Approach to Modeling Promotion of the Destination of the Republic of Crimea on the Market of Services

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Abstract—The research is focused on the role of the tourism industry in the region's economy and studies the economic category of a tourist destination with further elaboration of a definition specifically applicable for the research. The article pinpoints the major goals in the development of the region which require promotion of the tourist destination of the Republic of Crimea. The authors offer a model of promotion which includes evaluation of the current condition of the tourist destination, finding a certain development course for the tourist destination promotion, elaboration of the promotional plan by means of gradual selection of tools and instruments which in the best way correspond to the current needs and specifics of the location, ways of implementing the plan and its efficiency evaluation. The article contains an algorithm of integral efficiency index evaluation applied to the tourist destination with the purpose of evaluating its current condition and efficiency, detecting potential for development and weaknesses that require regulation as well as forecasting of the tourist destination further development. The analysis was carried out on the data of the tourist destination of the Republic of Crimea in 2011 – 2015 which reflected its resource efficiency, economic efficiency and social efficiency. The obtained results allowed for making a complete and precise qualitative and quantitative characteristic of the tourist destination efficiency. They also served for the elaboration of respective practical recommendations that can be applied and help eliminate negative developmental tendencies as well as stimulate areas with good developmental potential on the stage of planning promotion of the tourist destination.

Keywords—tourist destination; modelling; promotion; efficiency

I. INTRODUCTION

In today's economy of Russia the market of tourism services plays an important role in building up the domestic economic space. Following the course of increasing non-resource exports set by the President [1], the issue of increasing tourist flow (including domestic tourism development) and financial benefits from the tourism industry of Russia is becoming strategically challenging. The total contribution of tourism to the country's GDP in 2016 amounted to 5.0% whereas the average global index equaled 10.2%; the share of the tourism segment in the job market offers in Russia reached 1.2% in contrast to the average global index of 3.6% of the total employment [2, 3].

II. BASIC MATERIAL

A. Definition of a tourist destination

A tourist destination as a constituent part of the tourist system was firstly defined by N. Leiper in 1979. The latter defined it as a place attracting tourists for a temporary stay with all its peculiarities providing for such attraction [4, pp. 390 - 407].

B. Approaches to the definition of a tourist destination

According to Larsen, Urry and Axhausen [5, pp. 244-262] "tourism is not just an isolated "exotic island" but rather a complex set of social and material relations. A tourist destination is viewed within interacting socio-cultural structures which are internally active and affect their own future" [6, pp. 331-340; 7, pp. 167-179; 8, pp.161-179; 9, pp. 133-143]. Destinations are not perceived as static places with certain physical properties; they also include nonmaterial aspects of cultural and symbolic value [6, pp. 331-340; 10, pp. 27-39]. They emerge in the process of social practice (communication, activities, perception), and defining their boundaries is an undertaking [9, pp. 133-143].

III. RESULTS OF THE RESEARCH

A tourist destination is commonly defined as a certain physical space, a system of objects with certain properties providing for tourist attraction and challenging tourists to make a trip in order to achieve certain goals [11, pp. 43-46]. Components and basic characteristics of a tourist destination vary and depend on the approach to the definition of a tourist destination. Multiple researches in tourism have focused on a tourist destination, which naturally calls for structuring approaches to its definition. Taking into account the peculiarities of a tourist destination as a multilayer economic notion, its components shall be singled out and its difference from a tourist region shall be clarified, which shall further allow for the elaboration of its promotional mechanism. The most comprehensive research focusing on the components of tourist destination belongs to D. Buhalis [12, pp. 97-116]. Buhalis suggests a complex approach to a tourist destination as a combination (or rather a brand) of all goods, services and, ultimately, experience tourists receive locally. Within such approach the impact of tourism can be evaluated on the regional level and supply and demand for the tourist product

can be controlled to benefit all interested parties to the fullest. Molina, Gomez and Martin-Consuegra recognize promotion as a vital element of tourism development [13, pp. 722-728]. According to MacKay and Fesenmaier [14, pp. 537-565] promotion of a tourist destination functions as an important strategy of placement and its branding. Information sources are considered to be a potential impact tool which helps create the image of a tourist destination before a tourist goes there[15, pp. 437-450].

A. Hypothesis

Promotion can be defined as a "function of informing, persuading and influencing the decision of the consumer" and it is equally important for noncommercial and commercial organizations, for goods and services. The purpose of promotion generally lies in sales increasing, attraction of new customers, increasing awareness, change of public opinion or image making and is achieved by means of advertising, face-to-face sales, public communication, direct marketing, sales stimulation and internet marketing, all together contributing to the ultimate impact on the decision to buy or not to buy goods and services [16, pp. 21-27].

Promotion of the tourist destination of the Republic of Crimea is indispensable in building up competitiveness of the region's economy and presupposes completion of three basic tasks:

- Diversification of the economy. Economy of the tourist destination is marked by a variety of revenues coming from different economic segments (hotels, restaurants, stores, retailers, transport, exhibition halls and other sights) and in many cases the organizations providing the revenues function in the form of small enterprises with no financial independence for large-scale and efficient promotion. Furthermore, there are certain benefits in the economy in general, not only in its private sector [17, 18, 19]. Since the expenditures of the tourists are distributed between different enterprises, any business may fail to get a sufficient share of the tourists' expenditures to compensate for its own promotional expenditures.

- Travel motivation. Imagining a certain kind of destination beyond the scope of one business's offer usually becomes a motivation for traveling there. A single business's offer doesn't usually provide for the basic motivation to go to a certain destination; largely a destination is a complex product including a number of sights and general experience of the location. Such experience lies in the interaction between the tourist and multiple enterprises and places of interest. Promotion of a tourist destination includes generating a message about a complex product offered by the destination of the Republic of Crimea which would assist its coordination with the motives of the tourists. The main focus for the Republic of Crimea as a resort and tourist destination shall be on such economic features which show growth in revenue for each tourist unit in high tourist season. This shall be achieved by

means of creating new attractions for certain target customer groups and increasing annual tourist flow while attracting more tourists during the winter season [20, pp. 126-132].

- Large-scale effect. Efficient marketing requires large scale activities to attract potential tourists on different markets. Efficient promotion of the tourist destination of the Republic of Crimea requires significant and well-planned financing to attract a sufficient "share of visitors" affected by the promotion. Large scale in terms of advertising, public communication and group sales increases their efficiency which allows maximizing the share of funds spent on real marketing and advertising, reduction of advertising expenses per one campaign and provides for a better general effect [21]. As a result, promotion of the tourist product on a larger scale shows better efficiency than promotion by a single business [22]. One of the advantages of well-coordinated promotion of the Republic of Crimea is the ability to have stable organization and financial basis to support promotion of the tourist destination.

Due to these economic factors, promotion of the tourist destination of the Republic of Crimea stimulates economy of the region in such a way that it conforms to the local priorities and creates more opportunities, which makes an important condition of economic development. Promotion of the tourist destination of the Republic of Crimea is a part of the general strategy of the territory development and works as a complex continuous multifaceted process which requires careful gradual application and permanent regulation and control on each stage of implementation. Figure 1 shows a promotion model of the tourist destination suggested by the authors of this paper, the model being based on empirical research.

Fig. 1 displays a promotion model of the tourist destination as a multifaceted process requiring consistent and well-coordinated management.

The promotion model of the destination of the Republic of Crimea on the market of tourism services includes:

- Evaluation of the current performance of the tourist destination by means of the diagnostic method;

- Defining areas of the tourist destination's development on the basis of prior analysis of its performance, growth potential and weaknesses which require close attention;

- Drafting a plan of promotion of the tourist destination by gradually selecting its tools which can best meet the current needs of its development and conform to the specifics of the destination;

- Implementation of the promotions plan by means of creating the necessary infrastructure;

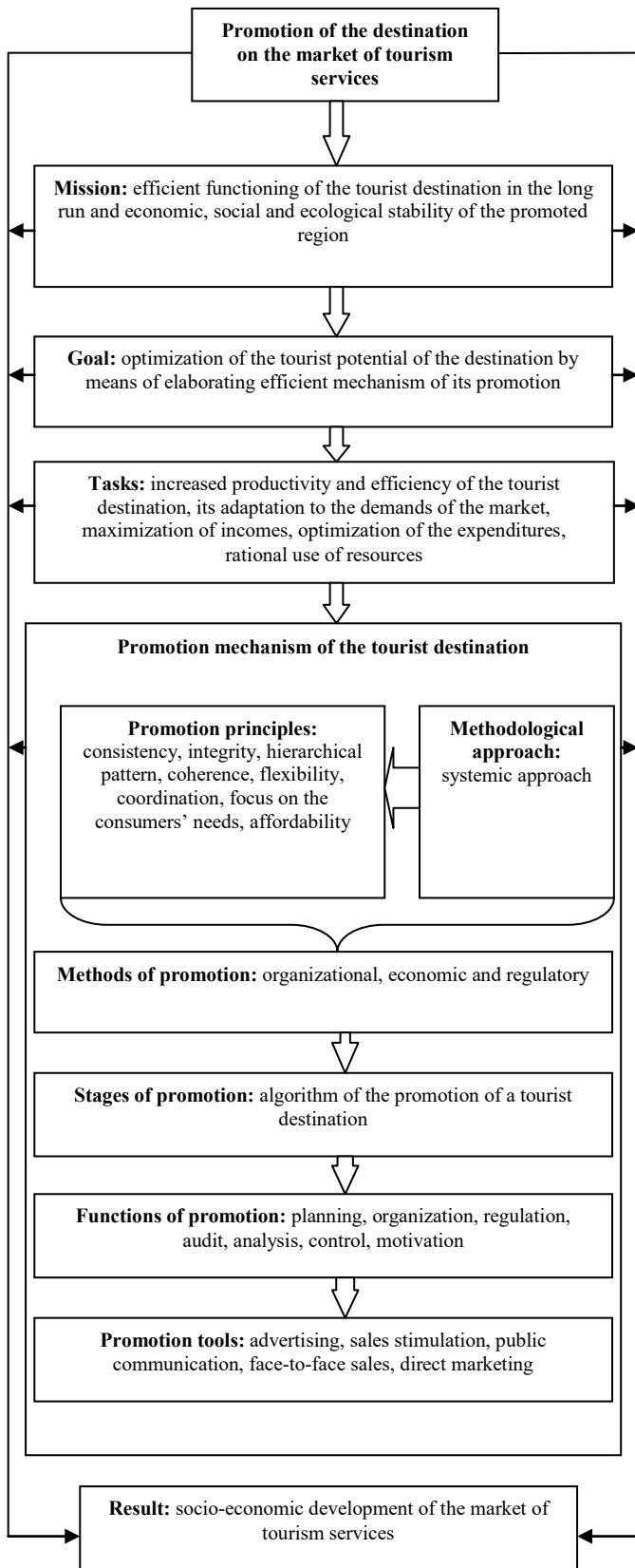- Efficiency evaluation of the promotional campaign on each stage.

Fig. 1. Promotion model of the destination on the market of tourism services

Studying the complexity and versatility of the economic category of a tourist destination explains the need for complex evaluation of the performance of the tourist destination as reflected in the integral index showing the system of calculated rates that allow for a close look at the processes taking place within the destination.

Qualitative and quantitative description of separate elements of the system is not enough for the evaluation of the tourist destination; therefore it is necessary to check the quantitative economic indices regularly, which allows to make an economic diagnosis by analyzing the integral efficiency index of the tourist destination (IEITD). The method of defining IEITD (integral efficiency index of a tourist destination) is suggested in this study as this kind of research requires application of evaluation methods which would reflect changes in the efficiency level of the tourist destination, all its components and such in comparison with separate tourist destinations.

B. Formulae

The integral efficiency index of a tourist destination is calculated according to the following formula:

$$IEITD = \sum_{n=1}^{3} Y_n * a_n = \left(\left(\sum_{i=1}^{5} X_{1i} * b_{1i} \right) * a_1 \right) + \left(\left(\sum_{i=1}^{4} X_{2i} * b_{2i} \right) * a_2 \right) + \left(\left(\sum_{i=1}^{5} X_{3i} * b_{3i} \right) * a_3 \right) = \sum_{n=1}^{3} (Y_1 * a_1 + Y_2 * a_2 + Y_3 * a_3) \quad (1)$$

a_1, a_2, a_3- impact factors of efficiency evaluation of a tourist destination (resource, social and economic efficiency);

Y_1, Y_2, Y_2 - local efficiency aspects of the tourist destination of the Republic of Crimea (resource, social and economic performance accordingly);

b_i - value of data point i, a component of the corresponding aspect of efficiency evaluation of the tourist destination of the Republic of Crimea;

X_i - normalized value of index i, a component of the corresponding aspect of efficiency evaluation of the tourist destination of the Republic of Crimea.

For the calculation of the value of each diagnosed aspect in the efficiency mechanism of the tourist destination of the Republic of Crimea, formula 2 shall be transformed reckoning with all the necessary requirements:

$$a_j = \frac{\sum_{i=1}^{n} s_{ij}}{\sum_{j=1}^{n} \sum_{i=1}^{n} s_{ij}} \quad (2)$$

$s_i j$ – pair correlation coefficient between local indices i and j $(Y_1 - Y_1, Y_1 - Y_2, Y_1 - Y_3, Y_2, -Y_3)$,

a_j - value of the local index of the analyzed aspect that affects its impact on the efficiency of the tourist destination of the Republic of Crimea, $\sum a_j = 1$.

C. The obtained data

The results of calculating IEITD of the Republic of Crimea are presented in Table 1.

TABLE I. Results of the integral efficiency index calculation showing performance of the tourist destination of the Republic of Crimea in 2011-2015

Index	Local index value (a_i)	Efficiency indices per year				
		2011	2012	2013	2014	2015
Indices of resource efficiency of the tourist destination (Y1)	0.3518	0.99	0.95	0.90	0.46	0.43
Indices of social efficiency of the tourist destination (Y2)	0.3835	0.97	0.92	0.93	0.52	0.63
Indices of the economic efficiency of the tourist destination (Y3)	0.2647	0.33	0.73	0.45	-0.52	0.97
IEITD		0.81	0.88	0.79	0.22	0.65

The bench marks (x_i) which were taken into account while evaluating efficiency of the tourist destination are calculated on the basis of the annual work plans of the Russian Federal State Statistics Service and use the same methodology for all the subjects of the Russian Federation.

The evaluation of the efficiency of the tourist destination requires efficiency evaluation of its constituent aspects; further the value of a separate aspect serves the basis for calculating the IEITD of the Republic of Crimea (formula 1).

IV. CONCLUSIONS

A. Results analysis

While testing workability of the methodology in relation to the hospitality industry of the Republic of Crimea, we have come to the following conclusions: the highest impact factor for the efficiency of the tourist destination is attributed to the index of social efficiency (0.3835), the second in importance is the resource efficiency index (0.3518) followed by the lowest value for the economic efficiency index (0.2647). The obtained results of the study confirm the great importance of promoting the tourist destination to achieve its general efficient functioning; they also illustrate the impact of social and resource efficiency indices on the integral development of the destination.

The implemented methodology of defining the IEITD allows for:

a) Obtaining complete and accurate qualitative and quantitative characteristic of the tourist destination efficiency;

b) Evaluation of the development level of the tourist destination on each stage of its functioning, evaluation of its change as a whole and changes in its constituent aspects over time and discovering further tendences in its development;

c) Finding weaknesses and strengths in the development of the destination, elaboration of relevant recommendations which can be applied in practice and assist in eliminating negative tendences in the development and stimulate the promising areas on the stage of planning promotions of the

tourist destination as well as on the stage of elaborating separate programs and to-date management of the promotion;

d) Finding the IEITD which can be used for building the rating system of promotions efficiency evaluation [23].

Summing up the results of the research, it is important to notice that within this study we have specified the constituent aspects of the efficiency of the tourist destination of the Republic of Crimea for the purpose of complex calculation of the integral index of its performance [24]. Additionally, the method of pair correlations has been applied in order to define the value of the constituent parameters of the environment, conditions and results of the functioning of the tourist destination on the market of tourism services so that they could also be reckoned with while evaluating efficiency of the performance of the tourist destination.

The method of defining IEITD on the basis of the modified system of interacting indices of performance allows complex evaluation of the efficiency of the resource use and comparison of the indices in the long period (while monitoring dynamics of changes and results of different impact factors) and optimization of the functioning of the tourist destination by means of targeted impact on its separate aspects.

This research is the first to define the integral indices of tourist destination evaluation. The efficiency index of the tourist destination in 2012 amounted to IEITD = 0.8850 and is connected with the increased economic efficiency value caused by a better return on sales and ordinary businesses as well as significantly increased profitability of CAF (collective accommodation facilities). The tourist destination of the Republic of Crimea showed the lowest efficiency over the analyzed period in 2014 (0.2251), which resulted from the reduction of the resource and social efficiency indices of the tourist destination to the average value while the economic efficiency index was reduced to the low value. Compared to 2014, efficiency of the tourist destination of the Republic of Crimea in 2015 increased and reached the above average value (0.6526) due to the increase in social efficiency indices (above average) and economic efficiency indices (high value).The economic efficiency indices (0.9706) were the highest in the mentioned period and showed inclusive growth. Social efficiency indices reached the value of 0.6341 and increased as compared to the same period of the previous year due to the increased employment in the industry and a greater input of the tourism industry into the Gross Regional Product. In contrast, resource efficiency index fell to the value of 0.4336, which resulted in failing to reach highest efficiency of the tourist destination in 2015. Such dropping was caused by decreased concentration of environmentally protected sites, CAF and holiday destinations for children as well as lowering in the level of self-sufficiency in tourist activity agents [23, pp. 230 – 240].

B. Conclusions

The carried out research and analysis of its results provide evidence for the fact that the tourist destination of the Republic of Crimea shows good potential and reserves for growth and development; furthermore, it has been proved that

indices of tourist attractiveness play a major role in the development of other indices of the tourist destination. Despite having good natural and manmade tourist resources as well as good tourist potential in general, the tourist destination is influenced by a number of factors deterrent to growth, with negative influence on sales of the tourist product, such factors being uneven demand for different territories, different kinds of tourism and seasonality.

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