

Features of the Competitiveness Assessment of Small Tourist Organizations on the Russian Market

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ABSTRACT

The activity of any organization is provided by the production of final products or services that meet clearly defined requirements and needs of the company, meet the applicable standards and technical conditions, provides the current legal acts, and are also offered to consumers at an acceptable competitive price. To fulfillment these requirements is ensured by managing of the competitiveness of products and services, which should be carried out systematically.

There must be targeted process of the influencing to the management objects which carried out in producing and using product, to ensure and maintain necessary quality satisfying the requirements of consumers and the whole society.

Keywords: *competitiveness, analysis, evaluation, methods, integrated approach, efficiency improvement*

1. INTRODUCTION

Today, the competitiveness of an organization is seen not only as a theoretical problem, but more as a practical aspect, namely the features of its practical evaluation. Both in theory and practice different methods of competitiveness assessment have been developed, but there is no universal and uniform approach. The need for evaluation is conditioned by the market itself and the conditions for survival in it. Evaluation of specific advantages and disadvantages is necessary for an enterprise to develop a practically sound competitive strategy.

Both domestic and foreign scientists and practitioners contributed to solving the problem of competitiveness: M. Porter, J. Lamben, Th. Noe, A.S. Golovachev, A.N. Zakharov and others. However, many authors consider the

competitiveness of each individual enterprise, without taking into account industry affiliation.

At carrying out of the analysis of competitiveness, namely at revealing of competitive advantage in comparison with other spheres, it is necessary first of all to pick up reference objects for comparison, that is to choose the company-leader in branch as in the domestic market and on foreign markets. [6,c.4-15]

The advantage of one company over the other can only be correctly measured if both companies meet identical customer needs and belong to similar market segments. At the same time, companies are in approximately the same phases of their life cycle. In this case, if these circumstances are not respected in any way, the comparison will be incorrect.

The model scheme of competitiveness assessment (according to A.N. Litvinenko) is presented in Fig. 1. [4, p.291].

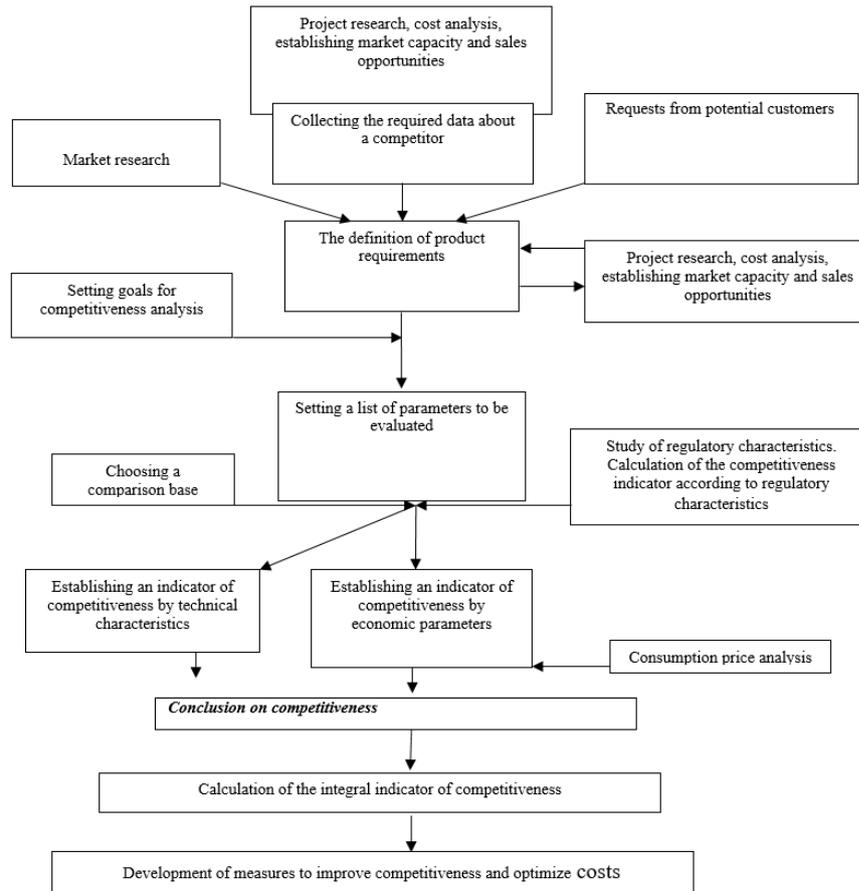


Figure 1 Model Scheme of Competitiveness Assessment (by A.N. Litvinenko)

The level of competitiveness of the enterprise is dependent on a large number of conditions that are relatively allowed to combine into 2 blocks: competitive environment and basing. The essence and character of competitive environment influence factors can be presented in a variant of modification of the competition 5 forces by M. Porter. But, apart from the conditions in which the competitive struggle takes place, the competitiveness of an enterprise depends on its location. The base itself is built on the following factors:

- major factors of production;
- demand;
- related, supporting and related companies;
- company strategy and structure. [3,p.495]

One can agree that the competitiveness of products has a significant impact on the competitiveness of a business entity. Nevertheless, the competitiveness of an enterprise seems to be a much more capacious definition and contains many nuances of activity in addition to the manufactured products: management, marketing, financial policy, operational efficiency and many other things. Due to this, in our opinion, it is illegal to reduce the competitiveness of the enterprise only to the competitiveness of its products. [30,p.105-107].

2. MATERIALS AND METHODS

Competitiveness indicator is a high-quality and/or quantitative description of products (services), activities of the company, which serves as a basis for assessing its competitiveness. [20,p.36-39]

It should be noted that often the factor and indicator have the same name, but the factor carries the value of the cause and the indicator carries the value of the feature at the base of which the evaluation is based. Thus, the competitiveness of services is the main factor of competitiveness of the company, at the same time, it is the only indicator on the basis of which it is possible to implement an assessment of the level of competitiveness of the company.

At present, there is no uniform adopted methodology for quantitative assessment of companies' competitiveness. A study of the literature has shown that evaluating the competitiveness of companies is one of the discussion and pressing tasks of competitiveness management.[4,p.11-15]. If we talk about competitiveness of the company, the main characteristics should be considered the level of compliance of the organization with the main success factor in the modern market.

The main indicators of competitiveness of organizations of tourist sphere can be referred to:

- The market share that an organization occupies: the higher the share occupied by an organization, the higher its competitiveness;
- The quality and range of services offered is an important part of the optimal combination of width and depth of the range and quality of services;
- Innovation activities, time to design new services;
- Human capacity of the organization and work efficiency;
- Profit and profitability of the organization for a certain period.

At present, the following main ways to assess the competitiveness of small business organizations can be identified. [8,p.46-48]

The product mode is based on the fact that the assessment of the competitiveness of small enterprises is assessed through the competitiveness of their products, for the assessment of which there are separate criteria, depending on the industry and sphere of activity. The company's competitiveness indicator, as a rule, is conditioned by finding a weighted average value from the number of

competitiveness indicators for any type of products, where weights are the sales volumes of the respective type of products:

$$K = \sum a_i k_i, \quad (1)$$

Competitiveness indicator for any type of products is calculated using economic and parametric indices:

$$k_i = \frac{n}{3}, \quad (2)$$

An economic index is defined as a ratio of total consumption costs of the products in question to total consumption costs of competing (reference) products. [5,p.364-366]

$$\vartheta = \frac{3a}{3_3}, \quad (3)$$

Considering the matrix methods of competitiveness assessment we should mention such a common method as PEST-analysis.

Traditional PEST analysis involves identifying political (P), economic (E), social (S), and technological (T) factors and assessing them against industry averages or against data from particularly important competitors. The PEST analysis can be presented as a table (see Table 1).

Table 1 PEST-analysis of Small Business Organizations

Legal and policy factors	Economic factors
- laws in labor relations; - tax system; - state impact in this area - political situation in the region; - regulatory framework;	- change in the price of resources; - inflation rate; - unemployment rate; - peculiarities of competition in the sphere of activity; - government support methods.
Socio-cultural factors	Technological factors
- demographic factors (lifestyle, habits); - changes in lifestyle; - changing tastes, fashions and customer preferences.	- government tax policy; - peer-to-peer development; - new manufacturing techniques.

With the help of criteria for evaluation of work by interested companies, we will conduct a study of external reaction to

organizations of the tourism sphere and present data in Table 2.

Table 2 Criteria for Assessing Stakeholder Groups

Stakeholders groups	Evaluation Criteria	Analysis
Customers	The ratio of consumer properties to price, product availability, service.	Products of organizations of the tourist sphere are available to the general public, have the highest consumer qualities
State authorities	Implementation of laws, payment of tax payments, support for government programs.	The organizations act within the limits of the legislation, timely payment of tax payments is made.
Syndicates	Salary level, employment stability	The tourism industry produces a seasonal product, which unfortunately affects the stability of income, there is a need to expand and diversify the range of tourist products.
Creditors	Reliability of contract terms and conditions	Timely repayment of the company's credit obligations.
Suppliers	Speed and timeliness of order execution.	A well-established system of concluding contracts, well-established connections with necessary contractors.
Competitors	Speed of penetration into innovation markets, competitive advantages	The tourism industry is competitive in the market due to the fact that it is a local producer and has a price advantage.
The public	Contribution to the development of society through the payment of taxes, job creation.	It contributes to the development of society through tax payments, creation of additional jobs, creates a multiplier effect

No less important is the implementation of the EFAS-analysis (summary of the analysis of external strategic

factors of small business on the example of organizations of tourism sphere) (Table 3).

Table 3 EFAS Analysis

External strategic factors	Weight	Evaluation	Weighted assessment
Features	0.03	3	0.09
Economic stability			
Excellent country policy	0.2	2	0.4
Emerging new products	0.15	2	0.3
Demographic situation in the region	0.02	3	0.06
Threats	0.07	2	0.14
Changes in resource prices			
Level of inflation	0.03	2	0.06
Total amount of money in circulation	0.1	4	0.4
Competitors on the domestic market	0.15	4	0.6
Reduced buying activity	0.15	1	0.15
TOTAL			2.2

In order to assess the competitiveness of the object under study using the operational method, a list of operations and characteristics that seem necessary to ensure competitiveness must first be found. As a rule, the selected indicators are combined and classified into groups: production, marketing, financial, human resources, and organizational. The indicators themselves may vary both in terms of composition and structure depending on the selected methodology. Indicators can be developed by authors or use existing ones. The number of them can reach several 10 (from profitability and liquidity to employee turnover, the level of counterparty satisfaction, and the company's ability to adapt to innovations). If it is impossible to collect and process indicators, then expert methods are widely used. [6,p.181-186]

In order to assess the competitiveness of small business organizations in the tourism sector, each indicator under

consideration is compared with a similar competing business entity (or reference value), resulting in the determination of private efficiency coefficients for each operation: [4,p.159-162]

$$k_i = \frac{l_a}{l_b}, \quad (4)$$

It should be emphasized that different variants of the group of methods under study have all possibilities to include a rather complicated mathematical apparatus. It finds expression in methods of processing of initial indicators - here various methods of statistical data processing are used: standardization and normalization of values, interpretation, and ranking of expert estimations, etc. And also, the form of connection between private efficiency ratios of operations and the final indicator of competitiveness of the company can only be additive, and even multiplicative, and even indicative and degree. [1,p.232]

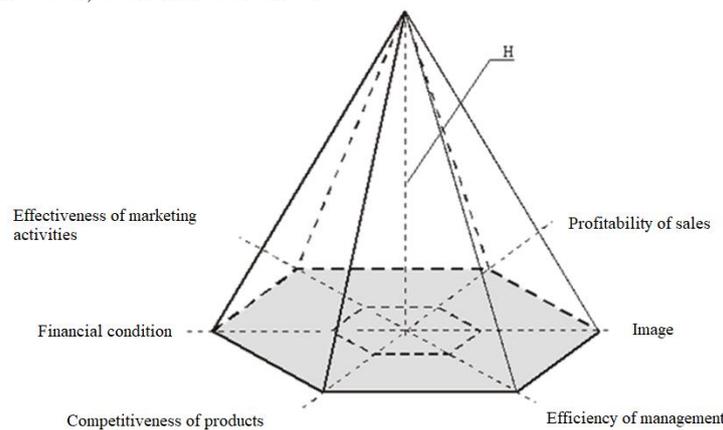


Figure 2 Quantitative Assessment of the Attractiveness of the Industry and the Competitive Position of Each Separate Division of the Company

Another, no less important method to assess the competitiveness of an enterprise is the J.J. Lamben method. Lamben has defined the competitive advantage of the company as a property of the goods (trademark) creating for

the organization an additional advantage over the direct competitors. The characteristics of the goods can be very diverse and refer to both the goods itself and additional services (sales, support, sale).

3. RESULTS

In this article, it is proposed to evaluate competitiveness on 6 indicators on a 5-point scale. It is proposed to choose the market leader - the company that received the highest total

score and further evaluate competitiveness as a ratio of the score of companies to the score of the leader.

The indicators of enterprise competitiveness assessment are presented in Table 4.

Table 4 Organizational Competitiveness Measurement Indicators

Evaluation Criteria	Range of assessments		
	Low (1-2 points)	Average (3-4 points)	High (5 points)
Relative market share	Less than 1/3 leaders	More than 1/3 leaders	Leader
Distinctive features of the product	Goods not differentiated	Goods are differentiated	The product is unique
Costs	Higher than a direct competitor	Just like the direct competitor	Lower than a direct competitor
Degree of technology adoption	Hardly	Easy	Fully mastered
Trade channels	Mediators are not controlled	Mediators are controlled	Direct sales
Image	None	Development	Strong image

The results of the study on evaluation methods can be presented in Table 5.

Table 5 Analysis of Competitiveness Assessment Methods

Method name	Evaluation Criteria				
	simplicity	accuracy	objectiveness	Versatility of use	Takes into account all aspects of the company's activities
Product methods	+	+	+	+	-
Matrix methods	+	+	+	+	+
Operating practices	-	+	+	+	+
Economic methods	+	+	+	-	+
	-		-		-

Summing up the above, the following conclusions can be drawn:

- competitiveness is a dynamic indicator whose change depends on various factors, both external and internal.
 - competitiveness of an organization is a relative category, the basis for comparison is the main competitor or benchmark. The specificity of the economic category "enterprise competitiveness" requires a special management approach, which consists, first of all, in the adapted methods of enterprise competitiveness assessment, which will make it possible to provide for the specificity of the company's activity and to obtain reliable results.
- There are no universal methods to assess the competitiveness of organizations. Almost every method is reduced to subjectivism and conditionality of evaluation. The choice of method should depend on the goals and

objectives of the evaluation, on the financial and resource capacity of the organization.

4. CONCLUSION

Competitiveness of the organization, as a special economic category, demands the special administrative approach which consists, first of all, in the adapted technique of an estimation of competitiveness of the organization which will allow to provide specificity of activity of the firm and to receive reliable results. There is no universal method, each method has advantages and disadvantages, but it must first and foremost be consistent with the goals and objectives of the evaluation.

We can summarize that the main driving forces that determine the development of tourism business organizations are the following:

– The legal framework regulating relations in this particular industry. For example, passport and visa formalities, peculiarities of exploitation of cultural heritage objects, etc. depend on the criteria prescribed in the laws. In this regard, an important aspect is Russia's accession to the WTO and the processes of changes in the legal framework.

– An important aspect is the development of STP. The competitiveness of a particular manufacturer depends on the achievements in this area of activity. This fact will become a significant competitive advantage of a particular manufacturer.

– Consumer income can also have a significant impact on the development of the tourism industry. The market volume of demand for the products of the sphere depends on the volume of incomes of direct consumers' indicators. Accordingly, with an increase in consumer income, the industry will have a stable demand for its products.

– Government programs aimed at developing tourism, targeted programs, and strategies to support the industry.

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