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EVALUATION OF THE INNOVATION AND INVESTMENT POTENTIAL OF THE TOURIST SPHERE OF VINNYTSA

The purpose of the article is to analyze the current state and evaluate the innovation and investment potential of tourism enterprises, determine the ways of further development of tourism in Vinnitsa.

Keywords: *innovation and investment potential, development of tourism, tourist vector concept*

Relevance of research topic. The development of tourism at the regional level as well as the city of Vinnytsa remains relevant at this stage of development of Ukrainian tourism in general.

Formulation of the problem. Vinnitsa is a new point on the tourist map of Ukraine. It has its tourist highlights and tends to further develop tourism.

Analysis of the current state and assessment of the innovation and investment potential of the tourism sector will allow to determine a set of measures aimed at providing a systematic approach to tourism development, enhancing the tourist attractiveness and improving the tourist infrastructure of the city, creating a quality service network for both entertainment and business tourism, increasing its tourist competitiveness.

Analysis of recent researches and publications. Foreign scientists such as G. Harris, J. Bowen, J. Ritchie, N. Reimers, and F. Kotler have been researching

tourism issues. Among domestic researchers, significant contributions have been made by such scientists as O. Beydik, P. Gudz, V. Evdokimenko, V. Kifyak, O. Lyubitseva, M. Malska, T. Tkachenko, and others.

Despite the large number of theoretical and methodological approaches concerning the development of tourism, the issues of researching the development of tourism at the regional level remain relevant.

Presenting main material. Tourism is one of the main directions of development of the world economy. Its priority is evidenced by rather significant revenues from tourism, which make up 9 percent of world GDP and 30 percent of international trade in services. Annually, world tourist flow increase by 4–5% [1].

Indicators of tourism development in Ukraine reflect the general economic situation in the country: despite the «strange» state of the economy, Ukrainians are increasingly traveling abroad and traveling across the country.

As of 2018, 14.2 million foreign tourists have visited Ukraine. The state earned \$ 1.261 billion from them. Aggregate tourist tax revenues and tax payments increased by 20.7% to 4.2 billion hryvnias, tourist revenue increased by 29.2% to 90.7 million hryvnias [2].

Border countries have traditionally been leaders in visiting Ukraine: Moldova, Belarus, Russia, Poland, Hungary, Romania and Slovakia.

In addition, the State Border Guard Service recorded in 2018 an increase in the number of tourists from non-border countries, including Europe: Spain – 68%, Great Britain – 47.3%, Lithuania – 23.4%, Italy – 15.4%, Germany – 13.3%, France – 9.2%, and India – 57.4%, China – 38.8%, Japan – 38.3%, Israel – 21.7% and the United States – 19% [2].

Transcarpathian, Odesa and Kharkiv (acquiring the role of business tourism center) regions are the most popular for foreigners to visit. Ukrainians mostly visit Kyiv, Lviv, Poltava, Cherkasy and Dnipropetrovsk regions.

Such changes in the structure of the tourist flow were the result of intensified promotion of Ukraine in the international tourism market, bilateral cooperation, visa liberalization, increase in offers of direct and budget air services.

At the request of the Vinnytsa City Council, in July 2019, the sociological agency «Fama» conducted the first study of the tourist attractiveness of the city. The study conducted a survey of visitors to the city method «face to face». 400 respondents aged 18 and over were interviewed. The allowable sampling error does not exceed 4.9%. The study also used data from the Fama All-Ukrainian Survey (2019) on the characteristics of Vinnytsa by respondents.

Yet, the profile of city visitors by age of tourists is as follows [1]:

- before 20 y.o. – 11,2%
- 21-25 y.o. – 15,2%
- 26-30 y.o. – 15,2%
- 31-35 y.o. – 10,5%

- 36-40 y.o. – 17,0%
- 41-45 y.o. – 11,2%
- 46-50 y.o. – 10,2%
- 51 y.o. and above – 9,5%.

The primary purpose of the trip: recreation and entertainment (61.6%); visits of friends and relatives (22.7%); business, work travel (8.7%); participation in competitions, competitions (3,0%); other personal matters (admission to university, treatment, etc.) (4.0%) [1].

Thus, according to the analysis, the largest share of tourists visiting Vinnitsa is made by travelers aged 21-30 years (30.4%) and 31-40 years (27.5%) with an average monthly income of up to 6 thousand hryvnias per person (41.2%). On average, they leave in the city about 1,000 UAH per day. The majority of the city's guests are residents of the neighboring regions of Ukraine who come to Vinnytsa for recreation and entertainment (61.6%), bringing with them one companion. The percentage of those who come to Vinnytsa and live in Kyiv and Kyiv region is 22.2%. As for foreign guests (8.2%), the city is popular with citizens of Belarus, Georgia, the Republic of Poland, the Russian Federation and the USA [1].

A study of the length of stay of travelers in the city showed that Vinnytsa confidently overcomes the stereotype of «city for one day», as 67.8% of respondents spend more than 24 hours in Vinnitsa [1].

One five-star, two four-star, 38 three-star, 8 economy-class hotels and 49 hostels operate to meet the needs of tourists in the city. [1]

The increase in tourist flow to Vinnitsa resulted in an increase of 128.9% in the revenues from the tourist tax to the city budget for the period 2016-2018.

Thus, for the 10 months of 2018 they amounted 275,481 thousand UAH, while for the 10 months of 2017 – 235,122 thousand UAH, and for the same period of 2016 – 120,061 thousand UAH. (Fig. 1).

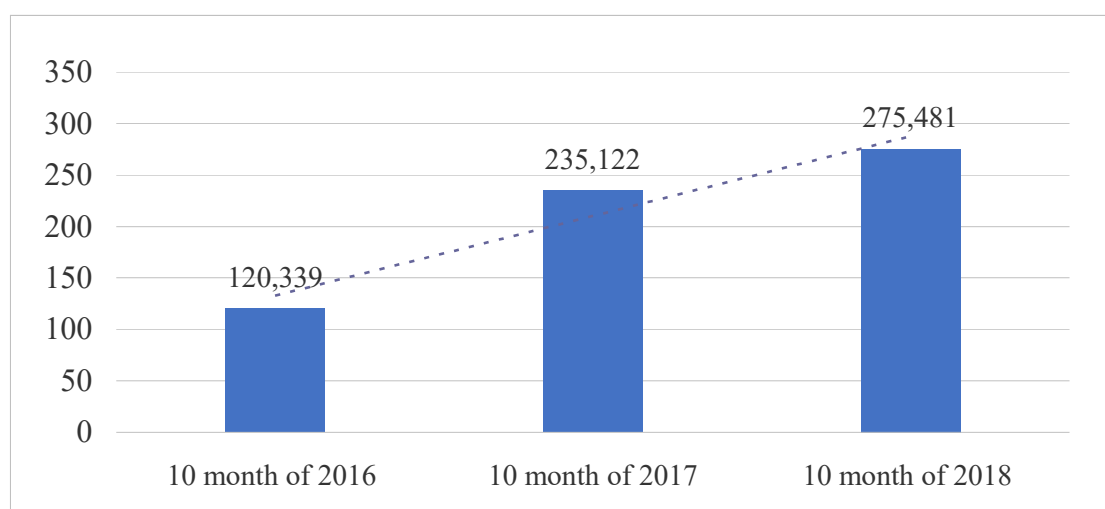


Fig. 1. Dynamics of the tourist fee to the budget of Vinnytsa, thousand UAH [1]

An increase in the number of tourists and sightseers in Vinnitsa is also evidenced by the data presented in Fig. 2.

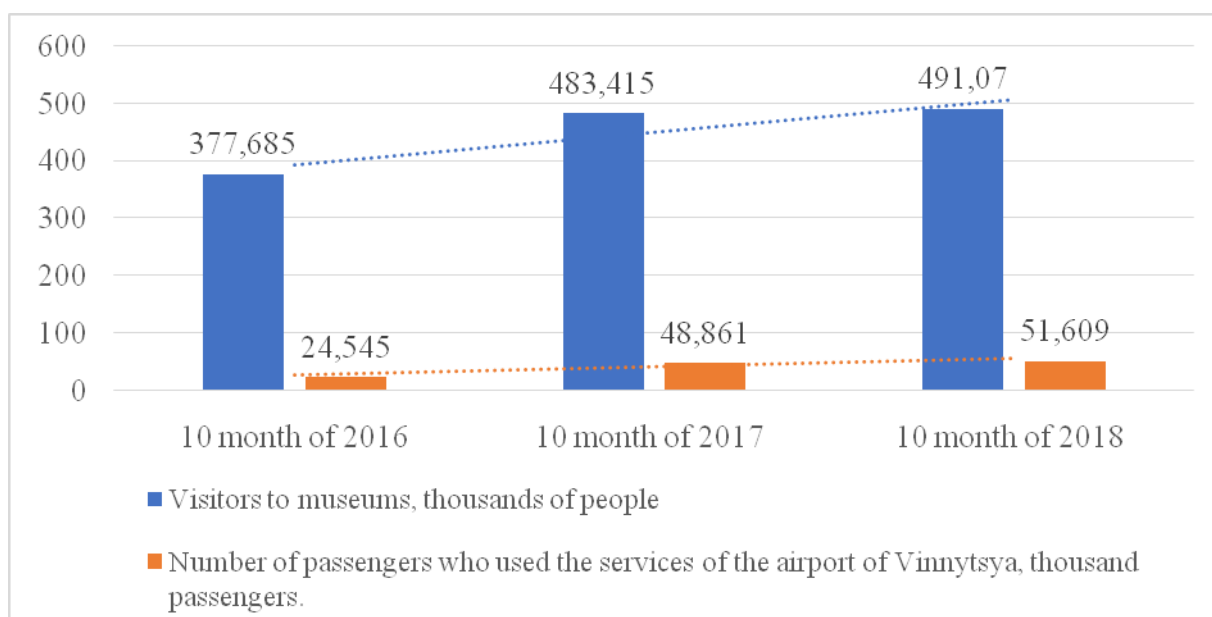


Fig. 2. Number of visitors of museums and passengers who used the services of the airport of Vinnytsya, thousand people [1]

An increase in tourists and sightseers, an increase in the share of entrepreneurs involved in the tourism sector, and an increase in the number of workers engaged in tourist and sightseeing services determine the social importance of tourism development for the city.

The main directions of further development of the Vinnytsa tourism sector are determined by the decision of the Vinnytsa Regional Council from June 24, 2015 «Strategy of balanced regional development of Vinnytsa Region for the period up to 2020» and the decision of Vinnytsa City Council from August 30, 2013 No. 1405 «On approval of the Development Strategy of Vinnytsa -2020 «.

Specification of tasks and priorities of the Vinnytsa 2020 Development Strategy is reflected in the Vinnytsa Tourism Development Program for 2016-2020 (approved by Vinnytsa City Council Decision No. 2320 of 30.10.2015) and defines a set of measures aimed at ensuring a systematic approach to development of tourism, increase of tourist attractiveness and development of tourist infrastructure of the city, creation of high-quality service network, both for entertaining and business tourism.

The main objectives of the Program are aimed at the implementation of the state policy on tourism development in the city and foresee the introduction of modern European approaches to the improvement of organizational and resource support for:

- development of the existing tourist infrastructure;
- increasing of tourist attractiveness and competitiveness of the city;
- increasing the ability of small business entities in the tourism sector to provide quality tourism services.

The following stakeholders (target groups) can be identified in the implementation of the Program activities:

- business entities engaged in activity in the tourist sphere of the city;
- representatives of public organizations whose activities are aimed at tourism development, studying the historical heritage of the city, improving the quality of tourist services;
- representatives of city authorities and territorial bodies of state power, who are interested in establishing partnerships with small business entities in order to fulfill the main objectives of the Program.

The Program’s activities also aim to involve vulnerable social groups (including young people, persons with disabilities, etc.) in the development of tourism in the city.

For the implementation of the Tourism Development Program, the city must have adequate innovation and investment potential, which can be considered as a system of innovation-investment resources, factors and conditions that create opportunities for the implementation of innovation-investment activity by enterprises of the tourism industry, accumulation and development of investment funds in order to ensure their innovative development and expanded reproduction and achievement of competitive advantages [3].

On the basis of the works suggested by A.S. Fedonina, I.M. Repin [4] and improved by O.M. Kalchenko [3] the performance of diagnostics of innovation and investment potential of enterprises of tourist sphere of Vinnitsa is performed, using the system of indicators given in Table. 1.

Table 1

Components of innovation and investment potential of Vinnitsa tourism enterprises by functional blocks [3]

Functional blocks for evaluation of innovation and investment potential	Components of innovation and investment potential	Indicators for assessing innovation and investment potential
Finance	Financial potential	Investment in tourism (including investments in related industries)
		Volumes of financing of tourism at the expense of the state budget
		Financial result from the economic activity of tourism enterprises
		Investment in hotels and restaurants
		Volume of investments in additional transport services and auxiliary operations

Functional blocks for evaluation of innovation and investment potential	Components of innovation and investment potential	Indicators for assessing innovation and investment potential
Production and sales of products	Material and technical potential	The number of tourists served by tourist enterprises
		The volume of tourist services provided per tourist enterprise
		Number of hotel type enterprises
		Number of sanatorium and recreational facilities
	Natural and recreational potential	Number of nature reserves and national parks
		Area of nature reserves and national parks
Marketing	Scientific and methodological potential	Number of employees of scientific organizations
		Volume of financing of scientific and technical works
		Financing of applied development in the sphere of tourism from the state budget
	Information potential	Volume of realization of advertising services
		Level of use of information technologies
		Provision of communication facilities
Organizational structure and management	Labor and organizational and managerial potential	Number of employees in tourist enterprises
		Number of employees in the hotel and restaurant industry

Following the instructions offered by Prokopenko O. on diagnostics of enterprise potential management [5], we obtain the following algorithm of graphoanalytic method of estimation of innovation and investment potential of tourism enterprises of Vinnytsa:

1. The output is presented in the form of a table, where the numbers are written in rows ($i = 1, 2, 3, \dots n$), and in the columns – periods of time, for which the analysis is performed ($j = 1, 2, 3, \dots m$).

2. Each indicator determines the best value of the indicator among all values for the whole analyzed period. The best metric value is compared to other periods by calculating relative metrics (δ_{ji}). They are calculated by the formulas:

$$\delta_{ji} = \frac{\Pi_{ji}}{\Pi_{\max}}, \quad (1)$$

if bigger value rate prioritised

$$\delta_{ji} = \frac{\Pi_{\min}}{\Pi_{ji}} \quad (2)$$

if smaller value rate prioritised

where Π_{ji} – value of the i indicator for the j period;

Π_{max} – the biggest value of the indicator (coefficient) for the analyzed period;

Π_{min} – the smallest value of the indicator (coefficient) for the analyzed period.

3. Determining the value of every i indicator for the j period (B_{ji}) in the k functional indicator's block.

4. Determining for every j period the value of every k functional block R_{jk} by the formula:

$$R_{jk} = \sum_{i=1}^{n_k} \delta_{ji} \cdot B_{ji} \cdot 100, \quad (3)$$

where n_k – the number of the indicators in the k functional block;

B_{ji} – the value of the i -indicator in the j period;

δ_{ji} – relative estimation of the i indicator of the j period.

5. The obtained R_{jk} estimates are transformed into a vector length, which creates a square of tourist and recreational potential. In this case, the point at the outer boundary of the square, that is, 100 conditional units, corresponds to the highest possible estimate.

6. By determining the length of all vectors, we create the square of the potential for each period.

The potential square has four zones according to the functional blocks (k), which are given in Table.1, and the four vectors that create it. On the basis of this algorithm and the corresponding system of indicators, having carried out the corresponding calculations, we obtain data for construction of the square of innovation and investment potential of tourism enterprises in Vinnytsya (Table 2).

Table 2

Evaluation of the functional blocks of the square of innovation and investment potential of the Vinnytsya tourism sphere

Functional blocks for evaluation of innovation and investment potential	R16	R17	R18
Finance	0,527611	0,85752	1
Production and sales of products	0,734065	0,867365	0,862694
Marketing	0,63378	0,75583	0,74572
Organizational structure and management	0,59605	0,82085	0,936

According to the data, this is shown in table 2 estimates of functional blocks are transformed into lengths of vectors forming squares of innovation and investment potential of tourism enterprises in Vinnytsya during 2016–2018 (Fig. 3).

The analysis of fig. 3 indicates that the shape of the square of the innovation and investment potential of the tourism sector in Vinnytsa is not optimal: vectors in different periods are developed differently. Moreover, the functional units «Finance» and «Production and sales of products» in 2018 and 2017, followed by the activation of the marketing activity and management of tourist infrastructure establishments, received the greatest development.

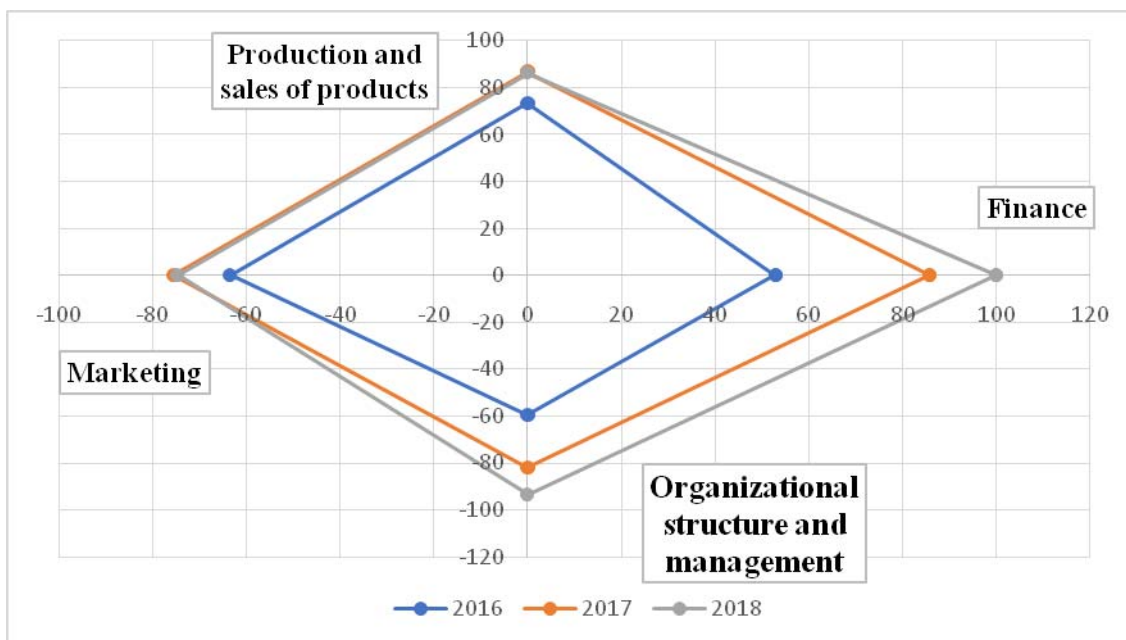


Fig. 3. Square of innovation and investment potential of tourism enterprises in Vinnytsa for 2016–2018

Thus, on the basis of the graphical model «Capacity Square», it is established that the innovation and investment potential of the Vinnytsa tourism industry is unbalanced. The study of the state of the functional blocks makes it possible to conclude that the most developed elements are financial and logistical resources. For a balanced model of tourism potential, it is worth paying attention to projects and activities for the development of organizational, managerial and labor resources, to activate information and natural and recreational potential.

Conclusion. To create a positive image of the city of Vinnytsa, create a favorable climate for external investors and local businesses, including tourism, enhance investment processes, innovate, improve the competitiveness of local businesses, improve the quality of life for residents of the city, in accordance with the priorities of the Vinnitsa 2020 Development Strategy the concept of the tourist vector of the city development is defined: «Vinnytsa is a hospitable city of unique history, architecture and culture».

The approval of this document by the City Council forms a policy for the implementation of a set of measures, clear goals and specific tasks for the development

of the tourism sphere, since it provides for inter-sectoral cooperation of structural units, institutions, organizations and enterprises of the city. This approach creates a conscious shared responsibility for the future of the city and the growth of its tourism potential, enhancing the competitiveness of Vinnytsa compared to other cities in Ukraine.

Successful implementation of the above concept requires significant attention to be paid to the marketing strategy of tourism development. For its realization it is necessary to understand what tourist product the city sells, to whom it sells and what are the channels of its sale. For this purpose, it is advisable to split all interested stakeholders into separate target groups (investors, tourists, residents), which will allow to develop tourism products according to the needs, requests, expectations of each audience and form a tourist offer.

The result of the implementation of the city's marketing strategy is to develop a positive investment and tourism image of the city, which will give it significant competitive advantages at the interregional and international levels, will allow attracting and increasing its own resources.

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