

ASSESSING THE LEVEL OF INNOVATION IN THE TOURISM INDUSTRY IN UKRAINE IN THE CONTEXT OF POST-WAR RECONSTRUCTION

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Introduction. Constant changes in modern times, the COVID-19 pandemic, the full-scale invasion of Russia have greatly affected the development of the tourist business in Ukraine, and therefore it remains a difficult task for tourist establishments how to maintain their positions in the service market. The growth of business activity is under the influence of innovative processes in all spheres of economy, but in the field of activation of innovations in tourism, which are implemented at an anticipatory pace, it is possible to ensure the latest competitiveness of tourist business enterprises under the conditions of achieving the best global standards of services. Innovative activity in the field of tourism is embodied in the creation of new or improvement of existing tourist products, improvement of transport, hotel, catering and other services, development of new markets, implementation of leading information and telecommunication technologies, modern forms of organisation and management activities, new modern approaches to satisfying the needs of tourists [1]. That is why the introduction of various innovations is a chance to preserve one's own enterprise on the service market in the conditions of martial law and post-war reconstruction.

Therefore, at the current stage of economic development and given the current situation in the world, it is important for the survival of businesses in the war in Ukraine is the search for modern methods and tools for managing business processes, which should be based on the principles of their adaptation to changing conditions innovative technologies. Service companies react extremely quickly to changes and new challenges, which are characterised by a high level of dynamism, diversification of offers on the service market and fierce competition [2]. Therefore, innovation becomes a decisive factor in determining new technologies for the management of business processes of enterprises in the service sector of the regions, in particular in the hotel and restaurant industry and in tourism.

Review the latest research and publications. The essence of innovations, automation processes, and the specifics of the management of enterprises in the service sector based on the use of innovative methods have been studied by many domestic and foreign scientists in their scientific works. Fundeanu D. D. [1], Montresor S. [2], Verreyne M. L., Williams A. M., Ritchie B. W., Gronum S., Betts K. S. [3], Lee C., Hallak R., Sardeshmukh S. [4], Li Y., Wood E. H., Thomas R. [5] and Wikhamn W., Armbrrecht J., Wikhamn B. R. [6], considered the application of innovation potential and the justification of the economic need for innovation. Mykhailichenko H. [7], Ohienko M. [8], Dikhtyarenko K. [9], Hryhoruk P. M., Tkachenko I. S. [10], Zahozhai V. B. [11] have proposed some solutions in innovative management of enterprises and formation of technological component through the introduction of information systems and models, economic mechanism of sustainable tourism, marketing management of tourism enterprises and organisational aspects of the tourism market, partially highlighting innovation strategy. The works of these authors are a significant contribution to the development of the theory of innovative management of tourism enterprises. Today, however, there is a limited number of publications on the development of innovation in tourism during wartime.

Task setting. The purpose of this work is to carry out theoretical and practical substantiation of the study of the level of innovativeness of the tourism business of Ukraine in the conditions of post-war reconstruction.

Main material and results. The tourism and hospitality industry includes a wide variety of businesses whose activities consist of organising and improving the quality of customer service, increasing the supply of services and improving existing services. This makes it possible to note that the tourism and hospitality industry is a collection of hotels, restaurants and vehicles, catering facilities, as well as entertainment, educational, medical, sports, business, religious centres that provide tour operator and tour agency activities and provide tourist – excursion services [2]. There are many scientific views on the definition of "innovation in tourism," but first of all, consider what innovation is according to the Law of Ukraine "On Innovative Activities." Therefore, innovations are newly created (applied) and/or improved competitive technologies, products or services, as well as organisational and technical solutions of a production, administrative, commercial or other nature, which significantly improve the structure and quality of production and/or the social sphere [12].

The review of various scientific approaches to the definition of the term "innovation in tourism", to the classification of innovations and to the evaluation of the innovation activity of enterprises, in order to find out their applicability in the tourism industry. The author's review of literature sources makes it possible to outline the characteristics of innovation in tourism, based on its service-oriented nature and its focus on improving interactions with consumers in order to best satisfy their needs, and to determine its role in increasing the competitiveness of companies in the tourism industry.

As a result, at the current stage of development of the tourism market and in order to transform it to a qualitatively new level of development, it is necessary to significantly expand and strengthen the implementation of innovation, which should serve as a link between science, tourism, government and local government [8]. The practical application of such a proposal in the innovative development of the tourism sector will not only increase the level of competitiveness of the enterprise, but also assess the feasibility of introducing new types of tourism products and services.

The basis of the study is the development of a perspective concept of innovative development of the country's tourism sphere, which is formed depending on the priorities of the tourism policy and innovative development of the national economy. In turn, a promising marketing concept aimed at creating and ensuring the effective functioning of marketing tools, the result of which will be an innovative tourist product and effective development of the tourism sector.

Thus, the study of the innovativeness of the tourist business of Ukraine in the conditions of post-war reconstruction ensures the competitiveness of the tourist services market, which is formed in the process of integration of the parameters of competitiveness of the products and services presented on it, tourist enterprises, tourist resources and is determined by the level of competition between them inherent in the market. While the signs of a competitive market of tourist services are the developed competition between tourist enterprises, the growing trend of inflows of domestic and foreign tourists, the positive dynamics of indicators of social and budgetary efficiency of the tourist industry, etc. However, for each country there are several characteristic features in the implementation of innovative strategies in tourism [7–9]:

- Growing needs of the population to get to know the way of life in other regions and acquire new knowledge;
- saturation of many classic and traditional travel directions (destinations);
- the danger of losing the market quota in inbound tourism;
- intensifying competition, growth in the supply of standardized global products;
- the need to restrain the departure of its citizens to areas similar in terms to the regions of their country (nature, culture, climate);
- a harmonious combination of attractive conditions for recreation and travel (natural and cultural features, opportunities for leisure activities, purchase of specific goods and special tourist services) to fully satisfy the needs of the most demanding tourists;
- technological revolution and expansion of services in the economy;
- the transition from the economy of supply to the economy of demand.

Based on the provisions of the General Agreement on Trade in Services, the innovation of the tourism sector is developing in three directions:

- Introduction of innovations (organisational innovations) related to the development of the enterprise and tourism business in the management system, including reorganisation, acquisition of competing entities based on the latest technology and advanced technologies; personnel policy (restoration and replacement of staff,

training system, retraining and incentives for employees); rational economic and financial activities (introduction of modern forms of accounting and reporting that ensure the stability of the situation and development of the enterprise) [2–3];

- marketing innovations that meet the needs of target consumers or attract customers not currently served [4];
- recurrent innovations aim to change the characteristics of a tourism product, its positioning and competitive advantages [5–6].

These criteria are characterised by several indicators, so SPACE analysis belongs to the category of complex multi-criteria methods. It makes it possible to assess the position of the industry in the national economy, to analyse several characteristics of the industry and to determine the optimal strategy. It should be noted that the basis of the SPACE analysis method is a priori modelling based on expert assessments [10].

Using SPACE analysis, the following components of innovativeness in the tourism sector of Ukraine are identified: Tourism Financial Strength (FS); Competitive Advantage (CA); Industry Attractiveness (IA); Environmental Stability (ES).

The definition of the system of criteria takes into account the specifics of the industry, its production capacity and financial situation, the level of competition, as well as the objectives and targets. The formulation of criteria, their evaluation and the definition of the recommended strategy require a thorough knowledge of both the methodology of strategic analysis and the specifics of the industry.

The assessment of the level of innovation in the tourism industry is based on an integrated index in which the individual components under consideration are combined by introducing weights. The main steps in the calculation of the Index of Innovation in Tourism (IITS) are shown in Table 1.

Table 1

Stages of calculation of the index of assessment of the level of innovativeness in the tourism sector (IITS) of Ukraine

<i>Stage I – normalization</i>
Using the approach of the weight factor of individual indicators in the total amount (the sum of all weights is equal to 1), it was possible to reduce all indicators to the range from 0 to 1: $z_{ij} = w_i * x_i, (1)$ where z_{ij} – is the standardized indicator, w_i – is the weight factor of individual indicators in the total amount (the sum of all weights is equal to 1), and X_i is the value of the actual indicator.
<i>Stage II – calculation of sub-indices</i>
Calculation of sub-indices as the arithmetic mean of the normalized groups of baseline indicators: $I_{basic(i)} = \frac{1}{j} \sum_{j=n}^i score(z_{ij}), (2)$ where $I_{basic(i)}$ – the total value of the group of baseline indicators for the country i, $score(z_{ij})$ – this is the value of the sub-index of the country i for the group of indicators j, j – sub-index group indicator, where n – corresponds to the number of indicators in the group.
<i>Stage III – determining the weights of sub-indices</i>
Equivalent weight distribution between the four sub-indices (1/4)
<i>Stage IV – calculation of the integrated index</i>
The obtained standardized values will allow calculating the index by the formula: $I_{ij} = \frac{1}{n} \sum_{j=1}^n I_{basic(i)}, (3)$ where $I_{basic(i)}$ – the total value of the group of baseline indicators for the country i n – the number of indicators that characterize the level of innovation in the tourism sector.

Source: developed by the authors on the basis of [3; 5; 10–11]

Table 2 shows the results of the assessment of the criteria characterising the financial situation of the tourism sector, its competitiveness, the attractiveness of the industry and the stability of the environment. The assessment was carried out with the help of experts in the field. An integrated indicator for the assessment of the level of innovation in the tourism sector of Ukraine is defined as the ratio of the sum of individual partial indices of indicators to the average value of these indices (over the number of indicators). The results of the calculations of the integrated indicators for the assessment of the level of innovation in the tourism sector of Ukraine are shown in Table 2.

Table 2

**Indicators for assessing the level of innovativeness
in the tourism sector of Ukraine by the method of SPACE-analysis**

Criteria	Expert assessments, points			Weight w_i	Balanced scores		
	2019	2020	2021		2019	2020	2021
Financial strength of the tourism industry (FS)							
Return on investment	3,2	3,3	3	0,2	0,64	0,66	0,6
Return on equity	2,8	2,7	2,6	0,2	0,56	0,54	0,52
Profit dynamics	3,8	3,2	3,1	0,1	0,38	0,32	0,31
Financial autonomy	3,3	3,2	3,1	0,2	0,66	0,64	0,62
Solvency of the industry	3,5	3,6	3,7	0,1	0,35	0,36	0,37
Level of financial risk	4,2	4,5	4,6	0,1	0,42	0,45	0,46
Overall evaluation of the criterion FS				1	0,502	0,495	0,48
Competitiveness of the tourism sector (Competitive advantage) (CA)							
Net profitability of sold products	3,4	3,3	3,4	0,2	0,68	0,66	0,68
Net profitability of production	2,4	2,4	2,4	0,2	0,48	0,48	0,48
Market share	2,2	2,3	2,2	0,1	0,22	0,23	0,22
Product competitiveness	2,4	2,5	2,4	0,2	0,48	0,5	0,48
The efficiency of use of fixed assets	3,4	3,4	3,4	0,2	0,68	0,68	0,68
Overall assessment of the CA criterion				1	0,508	0,510	0,508
The attractiveness of the tourism industry (Industry attractiveness) (IA)							
Profit level	2,5	2,4	2,4	0,4	1	0,96	0,96
Stage of the life cycle of the industry	4,4	4,4	4,2	0,2	0,88	0,88	0,84
Dependence of industry development on the situation	3,5	3,3	3,3	0,2	0,7	0,66	0,66
Overall assessment of the IA criterion				1	0,86	0,833	0,82
Stability of the tourism sector (Environmental stability) (ES)							
Profit stability	3,3	3,2	3,1	0,2	0,66	0,64	0,62
The level of development of innovation	3,4	3,3	3,1	0,2	0,68	0,66	0,62
Marketing and advertising opportunities	4,4	4,5	4,4	0,2	0,88	0,9	0,88
Overall assessment of the ES criterion				1	0,74	0,73	0,71
Integral index of the level of innovation in the tourism sector of Ukraine					0,652	0,643	0,629

Source: developed by the authors on the basis of [3; 5; 10–11]

The assessment of the level of innovation in the tourism sector of Ukraine is carried out on the following scale: <0.4 – unsatisfactory level; 0.41-0.64 – satisfactory level; 0.65-0.8 – high level; 0.81-1.0 – very high level [12]. The integrated index of the level of innovation in the tourism sector of Ukraine in 2019–2021 remains at the same level – at the satisfactory level (from 0.65 in 2019 to 0.63 in 2021). This indicates a high opportunity for competitiveness of the industry, which contributes to its attractiveness (3.3 points), but recently the level of its stability (2.6 points) is lower due to the constant influence of external factors, including political and economic, on the activities of enterprises.

Calculation of the integrated indicator of innovation in the tourism sector of Ukraine using the method of SPACE analysis makes it possible to determine the reserves for increasing the tourist attractiveness of the industry, or to determine the existing level of tourist attractiveness in terms of available tourist resources, investments, etc. According to the results of the expert statistical assessment, the current level of innovation in the tourism sector of Ukraine according to the method of SPACE analysis is at a satisfactory level. It can therefore be concluded that innovation in the tourism sector remains extremely low and that the levers and mechanisms for implementation are ineffective. The solution to these problems is only possible through a transformation of tourism policy, which requires a clear definition of promising ways of applying innovations, the development of specific measures and technologies for their practical implementation, and the creation of methods for their evaluation in modern conditions.

After obtaining weighted estimates of the key criteria, the next stage of the space analysis is to construct a vector of the company's recommended innovation strategy in the space coordinate system. According to the matrix, the following innovation strategies are recommended for the tourism sector [21–22]:

– Aggressive strategy. This situation is typical of an attractive industry with little uncertainty. Companies in the industry have a competitive advantage that they can maintain and increase through financial capacity. Risks are insignificant and it is necessary to concentrate on securing interests. The mechanisms are aimed at expanding production and sales. Price war with competitors, development of new market segments, brand promotion.

– Competitive strategy. This condition is typical of an attractive industry. Companies in the industry gain a competitive advantage in a relatively unstable environment. The critical factor is financial potential. The risk of losing funding must be minimised. The main mechanisms are the search for financial resources and the development of distribution networks.

– Conservative strategy. This situation is observed in stable markets with low growth rates. In this case, efforts can be focused on financial stabilisation. The most important factor is product competitiveness. The main mechanisms are reducing costs while improving product quality, reducing production and entering more promising markets.

– Protective strategy. This situation arises when the company operates in an attractive industry but its products and funds are not competitive. Particular attention is paid to mechanisms to minimise threats. The main strategy is to exit the market [13–14].

The start of the vector is at the origin and the end of the vector is at point A with coordinates (x; y) [15]:

$$X = IA - CA, \quad (3)$$

where IA – industry attractiveness (Industry attractiveness),

CA – competitiveness of the tourism sector (Competitive advantage);

$$Y = FS - ES, \quad (4)$$

where FS – financial strength of the tourism sector (Financial strength), ES – stability of the tourism sector (Environmental stability)

Accordingly, for the tourism sector of Ukraine – the object of evaluation – these coordinates are equal to

$$X = 0.82 - 0.508 = 0.312; Y = 0.48 - 0.71 = -0.227$$

Thus, the vector of the recommended strategy by the method of SPACE-analysis is built on two points: O (0; 0) and P (0,312; -0,227).

It can be seen that the strategy of increasing the level of innovation in the tourism sector of Ukraine is a competitive strategy. The tourism sector of Ukraine has certain competitive advantages, and the main efforts of the tourism policy should be aimed at their preservation using the available financial potential [16]. The financial situation of the industry can be described as unsatisfactory. As a result, the low competitiveness of the tourism sector is caused by internal factors: low liquidity and turnover, unprofitable activities and incomplete use of resources.

Conclusions. Therefore, based on the above, conclusions can be drawn. The study confirms the ineffectiveness of state policy to ensure the development of tourism on the basis of strategic documents of the country's development, because for a long time a significant problem in the formation of a holistic economic strategy in Ukraine has been the lack of understanding that the lack of innovation in the strategic perspective slows down economic dynamics. This calls for a comprehensive innovative reform of Ukrainian tourism policy, which would combine the results of scientific and technological development with human development [17].

The innovative strategy of the tourism sector is one of the economic levers of its development and competitiveness. The innovative strategy in the field of tourism are aimed at creating a new or changing an existing product, improving transport, hotel, and other services, developing new markets, introducing advanced information and telecommunications technologies, and modern forms of organizational and managerial activities. This conclusion justifies the need for different methodological approaches for its formation, implementation, and evaluation of effectiveness.

The above methodological approach to determining the innovation strategy of tourism enterprises makes it possible to assess the impact of the main innovation factors on the level of development of the industry.

The analysis of the trends in the introduction of innovations by tourism enterprises, carried out by means of expert evaluation, allows us to state that the problems of innovative activity should be considered from the point of view of their division into causal and consequential ones. A critical analysis of the nature of the problems identified shows that the first group includes problems such as the incompetence of business leaders, the lack of appropriate qualifications, the lack of opportunities for implementing innovation strategies, the presence of negative impacts of environmental factors, in particular the legal reregulation of certain aspects

of innovation, financial instability, and so on. The second group of problems includes late and incomplete implementation of the tasks provided by the developed plans, inefficient organisational management structure, inconsistency and fragmentation of the strategic innovation planning process.

As a result, it is necessary to significantly expand and strengthen the implementation of innovation, which should serve as a link between science, tourism, government and local government. The practical application of such a proposal in the innovative development of the tourism sector will not only increase the level of competitiveness of the enterprise, but also assess the feasibility of introducing new types of tourism products and services.

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JEL Z32

Oksana Roik, Candidate of Economic Sciences, Senior Lecturer at the Department of Tourism, Lviv Polytechnic National University. **Assessment of the level of innovativeness of the tourism business of Ukraine in the conditions of post-war reconstruction.**

The article substantiates the need to introduce innovations into the activities of tourism enterprises as a tool for increasing competitiveness in the market of tourism services. The COVID-19 pandemic and the full-scale invasion of Russia had an extremely negative impact on the development of the tourism business in Ukraine, and therefore tourism enterprises were faced with the task of how to maintain their position in the service market. As a result of the study, a methodological approach to the assessment of the innovative capacity of the Ukrainian tourism industry was developed using the integral method and SPACE analysis, which allows to assess the potential in relation to the main areas of strategic management, the development of which ensures the efficiency of the enterprise: attractive-

ness, competitiveness, financial strength and stability. The use of SPACE analysis also makes it possible to determine the company's development strategies, the main factors that ensure the effectiveness of the strategy. The need for a high-quality and reliable assessment of the level of innovation in the formation of the company's development strategy is substantiated, which makes it possible to make a decision on the implementation of measures to achieve the company's goals or to search for opportunities and reserves to increase the level of production potential.

Key words: innovativeness, tourism sector, tourism enterprises, SPACE analysis, innovation strategy of the enterprise.

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Роїк Оксана Романівна, кандидат економічних наук, доцент кафедри туризму, Національний університет «Львівська політехніка». **Оцінювання рівня інноваційності туристичного бізнесу України в умовах післявоєнної відбудови.**

У статті обґрунтовано необхідність впровадження інновацій у діяльність туристичних підприємств як інструмент підвищення конкурентоспроможності на ринку туристичних послуг. Пандемія COVID-19 та повномасштабне вторгнення Росії вкрай негативно вплинули на розвиток туристичного бізнесу в Україні і, тому, перед туристичними закладами постало завдання, як утримати свої позиції на ринку послуг. У результаті дослідження розроблено методичний підхід до оцінки інноваційності туристичного бізнесу України за допомогою інтегрального методу та SPACE-аналізу, що дозволяє оцінити потенціал у контексті основних напрямків стратегічного управління, розвиток яких забезпечує ефективність функціонування підприємства: привабливість, конкурентоспроможність, фінансова сила та стабільність. Обґрунтовано необхідність якісної достовірної оцінки рівня інноваційності при формуванні стратегії розвитку підприємства, що дозволяє прийняти рішення про реалізацію заходів щодо виконання цілей підприємства або про пошук можливостей і резервів для підвищення рівня саме фінансового потенціалу. Застосування SPACE-аналізу також дозволяє визначити стратегії розвитку підприємств та основні фактори забезпечення ефективності стратегії. Проведені дослідження показують, що для підвищення рівня інноваційності туристичного бізнесу України є стратегія конкуренції. Туристична сфера України має певні конкурентні переваги, проте основні зусилля туристичної політики мають бути спрямовані на збереження фінансового потенціалу, так як фінансовий стан галузі може бути ідентифікований як незадовільний. На підставі вище викладеного можна зробити висновки, що тривалий час суттєвою проблемою формування цілісної економічної стратегії в Україні є брак розуміння того, що відсутність інноваційної трансформації в стратегічній перспективі призводить до гальмування соціально-економічної динаміки. Наведений вище методичний підхід визначення інноваційної стратегії підприємств у сфері туризму дає можливість провести повноцінну оцінку впливу основних інноваційних чинників на рівень розвитку галузі.

Ключові слова: інноваційність, туристичний сектор, туристичні підприємства, SPACE аналіз, інноваційна стратегія підприємства.