

# *Competitive positions of the Republic of Crimea in the market of recreational services of the Southern Federal District*

Irina Yakovenko

Taurida Academy  
V.I. Vernadsky Crimean Federal University  
Faculty of geography, geocology and tourism  
Simferopol, Russia  
[yakovenko-tnu@yandex.ru](mailto:yakovenko-tnu@yandex.ru)

Nataliya Strachkova

Taurida Academy  
V.I. Vernadsky Crimean Federal University  
Faculty of geography, geocology and tourism  
Simferopol, Russia  
[natastrachkova@mail.ru](mailto:natastrachkova@mail.ru)

**Abstract** — Modern geopolitical conditions of the Republic of Crimea cause scientific interest in the mechanism and results of adaptation of the regional market structures to new economic conditions, in particular the market of recreational services, the synergetic effect of which can be an incentive for the development of the economy of the region in the context of the sustainable development strategy. The aim of the study is to assess the competitive positions of the subjects of the Southern Federal district as the region of the greatest tourist and recreational activity in the Russian Federation with the identification of the strengths and weaknesses of the regional tourism product of the Republic of Crimea and the formulating ways of its optimization. The method of scoring was used to assess the competitiveness of the regions; the polygons of competitiveness were constructed to visualize the results of the evaluation. It was found that the Republic of Crimea has the most stable position in the group of physical and geographical parameters, having a comfortable climate for various types of recreational activities, favorable conditions for the organization of bathing and beach recreation, high attractiveness of landscapes of mountain and coastal areas. According to the group of socio-economic parameters the Republic of Crimea is significantly inferior to the Krasnodar region and Rostov region. The low standard of living in the region, low efficiency of regional social reproduction worsen the competitive position, that affects the functioning of related industries of the recreational market and the formation of the overall investment climate in the region. According to the group of indicators of the functioning of the tourist and recreational sphere, the Republic of Crimea is second only to the Krasnodar territory, but in almost all respects. The directions of strengthening the competitive position of the regional tourism product of the Republic of Crimea should be the improvement of tourism infrastructure, diversification of types and forms of tourist and recreational services, taking into account the availability of non-actualized resources on the basis of innovation and investment market model of development.

**Keywords** — *competitiveness of the region, market of recreational services, the Southern Federal district, the Republic of Crimea*

## I. INTRODUCTION

The entry of the Republic of Crimea and Sevastopol into the Russian Federation in 2014 and the change in the external geopolitical and socio-economic environment set the strategic task of integrating the region into the system of domestic Russian tourism, as well as caused an objective need to reassess the competitive position of the market of recreational services of the Southern Federal district, taking into account the inclusion of new subjects.

Competition in the tourist market is a well-studied area of research, which has an extensive bibliography. Considerable attention is paid to the concept of the competitive environment of the tourist market and the factors of regional competitiveness [1, 2, 3, 4], analysis of the properties of the market of perfect and imperfect competition in tourism [5], management of the competitiveness of the tourism market at various levels [6]. The competitiveness of the subject of the market mechanism consists of a number of advantages arising from the implementation of a number of competition functions, including: regulatory (impact on matching supply to demand), allocation (placing factors of production in places where their application will provide the greatest return), innovation (stimulating the use of innovations), adaptation (adaptation to the conditions of the external and internal environment) and some others. With regard to this study, a more important concept is "competitiveness of the region", which is interpreted broadly: as the presence and realization of the competitive regional potential, that is, the possibility of participation of the region in competitive relations [7], as the ability to provide a high level and quality of life, the ability to realize the existing economic potential for sustainable growth of the region's economy, as the ability to identify, create, use competitive advantages [8].

Taking into account the existing theoretical, conceptual and methodological approaches to the study of competitiveness in tourism [9, 10, 11], we understand the competitiveness of the recreational region as the real and potential ability of the

region to compete with other regions in solving the problems of formation and retention of tourist flow, improving the situation on the regional (national) market of tourist services and improving the overall level of socio-economic development and living standards of the population of the region.

The aim of the study is to analyze the competitive position of the Republic of Crimea in the market of tourist and recreational services of the Southern Federal district in modern conditions of functioning. The main objectives of the study are to assess the competitive opportunities of the Republic of Crimea in the system of competitive relations of the regions of the Southern Federal district, to identify the strengths and weaknesses of the region, as well as opportunities for interregional integration cooperation to improve the functioning of the recreational complex of Southern Russia.

## II. MATERIALS AND METHODS (MODEL)

To assess the competitiveness, a point method (on a 10-point scale) was used, based on a comparison of regional values with the average indicators and indicators characterizing the regions-analogues. This method was previously tested in the study of competitive positions in the domestic tourist market of the Crimea [12]. Administrative units within the Southern Federal district were chosen as analogous to the Republic of Crimea.

In the group of physical and geographical parameters, the following indicators were estimated: average air temperature from May to October (°C); average relative air humidity from May to October (%); average wind speed from May to October (m/s); duration of sunshine (hours per year); number of cloudy and rainy days between May and October (number of days); landscape diversity (including indicators of the degree of dissection of relief, forest cover and saturation of edge effects); length of the coastline (km); share of protected areas in the total area of the region (%). Medical and biological assessment was based on the definition of the possibilities of the main types of recreational activities and their limitations and was based on the methodology of classification of weather comfort V. I. Rusanov [13].

In the assessment of socio-economic parameters of the development of the tourism sector were included indicators characterizing the features of economic activity of the district (gross regional product per capita (RUB), turnover of retail trade and catering (RUB million), the volume of paid services to the population (RUB million) investment in fixed capital (RUB million), the degree of total depreciation of fixed assets (%), passenger traffic of public vehicles (million pass-km). Also evaluate the indicators characterizing the level and quality of life of the population (the share of employment in the total population (%), unemployment rate (%), consumer price index (%), per capita cash income per month (RUB), consumer spending per capita per month (RUB), the number of students enrolled in bachelor's, specialist's and master's programs (thousand people), ethnic diversity of the population (%), the proportion of roads with hard surface (%), as well as the number of registered crimes per 100 thousand people.

Among the parameters of the development of tourist and recreational sphere of the region the following indicators were attracted: the volume of paid services in the tourism sector (billion rubles), the amount of tax payments of tourism organizations (billion rubles), the region's share in the financing of regional tourism development programs (%), the number of investment projects in the tourism sector, the level of development of regional legislation in the tourism sector, the volume of tourist flow (thousand people), the number of collective accommodation facilities, the capacity of the collective accommodation facilities (places), the area of rooms (thousand square meters), the number of employed in collective accommodation facilities (people), the number of employed in the tourism sector (people), the number of foreign citizens and citizens of the Russian Federation placed in collective accommodation facilities (thousand people).

In order to visualize the evaluation results, the competitiveness polygons were constructed.

The analysis of indicators of tourist activity in the region was carried out using the data of the Federal state statistics service for the Southern Federal district and its subjects, as well as the relevant ministries of the district subjects.

## III. RESULTS AND DISCUSSION

The Southern Federal district was formed in 2000 as a part of 6 subjects – the Republic of Adygea, the Republic of Kalmykia, Krasnodar Krai, Astrakhan, Volgograd and Rostov regions. In accordance with the decree of the President of the Russian Federation of July 28, 2016 № 375 "About the Southern Federal district", it included the Republic of Crimea and Sevastopol as independent subjects. The Southern Federal district occupies 2.6% of the territory of Russia, it accounts for 11.2% of the population.

In the market of recreational services of the Russian Federation, the Southern Federal district stands out for its powerful natural and climatic, historical and socio-cultural potential, wealth, diversity and attractiveness of recreational resources, which form the conditions for the development of the sanatorium and tourist sphere as a priority direction of the economic activity.

In 2017, the tourist and recreational areas of the Southern Federal district served more than 25.5 million tourists, which accounted for 47.5% of the total inbound and outbound flow of the country [14]. According to the Monitoring of the tourism development Strategy in the Russian Federation until 2020 for 2017, the Southern Federal district ranks second in the structure of the domestic tourist and excursion flow of the Russian Federation, taking more than 16.2%. The Southern Federal district is the leader in the number and capacity of collective accommodation facilities, concentrating 30.8% of their total number, including 7.6 thousand hotels and 1.9 thousand specialized accommodation facilities [15]. At the same time, characteristic features are the uneven distribution of recreational potential and the gap in intensity and efficiency of recreational activity between subjects of the district.

The assessment of the district subjects by the group of physical and geographical parameters revealed certain regional differences. The most comfortable natural conditions for recreation have developed in the Republic of Crimea (8.44 points out of 10 possible) (Fig. 1).

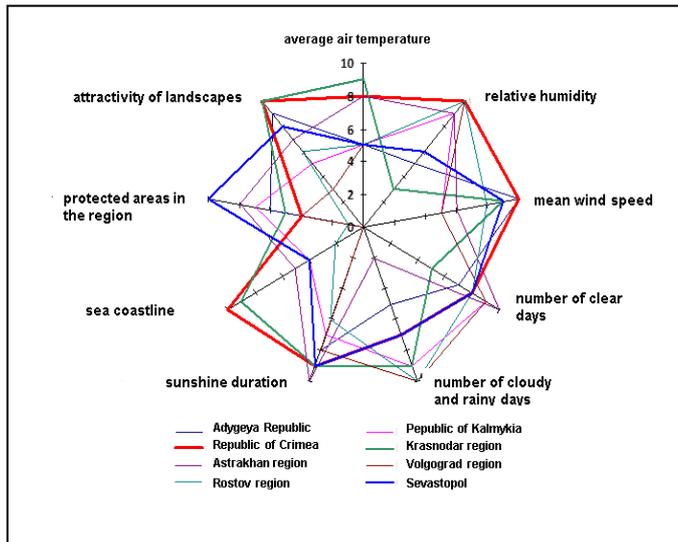


Fig. 1. Competitive positions of the Republic of Crimea on the group of physical and geographical parameters, points.

The region has a favorable combination of temperature and relative humidity and wind conditions (the average wind speed in the period from May to October is the lowest in the region – 2.4 m/s), a significant number of clear days for the period of active recreational activities, as well as the largest length of the coastline (2500 km) and high attractiveness of landscapes of mountain and coastal areas. The closest competitors of the Republic of Crimea are the Krasnodar region (7.89 points), whose competitive position is worsened by high relative humidity in combination with high temperatures during the greatest recreational activity, a relatively small number of clear days (60 days in the period from May to October) and a low proportion of protected natural areas in the total area of the region (more than 10%). The city of Sevastopol has similar to the Republic of Crimea indicators of evaluation parameters (7.33 points). It should be noted that the city of Sevastopol on the share of the total area of protected areas of all levels and categories of the area of the region currently ranks first among all subjects of the Russian Federation, with an indicator of 30.41% [16]. Estimated positions of other subjects of the southern Federal district were distributed in the range of 6-7 points that testifies to rather comfortable conditions of carrying out rest in the region as a whole, thus in a little worse situation there were the Volgograd region and the Republic of Adygea which do not have possibility of the organization of seaside types of recreation.

The assessment of subjects of the Southern Federal district on group of social and geographical parameters revealed more expressed level of differentiation of regions. The results of the assessment identified three main groups of regions:

- Regions with a high level of competitiveness in socio-economic parameters (average score over 7). These

include the Republic of Crimea (7.1 points), Rostov region (7.5 points) and Krasnodar region (8.7 points) (Fig. 2). According to Rosstat's information, Krasnodar region and Rostov region have the best indicators of commercial activity, having a major impact on the formation of the growth rate of industrial production of the district and occupying a leading position in the production of agricultural products per capita [16]. They account for about 70% of the total turnover of the district organizations, due to the scale of the resource potential and the capacity of economies. At the same time, factors that reduce the competitive position of the Krasnodar region and the Rostov region are a relatively high crime rate, as well as a homogeneous ethnically structure of the population (the share of Russians is about 88.3%). The Republic of Crimea is inferior to these regions in almost all indicators, except for the lowest value of the consumer price index (101.4%), and the high ethnic diversity of the population. The Republic of Crimea is comparable with other regions-outside of the district by the group of social indicators – the size of the population's income and the level of consumer spending.

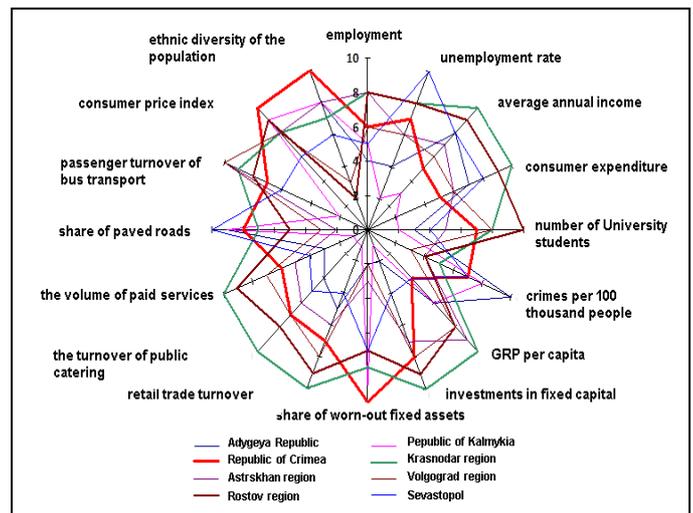


Fig. 2. Competitive positions of the Republic of Crimea on the group of socio-economic parameters, points.

- Regions with an average level of competitiveness in the group of socio-economic parameters (from 5.5 to 7 points). This group includes Astrakhan region (6.25 points), Volgograd region (6.1 points) and Sevastopol (6.1 points).
- Regions with a low level of competitiveness in the group of socio-economic parameters (less than 5.5 points). These are the Republic of Adygea (5.3 points) and the Republic of Kalmykia (3.8 points), which have high unemployment rates, the lowest investment activity, the lowest volume of paid services to the population, etc.

The comparative assessment of the Southern Federal district regions by the group of parameters of development of

the tourist and recreational sphere revealed the most significant differentiation in the level of efficiency of tourist and recreational activities. According to the Monitoring of the Strategy of tourism development in the Russian Federation until 2020, in the ranking of the distribution of subjects of the Russian Federation in terms of internal tourist flow in 2017, the Krasnodar region was the leader, which, together with Moscow, was included in the first group of subjects characterized by an annual volume of 15-17 million tourists trips and providing 38.9% of the total volume of tourist flow. The Republic of Crimea leads the second group with an annual volume of domestic tourist flow of 2.01 – 6.00 million trips. In the rating of the distribution of subjects of the Russian Federation by the volume of excursion flow, the leader in the Southern Federal district is Sevastopol, as well as Volgograd, Rostov, Arkhangelsk regions, which are in the third group with an annual volume of the excursion flow of 1.01 – 2.00 million trips. The Republic of Kalmykia (88.6 thousand trips per year) should be noted among the least popular regions of the Southern Federal district for tourists and excursionists.

The evaluation results showed that the nearest competitor of the Republic of Crimea (7.9 points) in the tourism and recreational sector is the Krasnodar region (9.7 points), leading in almost all indicators of the evaluation group (Fig. 3).

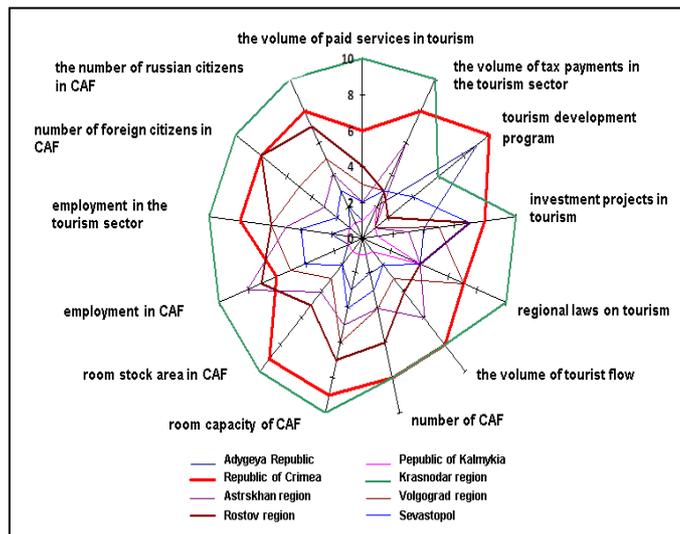


Fig. 3. Competitive positions of the Republic of Crimea on the group of parameters of development of tourist and recreational sphere, points.

The contribution of tourism to the formation of GRP in these regions is 5.3% and 3.8%, respectively, and is sufficiently stable. The concentration of the main beach resources in these regions determines their leadership in the number of specialized accommodation facilities (930 and 397, correspondingly). More than 50% of their number is boarding houses and holiday homes; Krasnodar region and Crimea are leaders in the number of health resort organizations not only in the Southern Federal district, but also in Russia as a whole, occupying 1 and 3 places, respectively. According to the Ministry of culture of the Russian Federation, Krasnodar region, the Republic of Crimea and Volgograd region were in the top 10 regions of the Russian Federation in 2017 by the number of visits to museums (2.08, 3.05 and 3.06 million,

respectively). The Republic of Crimea and Krasnodar Krai are ahead of other regions of the country, with the exception of Moscow, in the number of existing excursion organizations (160 and 159 organizations), while there is a tendency to increase their number [15].

Competitive positions of the Republic of Crimea worsen a number of factors. Thus, the level of auto-camping provision does not correspond to the growing popularity of automobile tourism. There is a low level of employment in the tourism sector in comparison not only with the Krasnodar region, but also with other regions of the Southern Federal district. A serious concern is the decrease in the number of tourist overnight stays in collective accommodation facilities: only about 3.0 million overnight stays in 2017. The Republic of Crimea has limited opportunities for the development of ski tourism, at the same time in the Krasnodar region, two ski resorts – "Rosa Khutor" and "Krasnaya Polyana" – are included in the rating of the most popular ski resorts in Russia, taking 800,00 thousand and 400,00 thousand tourists respectively [15]. Despite the huge potential of beach recreation, there are only 8 classified beaches in the Republic (in the Krasnodar region 70 beaches have been classified). The low investment activity and the lack of investment sites for the implementation of large-scale projects are also factors that prevent the steady growth of tourist and recreational activity in the region.

#### IV. CONCLUSION

The analysis of competitive positions of the Republic of Crimea in the market of tourist and recreational services of the Southern Federal district was carried out on the basis of a point assessment taking into account three groups of parameters – physical and geographical, social and economic and tourist and recreational. It was found that the Republic of Crimea has favorable physical-geographical and socio-economic factors of tourism development, which determine the highly competitive market position of the region. The Republic of Crimea is inferior to the Krasnodar territory in the group of parameters characterizing tourist and recreational activities.

Strategic directions to strengthen the competitive position of the regional tourism product of the Crimea in the market of the Southern Federal district are the following: improvement of general and special tourist infrastructure; diversification of types and forms of tourist and recreational services, taking into account the availability of non-updated resources and trends in consumer demand; introduction of innovative investment model in the process of recreational development of the region; stimulation of entrepreneurial activity of the subjects of the tourist market; implementation of the principles and culture of hospitality in local communities.

#### References

- [1] Kotler F., Bouen Dzh., Meikenz Dzh. Marketing. Gostepriimstvo. Turizm [Marketing. Hospitality. Tourism]. Moscow: YUNITI-DANA, 2002, 1063 p.
- [2] Krutik A. B. Osobennosti konkurentnoi bor'by na rynke turistsheskikh uslug i konkurentosposobnost' turistsheskikh firm [Features of

- competition in the market of tourist services and the competitiveness of travel companies]. Available at: <http://instituciones.com/general/2368-osobennosti-konkurentnoj-sredy-na-rynke-turisticheskix-uslug.html>  
Reference date: 26.01.2019.
- [3] Mika M. Competitiveness of tourist destinations as a research problem in the geography of tourism – analytical assumptions behind the research model. *Prace Geograficzne* [Geography notes]. 2012, vol. 130, pp. 91-105.
- [4] Silinevica I. Competitiveness opportunities for tourism in Latgale region. *Journal of Social Sciences*. 2016, № 1(8), pp. 102-115.
- [5] Kharitonova N. V. Konkurentsiya i konkurentnaya sreda turistskogo rynka (na primere permskikh turoperatorov) [Competition and competitive environment of the tourist market (on the example of Perm tour operators)]. *Geograficheskii vestnik* [Geographic Bulletin]. 2013, № 4 (27), pp. 88-92.
- [6] Vober K. Competitiveness of Frontier Regions and Tourism Destination Management. *Managing Global Transitions*. 2012, Vol. 10, № 1, pp. 51-68.
- [7] Regional'naya ekonomika [Regional economy] / Pod red. Vidyapina V. I., Stepanova M. V. Moscow: INFRA-M, 2007, 666 p.
- [8] Kalyuzhnova N. Ya. Konkurentnaya paradigma prostranstvennogo razvitiya [Competitive paradigm of spatial development]. *Fundamental'nye issledovaniya* [Fundamental study]. 2013, № 11-2, pp. 251-255.
- [9] Dudetskii D. Yu. Metodika otsenki upravleniya konkurentosposobnost'yu turistskoi destinatsii [Methods of assessment of management of competitiveness of tourist destination]. Available at: <http://naukarus.com/metodika-otsenki-upravleniya-konkurentosposobnostyu-turistskoy-destinatsii>. Reference date: 03.02.2019.
- [10] Pisarevskii I. M., Petrova N. B. "Predposylki analiza urovnei konkurentosposobnosti turistskoi sfery regionov Ukrainy" ["Prerequisites analysis of the levels of competitiveness of the tourism sector in the regions of Ukraine"]. *Materialy I Mezhdunarodnoi nauchno-prakticheskoi Internet-konferentsii "Problemy formirovaniya novoi ekonomiki XXI veka"* [Proceedings of the I International Internet conference "Problems of formation of the new economy of the XXI century"]. December, 2008. Available at: [http://www.confcontact.com/2008dec/4\\_pisarev.php](http://www.confcontact.com/2008dec/4_pisarev.php) Reference date: 05.02.2019.
- [11] Flit A. L. Podkhody k opredeleniyu i otsenke faktorov konkurentosposobnosti v industrii turizma [Approaches to the definition and assessment of competitiveness factors in the tourism industry] Available at: <https://cyberleninka.ru/article/n/podhody-k-opredeleniyu-i-otsenke-faktorov-konkurentosposobnosti-v-industrii-turizma>. Reference date: 05.02.2019.
- [12] Yakovenko I. M., Strachkova N. V., Tsvetkov S. A. Konkurentosposobnost' Leninskogo raiona na rynke turistsko-rekreatsionnykh uslug Kryma: novye faktory rosta [Competitiveness of Leninsky district in the market of tourist and recreational services of Crimea: new growth factors]. *Geopolitika i ekogeodinamika regionov* [Geopolitics and ecogeodynamics of regions]. 2018, Vol. 4(14), №4, pp. 337-350.
- [13] Rusanov V. I. Metody issledovaniya klimata dlya meditsinskikh tselei [Climate research methods for medical purposes]. Toms: Izd-vo TGU, 1973, 191 pp.
- [14] Rekomendatsii XXVIII Konferentsii Yuzhno-Rossiiskoi Parlamentskoi Assotsiatsii po teme «Ob aktual'nykh voprosakh razvitiya turistskogo i sanatorno-kurortnogo kompleksa v Yuzhnom federal'nom okruge» [Recommendations of the XXVIII Conference of the South Russian parliamentary Association on the topic "on topical issues of development of tourist and sanatorium complex in the southern Federal district"]. Available at: [http://crimea.gov.ru/content/uploads/files/info/recommend\\_28\\_urpa.pdf](http://crimea.gov.ru/content/uploads/files/info/recommend_28_urpa.pdf). Reference date: 15.02.2019.
- [15] Doklad o sostoyanii i razvitiit turizma v Rossiiskoi Federatsii v 2017 g. [Report on the state and development of tourism in the Russian Federation in 2017]. Moscow: The Ministry of culture of the Russian Federation, 2018, 142 p.
- [16] Ofitsial'nyi sait GAU RK "Upravlenie osobo okhranyaemyi prirodnyimi territoriyami Respubliki Krym" [Official website of GAU RK "Management of specially protected natural territories of the Republic of Crimea"]. Available at: <http://ooptrk.ru/arkhiv-novostej/347-sevastopol-lidiruet-sredi-regionov-strany-po-dole-oopt>. Reference date: 18.02.2019.
- [17] Sotsial'no-ekonomicheskoe polozhenie Yuzhnogo federal'nogo okruga v yanvare-dekatre 2017 goda [Socio-economic situation of the southern Federal district in January-December 2017]. Rostov-na-Donu: Federal state statistics service of the Russian Federation, 2018, 237 p.