it gives him more opportunities to get a reasonable price compared to others.

Considering the competitive forces discussed above, we can establish that the criteria for determining the competitiveness of the tourism enterprises are competitiveness of products (services). In turn, competitiveness of the tourism product depends on two groups of factors: external those are independent of the company, and internal, which depend on the enterprise (Мищенко, 2013). The external factors may include: the image and reputation of the country; customs policy; state tax policy; the price of goods of services; currency fluctuations; political system. The internal factors: the company's reputation, experience; circle of business partners (hotels and tour operators, insurance and transportation companies); terms of the contract for travel services; the reliability of the company to provide services that are included in the tourism product on time and in full; the possibility of acquiring a loan tourism product; the level of complexity and individuality of tourism product; channel strategy and sales.

4. Competitive strategies of tourism enterprises

The competitiveness of tourism enterprises – a general characteristic of viability, due to the efficiency

of use of available resources, the ability to provide attractive on price and non-price characteristics of tourist services, the ability to adapt to dynamic changes in the competitive environment (Гаврилюк, 2006).

The competitiveness of tourism enterprise can be assessed by comparing the most important criteria, summarizing the results of the company in terms of establishing a system of values, namely:

- indicators of competitiveness of comprehensive tourism product;
- share of the enterprise on the tourism market and its dynamics;
- stable position on the market;
- the size of a functioning capital and return on equity that characterize the financial capabilities of the company and effectiveness of capital using;
- qualification of personnel structure and stability of the company;
- HR organizational structure.

The analysis of competitors and the development of specific actions against main rivals often do more good than real growth in this market segment. Knowing the strengths and weaknesses of competitors, we can estimate their potential, objectives, present and future strategy. This will allow the company to expand its own advantages in the competition (Фатхундинов, 2000). Accordingly, development of the strategy – is also an element of competition.

Competitive strategy – is a way to get sustainable competitive advantage in each strategic business area of enterprise by competitive struggle, meet the diverse and changing needs of customers better than competitors do. In the activities of tourism enterprises different competitive strategies based on certain conditions are used: the presence of competitive advantages, the type of competition in the market, the nature of demand for tourist services, the size of the market share, the nature of tourist services, the level of expenses; price range and quality of products, the costs of innovation. Use of competitive strategy relevant to certain conjunctual conditions is one of the measures of sustainable business position in changing market conditions.

The effectiveness of competitive strategy depends on the level of competitiveness of the enterprise. Considering that the competition strategy is primarily focused on the formation of its own market space, inaccessible to most competitors, the main task of enterprise is to use effectively competitive advantages to create a new (additional) consumer value. To achieve this goal a competitive strategy should be developed for a particular method that will ensure accountability and controllability of internal competitive factors: information, resource,

financial, technical and technological, marketing, organizational and structural. The combination of these factors is a component of the internal functional areas of creating competitive advantages.

The development of competitive strategies is a key element of strategic planning of development and activities of tourism enterprise in unpredictable changes in external and internal environment.

The application of strategic management technologies creates opportunities for sustainable development of tourism industry businesses, improvement their activities, preservation and development of competitive advantages in the long term in a dynamic development of tourism field. Traditionally it is decided to consider four basic competitive strategies: cost leadership, differentiation, focus (Porter, 2005) and early market entry.

The strategy of leadership in costs, which requires advantages by setting lower than the competition, the level of prices due to minimization of costs through mass production of standardized services, suggests that consumer bases his choice on the basis of price, which leads to the random nature of demand and the inability to attract tourists who spend a lot. Currently, a similar approach (based essentially on Ford models of production) in the developed countries in regard to tourism is regarded as hopeless as its implementation is contrary to trends in demand towards individualization (Евдокимов, 2008).

The advantage in cost, based on mass production and consumption, suggests unlimited extension of production capacity, which is unacceptable in the tourism industry. Combined with the seasonality of tourism this determines the instability of the industry, generates demand peaks that create an excessive burden on destinations and deplete its natural and sociocultural resources.

In modern terms a priority for the tourism industry of developed in tourism way countries becomes differentiation strategy is based on achieving competitive advantage through unique, specificity of created tourism product and provides no focus on the power flow but the quality of the product.

As a means of differentiation tourist services may be considered: expanding the range of services provided; an individual approach to customers; improve service; offer specific services.

Today many organizations of the tourism industry in Ukraine insufficiently appreciate promising strategy of differentiation, the system of measures to ensure the highest level of quality is implemented not fully. A lot of what this situation is caused by unsatisfactory state of tourism infrastructure, including underdeveloped transport infrastructure, worn but very expensive hotel fund for consumers and the

poor quality of service. The deficit in most regions of Ukraine qualitative hotel funds is one of the most urgent problems of the industry.

The focus strategy involves concentration on a small target group of consumers, a special orientation of the company specializing in serving certain preferred market segments, providing an exceptional level of service. The examples of realization of focus strategy in the hotel industry can serve as mini-hotels, congress-hotels, hostels, motels, spa hotels, etc., focused on placing of certain categories of customers. In Ukraine, the benefits of using a focus strategy are not fully implemented. It is necessary for further development of specialized types of tourism (religious, cruise, cutter and yacht and others) and expanding the network of specific accommodation facilities (such as hostels, motels, congress-hotels).

The strategy of early market entry (pioneer) suggests a tour operator or travel agent to offer a radically new tour, providing some original hotel services, opening new unusual destinations or innovative trends in tourism. For enterprises of the domestic tourism industry initiatives of developing innovative products and use the same pioneering strategies are not widespread. The offers of traditional options of tourist services prevail. This is a prime example of Odessa – event tourism – yumorina, film festival, jazz festival, gastronomic festival, festival tourism, etc. However, for the bringing the new products to the market requires substantial support of regional and local authorities, product development within the inter-regional programs, the main objectives of which is to increase entry tourist flow and leveling of seasonality by increasing interest in the Ukrainian destinations as a whole under further development cultural and educational tourism.

Thus, within the strategic management of domestic enterprises of the tourism industry the priority options of strategic development should be focusing on the issues of quality of service within a comprehensive transition to a strategy of differentiation, providing strategic advantages through greater use of certain areas of the focus strategy and also the offer of innovative travel programs as an option of effective realization of pioneer strategy. Thus, for the effective implementation of these policies the support of all levels of government is necessary, involving improvement of the legal and regulatory framework governing the various areas of tourism and comprehensive development of tourism infrastructure, which requires, in turn, significant investments.

The situation in the tourism market is adjustable in three ways: to initiate changes in demand via the formation of corresponding proposals; to change

the size and structure of commodity offer due to changes in rates and structure of demand; to affect simultaneously supply and demand in the tourism market to achieve goals.

Business activity of tourism enterprises is focused on meeting market demand. For this purpose one solves the problem of finding target markets, development of products with new consumer properties by their market positioning. In conditions of growing competition, increasing demand both in international and domestic tourism products, increasing consumer demands to filling, diversity and quality of tourism services the development of scientifically based marketing strategy is becoming increasingly important for tourism activity subjects.

The marketing strategy is the basis of tourism enterprise market activities. It helps to optimize its internal environment and provides advantages in competition, achieved by providing the range of products (services), which more fully meet customers' high level of service and guise of psychology and behaviour of consumer through the use of motifs belonging, mode of expression, preferences and knowledge (Кулешова, 2007).

Stable functioning of tourism enterprise in the market is determined not so much by its size, price, quality or breadth of the range of services but by the advantage of the set of these indicators compared to other companies that provide similar services. It acts as an indicator of competitiveness of an enterprise choice of marketing strategy for its development in the tourist market. In addition, the very selected development marketing strategy by the tourism enterprise determines its positioning in the competitive environment in the services market.

5. The marketing of tourism destination

Considering the competitiveness of the regional tourism product, special attention should be paid to the marketing of tourist areas. Marketing of tourist areas is very specific because it is determined, first, the nature of the tourism product, and secondly, the peculiarities of each tourism region. In its turn the development level of tourism in the region depends on the development of the region and the state as a whole. Tourism in relation to the regional development performs marketing functions as it helps to identify, to maximize and to meet the demand for regional products.

Ph. Kotler, K. Asplund, I. Rein, D. Haider first drew attention to tourism, when gave a definition of marketing areas as entrepreneurial activities undertaken to create, maintain or change relationships and / or

behavior relating to specific places. In his four aspect marketing model of areas he especially identifies a particular concept of marketing – marketing of resting places that aims at attracting visitors and tourists to the resorts in the cities and countries (Kotler et al., 2007). Through the introduction of the marketing ideas into the tourist activity, its destination has become the concept, having formed the direction of activity – marketing of destinations in the following aspects: definition, formation and forecasting destinations; analysis of the behavior and motives of consumers in various tourist destinations; assessment of destinations attractiveness for investors, public and tourists; promotion destinations (Зорин, 2009).

The ability prevail in the tourism space by assigning scarce of tourist benefits – is the basis of competitive of destinations. Competition between destinations is on the tourist flows, which requires investments that provide competitive advantage to destinations in increasing accessibility. Big tourism companies consider accessibility of destinations as one of the most important components of the struggle for the consumer market and its competitive advantage. Investing in accessibility now provides serious benefits. For this purpose, principles and methods of market segmentation, aimed at identifying potential consumer groups of specific tourism product are used. Increasing importance in the struggle for accessibility acquires logistics – planning, monitoring and control of operations carried out in the process of the tour, delivering travelers to destinations with minimal costs for the fullest satisfaction of individual needs of tourists. Many travel companies are considering their competence in logistics as a key strategic resource to support the Life-cycle destinations.

Another factor for the competition of destinations for physical space acts habitus, which is understood as a place of comfortable life, cultural communication and social capitalization. Habitus – is a beginning that generates, unifies and brings their internal and relational characteristics of any position in a single lifestyle, a single ensemble of choosing of people, goods and practices (Bourdieu, 1994). As a result one and the same destination or the same benefit of the destination may seem subtle for one, ambitious or “bizarre” for other and vulgar to third.

Due to the fact that tourists cannot meet their recreational needs outside and independent of destinations (which are necessary conditions and prerequisites of tourism itself), tourists as social agents can operate only “inside” the existing destinations and, thus, only reproduce or transform them.

Hence, marketing of destinations – are activities aimed at creating the best conditions to meet

the recreational needs of tourists, changing not only their motivation, but the entire system of spiritual guidance and human values.

At the core of management system of competitiveness of tourist destination – is a qualitative tourism product (Тарасенюк, 2010), which is the main target task of functioning of management system of competitiveness of tourism destinations and all management decisions must be evaluated in terms of their impact on this indicator.

It is important to understand that the whole tourism resources are not a product of tourist destinations. The product has to represent a complete set attractive for target segment of tourists. All the elements of the product must meet the actual state of tourist demand. It is fundamentally important that the composition of the main tourism product in its quality and quantity was sufficient to attract tourists.

Marketing approach to destination involves the development of an integrated product destination, which will be offered to the tourist as a whole. All the elements of the product of destination must match the needs of each other and target segment. When the destination has several target segments that are fundamentally different in their motives, demands and expectations of tourists, it is necessary to develop a product for each of them. Thus, the basis of destination marketing is the creation and development of demanded competitive destination product.

Destination marketing strategy – is part of a larger strategy of tourism development in the region, including infrastructure development, optimization legislation, the distribution of financial flows, attracting investment and so on. Marketing strategy identifies – who are potential consumers of that product and what characteristics (properties) will be most demanded by tourists, what the destination has to develop this product, how will the product of destination promote to market. Destination marketing strategy should be built depending on the selected priority types of tourism activities provided with personnel, infrastructure facilities, formed tourist product.

However, the strategy itself does not guarantee development and success of destinations. To obtain the expected results the activities of management and marketing of destinations should be considered as integrity of strategic, project and operational activities. Such integrity should be reflected in the structure of the strategy itself: developed action plan to achieve the mission must be brought to the level of alternative projects. Description of projects, in turn, should give an idea of what values will the consumers of tourist destination products get

during the realization of strategy by taking an active part in this.

5. Project approach to provision of competitiveness of tourism product

Reorientation of domestic tourist flows from the Crimea to the resorts of Greece, Bulgaria, Turkey, UAE and foreign flows to Asian and African countries require quick action to ensure the attractiveness of domestic tourist product, which should be small projects focused on short-term travel and high quality tourist service by reasonable prices for Ukrainian tourists and interesting tourist routes and tours are not yet known to foreign tourists places. Therefore, the basis for the formation and implementation of strategies providing the competitiveness of the national / regional tourism product should be the project approach with tools of cognitive marketing, based on the prevention of the occurrence of consumers' needs on the quality of tourist services, innovative tourism products and their components, new routes and different forms of meeting the tourist demand.

Considering the lack of targeted planning of tourism in Ukraine and in the majority of its regions, fragmentation, vagueness, time uncertainty of the proposed measures of realization of Strategy of Tourism and Resorts development, the turbulence of the environment, it is reasonable to use the project approach, built on the integration of management functions and project structuring processes aimed at the effective achievement of its objectives through the use of modern methods and ways, techniques and technology management to get the planned project results on the composition and scope of work, cost, time, quality and satisfaction of participants.

Designing – is a special kind of management technology based on project approach. The basis of the project approach is the project view as a controlled change of initial state of any system (e.g., state, region, organization or company) related to the time and money expenses. Investigation of process and regulation changes, implemented in advance by developed rules within the budget and time constraints, are the essence of project management. Under the project we understand the of complex structured logically interrelated tasks and measures ordered in-time, aimed at solving the most important problems of the state development, some sectors of the economy, administrative and territorial units or local communities, organizations and institutions and are carried out in terms of financial

and other resource constraints in due time. Thus in conditions of limited time and resources unique products or services that were not developed earlier and different from existing analogues are created.

Designing is carried out by appropriate management technique. Potential possibilities of project approach allow: to imagine the ideal model of functioning and development of a particular object; to describe the actual and future challenges in respect of the object; to identify mechanisms to achieve the objectives and their relationship; to project a new image and structure of the researched phenomenon through appropriate programs; to compare ideally constructed samples of the object with the forms and stages of its real function.

Development of a new tourism product needs its design.

Tourism or tourism and recreational designing – is a project activity in tourism and recreation sphere. From the basic definition of “design” we can understand its multifunctionality relatively to tourist-recreational activities: (1) it can refer to specific objects (such as tourist base); (2) may be associated with the formation of a specific prototype state – development of concept, program, tourism development strategy in a particular area; (3) can be oriented to the development of a specific tourism product (or service). Thus, tourist and recreational designing can be viewed at three levels: designing of tourism industry; designing of tourism products; designing of destination development (tourist and recreational complex) or the tourism industry as a whole in a particular area.

Tourism designing – is a combination of types of creative and innovative activity, during which tourism project appears – materialized or intangible result, which shows signs of novelty and created specifically for the needs of tourism industry development, optimization of enterprises tourism activities, meeting the demand of consumers of tourism services.

Tourism designing has certain characteristics: limited terms of designing and construction of specific projects; the novelty of the product (service); sequence of stages, development and implementation of the project. Tourism project should be based on a reasonable balance between timing and budget to create a unique product, which delivering to the consumer is the purpose of the project. Creating a unique product (service) is possible only by providing the effective use of tourist and recreational potential of the territory, taking into account formed and potential needs of the population in tourist and recreational activities, willingness of stakeholders to develop tourism in a particular area.

Bases of designing of tourist activities is the use of an integrated set of management methods and tools of influence on project participants through the development of personal responsibility for the safety and quality of services to be offered. Therefore, the methodology of project management in tourism aimed at meeting the needs of tourists while traveling through the initiation and implementation of projects in the destination, which is based on a set of methods to influence the management of each individual project to provide systematic unity of their portfolio. High dependence on influence of environment and the large proportion of innovation in tourism designing require specific management techniques such as dynamic programming, systems analysis, probability theory, queuing theory, and others. It should be noted that the methodology of the project approach in tourism at all levels of the economic systems is State Standard of Ukraine (SSU) ISO 10006 are: 2005 “Quality Management Systems. Guidelines for quality management in projects” (ДСТУ ISO 10006:2005 ..., 2005), as requirements for all groups of project management processes are described in this standard.

It is appropriate to note that the project-oriented management is used when we clearly define: project objectives and the end result; allocated or available resources; timeframe and constraints. Project-oriented management is characterized by a clear focus on the goal achieving – the creation of “project product”. Project-oriented management is seen as a new “flexible” method, which provides interconnection of creative efforts with the overall tasks of managers. Its essence is to develop management objectives, identify problems requiring study and effective solution, develop program or strategic plan for solving the problems, removing obstacles to the achievement of the goals (Безверхнюк, 2014).

Successful implementation of the strategic goals of tourism and recreation industry development requires not only significant financial cost, but also well-organized control work progress at all stages, which depends on the skills, experience and personal abilities of managers. Professional use of tools, methods and techniques of project management will allow tourism business subjects to ensure the effectiveness of project activities, reduce costs and perform the project in due time.

Project approach differs from traditional approaches to management by the following methodological features and tool capabilities: a clear focus on product / result (financial resources sent not to the region or the industry in general but to the specific project); innovativeness (new quality product is funded – its social value); state support and social

orientation; a high level of structural and functional coordination of all project participants because of their focus on the overall result; organized and well-planned monitoring of the project progress; the creation of a common informative space; rigid system of responsibility for the proper use of funds; multi-channel financing model and so on.

We know project lifecycle is in the basis of project approach, which is determined by the sequence of phases through which the project passes throughout its existence: conceptualization, development, implementation, closure. Since the projects are implemented in the destinations in tourism activities, so it is important to take into account the stage of the project lifecycle of destinations when developing the project.

At the initiation of the project at destination during ascent stage should be considered weak development of tourism, which is characterized by poor quality of tourist services, low prices, the initial formation of tourist image and low tourist traffic to destinations requiring a more detailed comprehensive project analysis, financial feasibility study, planning and structuring project.

Extensive stage of destination lifecycle is characterized by expansion of the use of tourism resources, the gradual development of tourism infrastructure, increasing domestic and foreign tourist flow by maintaining low prices for tourist product and requires a large number of quality projects aimed at expanding and improving infrastructure to create an attractive image of territory. For example, the destination "Ukrainian Venice" (m. Vylkove) "Kobleva" (Mykolaiv region), "Zatoka" (Odesa region) and others.

Destinations of intensive stage of development need projects to increase the quality of tourist services, to improve facilities for the provision of tourism services, which is caused by the ongoing development of tourism infrastructure, increasing of tourism product prices, increasing domestic and foreign investment. Examples of such destinations in Ukraine can serve Lviv, Truskavets resort, resort "Bukovel", Odesa, Kyiv etc.

The cosmopolitan stage of destinations development involves the conceptualization and implementation of high-cost, well-planned, qualificationally provided, integrated high-quality projects aimed at getting the multiplier effect of tourism and aimed only at the wealthy, both domestic and foreign tourists. Unfortunately, Ukraine does not have these destinations yet.

In our opinion, the initiation of projects should be precisely in destinations with the support of local government and cooperation with scientific, project

organizations, since knowledge of features of territory, tourists' requirements on the material and technical base and the quality of tourist services, additional services require not only the definition of the problem, but forming the concept of the project, the comprehensive analysis, financial and economic justification, planning and structuring, using modern computer programs to control the project, integrated with project management systems into a single information system by the private, public and foreign investment. Considering these features of the project management accordingly to the life cycle stage of destinations will effectively initiate, implement and complete projects, and for the tourism sector in Ukraine – systematically develop.

Thus, the project approach as the convergence of traditional and innovative methods and technologies forms a basic platform for the adoption and implementation of effective management decisions. Most importantly, the project approach involves the use of modern information technology planning (MS Project, Oracle Primavera; Turbo Project, Spider Project, Clarizen etc.) and tools of monitoring that adapt depending on the structural characteristics of the planning processes, types and spatial-temporal conditions of realization of projects of tourism development within the existing and new programs as mid-term and strategic nature.

Strategic approach should be consistent directly to the project approach. So no matter how well the strategy of development of one or another region has been discharged if it is not backed up by specific projects, it can remain on paper. The project approach precisely makes it possible to convert the strategic plan into specific projects and programs of development of a territory. The combination of strategic and project approach makes it possible to form a strategic project portfolio. It is necessary to define the strategic pyramid: which projects of a certain region primarily need support and finance.

The strategic orientation of tourism designing requires its regulation at the state and regional levels through the adoption of targeted programs of tourism development that will ensure the socio-economic efficiency of tourism and increase tourist attractiveness of Ukraine in the global tourism market. It should be noted that the development of tourism at the macroeconomic level, based on the detection of its regularities, trends, social, scientific and technical process requires the coordination of all sectors of the economy related to tourism. This relation will ensure the integration of efforts of the government and business to create a perfect tourist infrastructure based project approach. Application of project approach at macro level aimed at creating

opportunities for searching and definition of attractively investment projects in the regions, on the one hand and their implementation through the use of social initiatives, tenders, competitions, creation of clusters, marketing research, on the other. This approach allows you to create an integrated set of innovative projects for comprehensive tourism development of each region through the use of local creative intelligence, able to implement developed and economically sound projects.

6. Summary

Analysis of the main components of the tourism competitiveness of Ukraine has shown that, despite the availability of resource, our country, unfortunately, cannot compete with developed tourist countries. The only way to solve this problem – is to form a solid, strategically-oriented state policy, whose main task would be really identify tourism as one of the main priorities of the state, to create a strong authority to manage tourism development, to implement proven worldwide economic mechanisms of successful conducting of tourism business and to encourage investors to invest in tourism infrastructure in Ukraine.

Competitiveness in tourism along with such characteristics as quality of tourism product, investment attraction, social and economic potential is a complex concept. This means that its quantitative assessment provides the previous formation of set of different groups of indicators, determining their importance in integrated assessment or rating. Techniques for assessing the competitiveness in tourism are now the most developed and popular at the macro level. Evaluation of competitiveness in tourism at the micro level involves the selection and analysis of two major facilities – tourism product and tourism enterprises.

The competitiveness of the tourism product is caused by a synergistic combination of economic and marketing component, in the proportion of price and quality “impression” as integral characteristics that is defined as its advantage over another product that is similar to destination or its substitute while the potential buyer satisfies his needs. However, keep in mind that for assessing the quality of the tourist product there is no real measurement values. For objective evaluation one should use the criteria, which operates a consumer and which are essential in his view – the competitiveness of the product itself and competitiveness of an offer and provision of product.

The competitiveness of tourism enterprise can be assessed by comparing the most important criteria, summarizing the results of the company in terms of establishing a system of values. In the activities of tourism enterprises different competitive strategies based on certain conditions are used: the presence of competitive advantages, the type of competition in the market, the nature of demand for tourist services, the size of the market share, the nature of tourist services, the level of expenses; price range and quality of products, the costs of innovation. Use of competitive strategy relevant to certain conjunctural conditions is one of the measures of sustainable business position in changing market conditions.

Developing the competitiveness of the regional tourism product, special attention should be paid to marketing destinations. Marketing approach to destination involves the development of an integrated product destination, which will be offered to the tourist as a whole. All the elements of the product of destination must match the needs of each other and target segment. When the destination has several target segments that are fundamentally different in their motives, demands and expectations of tourists, it is necessary to develop a product for each of them. Thus, the basis of destination marketing is the creation and development of demanded competitive destination product. To obtain the expected results the activities of management and marketing of destinations should be considered as integrity of strategic, project and operational activities. Such integrity should be reflected in the structure of the strategy itself: developed action plan to achieve the mission must be brought to the level of alternative projects. Description of projects, in turn, should give an idea of what values will the consumers of tourist destination products get during the realization of strategy by taking an active part in this.

Strategic approach should be consistent directly to the project approach. So no matter how well the strategy of development of one or another region has been discharged if it is not backed up by specific projects, it can remain on paper. The project approach precisely makes it possible to convert the strategic plan into specific projects and programs of development of a territory. The combination of strategic and project approach makes it possible to form a strategic project portfolio. It is necessary to define the strategic pyramid: which projects of a certain region primarily need support and finance.

Considering the lack of targeted planning of tourism in Ukraine and in the majority of its regions, fragmentation, vagueness, time uncertainty of the proposed measures of realization of Strategy of Tourism and Resorts development, the turbulence

of the environment, it is reasonable to use the project approach, built on the integration of management functions and project structuring processes aimed at the effective achievement of its objectives through the use of modern methods and ways, techniques and technology management to get the planned project results on the composition and scope of work, cost, time, quality and satisfaction of participants.

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