

DOI: 10.15276/ETR.03.2021.10  
 DOI: 10.5281/zenodo.6506815  
 UDC: 338.48  
 JEL: L83

## INTERNATIONAL MARKET OF TOURISM SERVICES: STATE AND TRENDS OF INNOVATIVE DEVELOPMENT IN THE CONDITIONS OF GLOBAL RESTRICTIONS

### МІЖНАРОДНИЙ РИНОК ТУРИСТИЧНИХ ПОСЛУГ: СТАН ТА ТЕНДЕНЦІЇ ІННОВАЦІЙНОГО РОЗВИТКУ В УМОВАХ ГЛОБАЛЬНИХ ОБМЕЖЕНЬ

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Received 19.06.2021

*Продіус Ю.І., Коваленко А.Б., Влаєва А.Ю. Міжнародний ринок туристичних послуг: стан та тенденції інноваційного розвитку в умовах глобальних обмежень. Оглядова стаття.*

У статті проаналізовано тенденції розвитку туристичної галузі в контексті глобалізації, широко доступної інформації, політичної та економічної нестабільності. Розглянуто характеристику міжнародного ринку туристичних послуг. Представлено значення та функції міжнародного туризму.

Також проаналізовано питання міжнародного співробітництва в області туризму. Виділено фактори розвитку міжнародного ринку туристичних послуг. Перераховано фактори, які визначатимуть географію туристичних потоків та напрямків у найближчі роки, і тенденції, які повинні бути враховані для створення та вдосконалення будь-якої стратегії розвитку туристичного напрямку.

**Ключові слова:** туризм, міжнародний туризм, ринок туристичних послуг, тенденції, розвиток, глобальні обмеження, інноваційний розвиток

*Prodius Yu.I., Kovalenko A.B., Vlaieva A.Yu. International Market of Tourism Services: State and Trends of Innovative Development in the Conditions of Global Restrictions. Review article.*

The article analyzes the development trends of the tourism industry in the context of globalization, widely available information, political and economic instability. The characteristics of the international market of tourism services are considered. The significance and functions of international tourism are presented.

The issues of international cooperation in the field of tourism are also analyzed. Factors of the international market development of tourism services are allocated. The factors that will determine the geography of tourist flows and destinations in the coming years are listed, and trends should be taken into account for creating and improving any strategy for tourist destinations development.

**Keywords:** tourism, international tourism, tourism services market, trends, development, global limitations, innovative development

International tourism is a fairly complex area of the world economy, which has a significant impact on the international economics and the economy of individual countries as a whole. In some countries, international tourism is virtually the only source of foreign exchange earnings, which maintains a high level of economic development and the population's welfare.

Therefore, the issue of the international market of tourism services should become one of the main, and the study of the market, the analysis of its state and current trends is a mandatory task.

The study relevance of the state and trends of the international market of tourism services is that there is already an awareness of the importance of tourism development as an effective means of significant foreign exchange earnings, job creation, incentives for social and market infrastructure, potential investment etc., the market should be constantly analyzed and the changes and new trends should be monitored in order to achieve the most positive results.

#### Analysis of recent researches and publications

In the field of Ukrainian science, such scholars as H. Mykhailychenko, T. Tkachenko, V. Fedorchenko and S. Chernetska were engaged in the research, and also foreign authors, such as Yu. Makohon, R. Millya, A. Morrison, Jh. Kester, studied the problem of international tourism trends and innovations in travel industry.

#### Unsolved aspects of the problem

When studying the international market of tourism

services, attention should be paid to the state and main trends of the international market of tourism services, in order to determine the guidelines for market development.

*The aim of the article is to determine the current state and key trends in the international market of tourism services.*

The methodological and informational basis of the study are scientific publications, works and research of domestic and foreign scientists. Such methods as comparison, analysis, generalization, system approach, etc. were used in conducting this research.

### **The main part**

International tourism is first of all a systematized and purposeful activity of the enterprises in the tourism field connected with rendering of tourism services and a tourism product to tourists.

The tourism services market is a system of world economic relations, where the process of tourism and excursion services transformation into money and the reverse transformation of money into tourism and excursion services is carried out. The market of international tourism services is a complex, multilevel system of relations between market participants (manufacturers, suppliers, intermediaries, consumers, competitors and contact audiences) in the process of buying and selling tourism services on the occasion of coordination and realization of their economic interests [1]. The structure of tourism international market is given in the figure 1.

The figure 1 clearly shows that the international market of tourism services includes macro- and micro-, as well as national tourism markets.

International tourism has become a part of the process of global development and integration, one of the influential factors on which economic growth depends, increasing competitiveness in global markets and improving the population's welfare.

The global crisis caused by the COVID-19 pandemic has dramatically changed the tourism industry. Therefore, there is a need to reconsider approaches to the normal operation of the international market of tourism services.

The impact of COVID-19 on the economy is significant, not least in the tourism industry. Factors such as the COVID-19 pandemic, environmental imbalances due to global warming, loss of social values and failure to preserve natural, historical, social and cultural values make sustainable tourism required. Taking into account the fact that sustainability typically includes several separate issues, such as the protection of ecological systems, equity between generations and resource efficiency, the assessment of environmental assets and the recognition of constraints related to the dynamics of ecological systems, this also implies the need to consider external factors and their impact on tourism.

It is believed that the world is still facing serious challenges and experiments, from the indefinite duration of the pandemic period to the restrictions on the tourists' movement. All of this is in the context of the global economic recession. Countries around the

world are taking a wide range of measures in order to minimize the effects of the COVID-19 pandemic and stimulate the tourism sector recovery.

It can be assumed that the vast majority of improvements in the tourism business organization will be based on the organization of virtual projects and remote work.

The market share of tourist services grows every year in the services sector. The tourism globalization involves the emergence of new segments in the international market of tourism services. The international market of tourism services includes the market for accommodation services with the predominant share of hotels in the market, the market for transport services, where the air transport plays a leading role, and the market for travel organizations, the so-called retail sale of tours.

From the viewpoint of tourism and its consumers, all countries of the world can be divided into three groups:

- countries for which tourism is not a significant source of income, and therefore they have little interest in attracting additional tourists;
- "wealthy" countries for them tourism is a significant source of income and tourists actively visit them;
- "vulnerable" countries – tourism space offers them an important source of income, but the stream of tourist flows falls due to the negative image of the territory formed for any reason.

The third group countries are of the greatest interest. These are the countries whose incomes are heavily dependent on tourism, but have an unstable reputation (Turkey, Egypt, Cyprus, Israel). They offer a comfortable and an affordable vacation, but various events in these countries regularly scare away tourists, especially, this trend is relevant today. By positioning services, Israel is trying to find a unique niche. Nowadays the word "Israel" – is an image of a country with a unique cultural heritage and one of the world's best health centres and hospitals. Even the threat of war and terrorist acts periodically recedes into the background. However, it should be noted that politicians and leaders of the international tourism business cannot find the same compromise here as in Cyprus – regular political troubles and difficulties in receiving visas deter many tourists.

In the countries of the first two types the international tourism market development is combined with the developed market of domestic tourism, in the countries of the third type the international tourism market prevails, but recovery of the domestic tourism market is observed. According to Jh. Kester (2011), these features can be used as a basis for forecasting the tourism development in markets of any level [2].

A comprehensive study of the current state, problems and trends of the tourism industry is conducted annually by such international organizations as the World Economic Forum, the United Nations World Tourism Organization and the World Tourism and Travel Council [3-4].

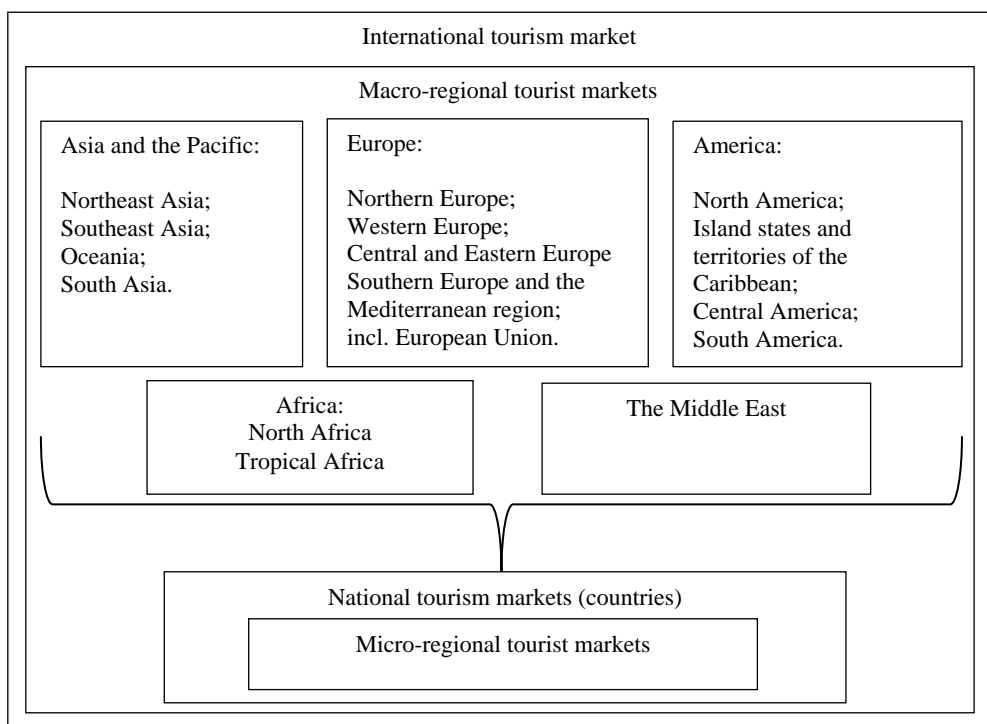


Figure 1. The Structure of the International Market of Tourism Services

Source: authors' own development

Based on the analysis and comparison of the annual reports of these organizations on travel and tourism, it is possible to identify the factors that will affect the growth of the tourism industry, determine the tourist flows geography and global trends in the tourism industry.

Factors that can influence the growth of the tourism industry in the world economy:

- gradual recovery of the global economic crisis, growth of purchasing power;
- changes in behavioural stereotypes, popularizing the travel culture among a wide range of consumers;
- reduction in the cost of tourist services due to falling oil and energy prices and, as a result, cheaper transport and energy costs in accommodation;
- further processes of globalization that will lead to liberalizing the visa regimes between many countries and the "blurring of borders" and barriers to movement and travel;
- robotization and automation of processes, using the artificial intelligence will lead to the release of many people who will receive a basic income, but will have enough free time for tourism and travel.

In addition, the geography of tourist flows and destinations is influenced by several factors, namely:

- the security level for a particular tourist destination;
- some currencies stabilize against other national currencies, which will affect the level of tourists' purchasing power both in terms of growth and down;
- activity of a certain tourist destination in order to increase its own tourist competitiveness. Priority

for the tourism industry development for state (local) authorities (destination).

The world trends in the tourism industry development are:

- growth of the international tourism industry transnationalization, accompanied by the of joint programmes implementation and the global corporate associations formation;
- unprecedented scale and comprehensive nature of the tourist movement;
- forming the single world tourist market;
- informatization of various sectors of the tourism industry that are blocked in the global information network Internet;
- strengthening the competition in global and regional markets;
- introducing the innovation paradigm as a factor of competitiveness in tourism practice.

With the rapid development of information technologies, such services as booking tickets for tourists and luggage transportation, booking seats, choosing a tour and organizing leisure time during the trip, are increasingly implemented through the Internet services.

There is a new global form of introducing a tourism product (service) – ETravel. In particular, the share of the Internet sector in the field of tourism increased by 1700% in 2016-2019. And more than 45% of tourists use their smartphones in order to book a tour. In our opinion, over the next four years, another billion people worldwide will switch to the Internet market, and it should be borne in mind that for the vast majority of consumers, the only personal digital device used will be a smartphone.

Therefore, it is now necessary to take into account

the trends in creating the electronic portals for selling the tourism services.

The following online services are quickly gaining ground in the market: Ctrip, Booking, Tripadvisor, etc. However, the space informatization has led to the emergence of so-called "virtual tours", which travel on the Internet, without actually staying in any particular place.

Google has developed and launched several approaches to travel over the Internet from almost all the most attractive places in the world:

- Google TourBuilder (independent travel planning);
- Google Street View (virtual guided tours around tourist cities);
- Google Earth (Earths and geolocation through space satellites);
- Google Maps (global navigation) on the basis of own Internet services.

In particular, Google has developed an online 3D tour around Ukrainian open-air museums. The popularity of virtual tours is growing rapidly. For example, in July 2017, a trip to the International Space Station became available with the help of the Google Street View portal.

On the one hand, this trend is inevitable with globalization and informatization, but on the other hand, it is a certain threat and challenge to the tourism industry existence as such. After all, with the popularization of new means of travelling "without leaving home", the share of real tourist flows decreases.

Thus, virtual tours are one of the inevitable threats to the global tourism industry.

Individual tours and tours personalization are becoming increasingly popular with the global market expansion for services and improving quality. Tours personalization means individual selection of tourist service components which make a tourist product by a traveller according to his/her needs. Now the Internet portal Zruchno.travel for the individual organization of trips across the country is created for Ukrainian tourists. At the same time, the Internet services development has contributed to the independent travel extension, the emergence of so-called "selfi-tourists". Currently, group tours are recommended only for the Chinese market.

However, the trend towards independent travel will continue to grow, so traditional travel companies need to refocus on market needs, i.e. to move services to the Internet, to change business models and communication channels with potential customers.

Trends in personalization, individual tours, diversification of personal nutrition (vegetarianism, special diets, etc.) and the amateur tourism development have led to an increase in demand for individual temporary accommodation, such as apartments, villas, etc. Large hotel chains are already considering this trend and designing new hotels as a collection of self-catering apartments and a separate entrance.

The so-called eco-marketing has become a global modern trend in the market of goods and services.

More and more consumers are choosing ecologically friendly goods and services. This is due to both the cult of a healthy lifestyle and the desire to protect the environment. Such changes in the potential tourists' behaviour and lifestyle have led to an increase in the popularity of ecotourism, rural tourism and ecological accommodation. In addition, the least polluting transport modes: bicycles, segways, water transport, etc., are gaining popularity. Demand for rest in rural estates and farmers' food is growing especially among the megapolices inhabitants.

Tourists all over the world will soon pay more attention to the social responsibility of tourism, namely, to consider the environmental, economic and social impacts they are making at the destination.

Today, social campaigns have been launched around the world to foster similar values and motivations for travellings. But such information campaigns, on the contrary, can reduce long-distance journeys, as a modern traveller will be inclined to stay close to home in order to reduce carbon emissions. Today, the tourism business should refocus on such business models, which are clearly aware of the impact on the environment and each individual tourist's contribution in restoring the Earth's resources.

Certainly, modern challenges of civilizational processes, continuous scientific and technological progress, rapid development of information environment, growing consumption, public demand for beauty, longevity and, at the same time, globalization and radicalization of socio-political processes have led to new forms of tourism, such as:

- space tourism;
- trade tourism;
- wedding tourism;
- gastronomy tourism;
- political tourism;
- sentimental tourism;
- yoga tours and beauty salons;
- anti-aging tourism, etc.

In addition, the concept of the impression industry, which is typical for post-industrial society, is spreading. One of the typical trends is the new destinations isolation from the traditional types of tourism. For example, wellness tourism is now divided into many powerful segments: medical tourism (which, in turn, is divided into other types, such as dental, reproductive, etc.), health & SPA tourism, the purpose of which is recovery with the help of physiotherapy and balneological procedures, beauty salon aimed at improving the appearance, weight loss, detoxification, etc., anti-aging tourism aimed at restoring youth and longevity. Event tourism is also divided into festival, wedding, film tourism, and religious tourism already includes such areas as spiritual, pilgrimage, sentimental etc.

As it is known, the basis of innovative activity in all sectors of the economy is introducing the scientific and technological progress. Tourism as a global socio-economic phenomenon, operating in conditions of fierce competition, is characterized by a high

degree of innovation processes influence, which is often the main factor determining the tourism organizations competitiveness.

One can emphasize the main directions of innovative activity in tourism:

- producing new types of tourist product, restaurant product, hotel services, etc.;
- applying new technologies in the manufacturing traditional products;
- applying new tourist resources that have not been used before. A unique example is tourists' trips on spaceships;
- changes in organizing the production and consumption of traditional tourist, restaurant products, hotel services, etc;
- new marketing, new management;
- identification and use of new sales markets for products (hotel and restaurant chains), forms of organizational and managerial activities [5].

The ICT technologies development in recent decades has had a sharp impact on the tourism sector, as the accelerated link between technology and tourism of late years has led to the necessary changes in understanding the tourism nature and requires ongoing research and analysis of how digitization affects the economic growth of tourism enterprises [6].

Investigations are often focused on information technology in tourism and were focused almost exclusively on the advantages and applications of technology, and much less on the disadvantages. The unanswered question, which scientists have still been looking for answers to, is: "Can digitalization be seen as driving the the tourism industry transformation in the age of the Internet economy?"

The research shows that digitization provides promising potential in the tourism industry. This affects all business processes that take place in the tourism industry development. In addition to the digital transformation of processes, digitization offers opportunities for new business models in the tourism industry.

Due to the digitization, many processes in travel companies have become more efficient and, consequently, more economical. It leads to a large potential sales volume, as using the Internet makes the transition and dissemination of information faster, better and cheaper, regardless the geographical and time constraints.

We can now see an increase in demand for security. Civilizational challenges related to terrorism, military conflicts, epidemics, political instability and natural disasters have led to increased demand for security during guided tours.

The World-Renowned Organization World Economic Forum (WEF) [3] publishes an annual report on tourism safety in a particular country. Thus, according to the report for 2019, the safest countries for tourism and travels are Finland, UAE, Iceland, Hong Kong, Singapore. Instead, in 2019 Ukraine entered the top ten most dangerous countries for travels and tourism, along with the countries such as

Colombia, Yemen, El Salvador, Pakistan and Nigeria. Thus, states that have strategically identified tourism as a priority guideline for development need to adjust the factors that affect travel safety.

On the one hand, the new generation of young people will dictate trends in tourists' demand over the next 20 years, but on the other hand, a widespread phenomenon of aging tourists, namely retirement travel.

Understanding the behavioural responses of new categories of tourists and their needs is a necessary condition for the travel destinations development and the successful operation of the tourism industry.

Thus, the millennial generation uses online travel planning services, but, as a rule, cannot independently determine their own needs in a guided tour, actively uses social networks, enjoys taking photos of places to visit (mostly on a mobile phone), prefers active leisure and has unstable income.

As for traveling retirees, they are usually conservative and as a rule use a live conversation with a travel agent. This is a category of tourists who will use outdated business models in tourism, typical for the end of the XX century, for a few more years.

In terms of gender, women's travel is gaining popularity. Today, about 80% of travel decisions are made by women. Earlier, a woman made decisions and motivated friends, family, acquaintances to travel, but now the number of women travelling alone is increasing.

The rapid course of events, accelerating the life pace and liberalizing the visa procedures have led to a tendency to reduce the international travels duration, but increase their frequency. Tourists have begun to travel more often (on average 2-4 times a year), but the duration of one trip have been reduced (to 2-7 days). Weekends remain the most popular travel choice for European countries, while the duration of the trip is longer (7-10 days) for the countries of the Asia-Pacific region, due to the trip purpose.

To increase international tourist flows, the world tourism community, represented by the United Nations World Tourism Organization (UNWTO), has formulated several major challenges facing countries over the next decade [4]:

- strengthening the joint responsibility and coordination role of governments that promote tourism;
- security organization and timely provision of tourists with the necessary information;
- increasing the role of national policy in the field of tourism;
- strengthening the role of public-private partnership;
- the need for state support and financing for tourism development, especially the promotion of tourism products and tourism infrastructure development.

## Conclusions

Thus, the following major global trends in modern tourism and the international market of tourism services were revealed in the study: changing the

geographical distribution of international travel; the predominance of selling the tourism services on the Internet; increasing the share of individual trips; growth of the medical and wellness tourism segment; increasing the demand for certain temporary accommodation facilities; security needs actualization; growing needs of ecological tourism and maintaining a friendly environment; emergence

and differentiation of new types of tourism; transforming the socio-demographic portrait of the tourist services consumer; change in duration and frequency of trips, etc. In order to increase the effectiveness of the tourism development strategy of any tourist destinations, it is necessary to take into account the abovementioned global trends in the international market development of tourism services.

### Abstract

International tourism is a fairly complex area of the world economy, which has a significant impact on the international economics and the economy of individual countries as a whole. In some countries, international tourism is virtually the only source of foreign exchange earnings, which maintains a high level of economic development and the population's welfare. Therefore, the issue of the international market of tourism services should become one of the main, and the study of the market, the analysis of its state and current trends is a mandatory task.

The study relevance of the state and trends of the international market of tourism services is that there is already an awareness of the importance of tourism development as an effective means of significant foreign exchange earnings, job creation, incentives for social and market infrastructure, potential investment, etc. the market should be constantly analyzed and the changes and new trends should be monitored in order to achieve the most positive results

Thus, the following major global trends in modern tourism and the international market of tourism services were revealed in the study: changing the geographical distribution of international travel; the predominance of selling the tourism services on the Internet; increasing the share of individual trips; growth of the medical and wellness tourism segment; increasing the demand for certain temporary accommodation facilities; security needs actualization; growing needs of ecological tourism and maintaining a friendly environment; emergence and differentiation of new types of tourism; transforming the socio-demographic portrait of the tourist services consumer; change in duration and frequency of trips, etc. In order to increase the effectiveness of the tourism development strategy of any tourist destinations, it is necessary to take into account the abovementioned global trends in the international market development of tourism services.

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**Посилання на статтю:**

Prodius Yu.I. *International Market of Tourism Services: State and Trends of Innovative Development in the Conditions of Global Restrictions* / Yu. I. Prodius, A. B. Kovalenko, A. Yu. Vlaieva // *Економіка: реалії часу. Науковий журнал.* – 2021. – № 3 (55). – С. 80-86. – Режим доступу до журн.: <https://economics.net.ua/files/archive/2021/No3/80.pdf>.  
DOI: 10.15276/ETR.03.2021.10. DOI: 10.5281/zenodo.6506815.

**Reference a Journal Article:**

Prodius Yu.I. *International Market of Tourism Services: State and Trends of Innovative Development in the Conditions of Global Restrictions* / Yu. I. Prodius, A. B. Kovalenko, A. Yu. Vlaieva // *Economics: time realities. Scientific journal.* – 2021. – № 3 (55). – P. 80-86. – Retrieved from <https://economics.net.ua/files/archive/2021/No3/80.pdf>.  
DOI: 10.15276/ETR.03.2021.10. DOI: 10.5281/zenodo.6506815.

