Organizational and Economic Aspects of the Development of the International Tourism and Hospitality Industry

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Abstract:
The article is devoted to the consideration of aspects related to the development of the tourism and hospitality industry in Uzbekistan and Russia. It has been established that the intensive development of various forms of tourism and hospitality will allow these countries to be more attractive for foreign tourists. It has been found that when developing the tourism and hospitality market Uzbekistan and Russia are advised to review prospects of its development at the international level. Promising areas of the development in the tourism and hospitality industry will be a new system of enterprise classification regulating the rating of enterprises and encouraging tourism by simplifying visa regulations, applying discounts to attract regular and potential tourists, introducing educational programs in the tourism and hospitality sector combining theory and practice, and spurring the development of all regions as potential tourist destinations.

Keywords: tourism and hospitality industry; recreational potential; quality; supply; demand; development; resources; infrastructure.

JEL Classification: L83; L23; L11.

Introduction
The modern state of the tourism and hospitality industry in many countries is not sufficiently studied and used for the development in a more economic and close way in terms of both mentality and tradition. The absence of information about modern tourism resources created over the past few decades might substantially change views
not only of potential tourists but also travel agencies and firms about the presentation of tourism products. In this regard, the development of the tourism and hospitality industry in Uzbekistan and Russia can be reviewed. These countries hold huge recreational potential. Their territories are home to unique natural and recreational resources, sites of national and world cultural and historical heritage, important economic, cultural, public, and sports events. Many Uzbek and Russian regions have a wide range of potentially attractive facilities that are popular among tourists. Ample recreational resources in these countries allow them to develop any type of tourism, including recreational, cultural, educational, business, active, therapeutic, environmental and rural. Aspects related to the development of the tourism and hospitality industry are studied in the articles by S.R. Alikulov (Alikulov and Chorshanbiev 2018), Yu.E. Bolotin (Bolotin and Sanzarova 2019), A.O. Borisova (2019), K.B. Kostin (Kostin and Nan 2019), D.Z. Norkulov (Norkulova and Boy zamanov 2018), D.R. Shepeleva (Shepeleva and Lovyanikova 2019), etc. However, problems pertaining to the development of the tourism and hospitality industry in Uzbekistan and Russia remain insufficiently disclosed.

1. Methodology
The study’s methodological basis included the following general scientific methods: analysis and synthesis when analyzing the existing theoretical and methodological positions and scientific articles about problems related to the development of the tourism and hospitality industry, the structural logical method when systematizing factors impacting the introduction of innovation in the tourism and hospitality industry, as well as factor analysis when determining the impact of factors on the level of tourism regulation in the countries under study.

The study’s information base included legislative, statutory, and legal acts, statistical materials from public authorities and local self-government bodies, and articles written by Uzbek and foreign scholars about problems related to the development of the tourism and hospitality industry (Alieva 2019; Karaulova et al. 2019).

In the course of the study, we elaborated approaches to the development of the tourism and hospitality industry in the modern economic conditions and substantiated development strategies of travel and hotel businesses. Moreover, our objective was to substantiate approaches to the quality management of tourism services, as well as determine and formulate the main areas of the development in the tourism and hospitality industry at the modern stage.

2. Results
The development of the tourism and hospitality industry can be considered based on the example of Uzbekistan and Russia. Amid reforms relating to the operation of small enterprises and private entrepreneurship, the development of the tourism and hospitality industry in Uzbekistan has led to the practice of the tourism market offering hotels with a diversity of comfort and prices. Every year the media wires about new forms of this service for numerous clients.

These factors show that it is important to improve this industry by expanding consumer demand, services sector, and infrastructure, develop the social sphere, raise wages, and execute advanced transportation and communication projects. With tourism developing in Uzbekistan, the hospitality sector develops receiving tourists and satisfying their needs for accommodation, catering, and other services. For this reason, Uzbekistan develops its tourism and hospitality industry while keeping traditions and monuments of the past and creating new innovative solutions.

The practice showed that Uzbekistan is a country of the greatest cities with hundreds of pieces of architecture spanning various epochs. Historical cities, such as Samarqand, Bukhara, Khiva, Shahrisabz, Termez, and Kokand, are well-known in the world. Some of them are as old as Rome and Babylon and once were big centers of science and culture. The best scholars came to these cities. The world was impressed by the luxury and magnificence of palaces, minarets, mosques, and mausoleums built by famous architects of the past. The world-renowned ancient monuments still have the memory of the times when Alexander the Great and Genghis Khan made their conquests.

Many historical masterpieces have been preserved until now but still, require thorough reconstruction and restoration. These pieces of architecture perfectly display the architectural achievements of the past. Such a monument is the Ark of Bukhara. Architectural moments in Uzbek cities, which have miraculously survived until now, give a beautiful view of the past. In addition, the Great Silk Road ran through these cities.

To make sure tourists feel comfortable and safe in these historical cities, which still have the spirit of old times, much effort has been taken to create the tourism and hospitality industry. As a result, a lot of new hotels and guest houses, restaurants and cafes meeting international standards have been opened in various Uzbek
regions, as well as many means of transportation to service an increasing number of tourists. These processes are regulated by the State Committee of Uzbekistan for Tourism Development (Figure 1).

Traveling in Uzbekistan on the way to its historical, archeological, architectural, and natural sites is a real adventure with lots of pleasant discoveries.

Figure 1. Organizational chart of management for the tourism and hospitality industry in Uzbekistan

Uzbekistan (among other countries of the region) takes the lead in terms of cultural and educational tourism. Tourists have the opportunity to take a look at the country's history not only in museums but also in reality. To this end, it is essential to visit sites of ancient cities and archeological excavations, opening doors to the remote past of palaces and temples of various epochs.

Uzbekistan also develops event tourism. The country has preserved holidays once celebrated in the Soviet times and restored historical and religious holidays of the past. Therapeutical and recreational tourism also gains popularity. For young people, Uzbekistan can also be viewed as a destination for active recreation in the republic's mountainous districts (rafting, mountain climbing, and hiking). The country's most popular alpine resorts are Chimgan and Beldorsoy.

The country has also been creating new areas of tourism:
- for pilgrims to visit the Tashkent State Museum in order to worship Osman's Holy Quran;
- for tourists to visit a complex of Imam Bukhari monuments, which houses the Imam Bukhari International Center;
there are plans to create special pilgrim routes across sites to worship Islamic prophets and saints in Samarkand;
- to create a Golden Ring with the inclusion of such Uzbek cities, as Tashkent, Samarkand, Bukhara, Khiva, and Fergana;
- to organize new tourism routes across places where great writers and scholars lived and worked, with the publication of their works and conduct of international conferences.

There are five main economic and social interests to consider the tourism and hospitality industry as a priority of development in Uzbekistan: the possibility of creating a sufficient number of jobs in the tourism sector, including for people from rural and remote districts and young people without giving up the traditional rural way of life; to assist the development of entrepreneurship among broad strata of population, creating business opportunities for families and small and medium-sized enterprises; to invest in the development of regions and rural districts of Uzbekistan, including the development of engineering and transport infrastructure in remote districts, as well as infrastructure related to checkpoints at the Uzbek state border; to assist in the cooperation and provision of possibilities in other sectors of the economy, including agriculture, machine engineering, textile and food industries, and the non-manufacturing sector; to assist in the creation of positive and productive inter-cultural relations contributing to the promotion of national and international mutual understanding.

In order to reach national targets of diversifying the economy and improving welfare and living standards of the public, the tourism and hospitality industry in Uzbekistan should develop in specific tourism clusters with competitive tourism businesses run by tourism professionals who offer attractive tourism products in domestic and international tourism markets. Development in this direction should contribute to sharp and stable growth of income from tourism and hotel operations for all parties concerned (the state, businesses, and employees).

For this reason, the main targets of developing the tourism and hospitality industry in Uzbekistan are to create required innovative and energy-efficient infrastructure, as well as a system of new tourism experience, to elaborate international competitive products and services for local and foreign tourists, to develop environmental tourism and environmental education, including in specially protected natural territories, to create a professional system for the management and regulation of the tourism and hospitality industry, and to simplify access to the country.

In this case, the main objectives of developing the tourism and hospitality industry in Uzbekistan are to increase the contribution of the tourism and hospitality industry into the national economy, to drive up economic growth and investment considering substantial growth potential of the tourism and hospitality industry, to create jobs in the tourism and hospitality industry, and to develop entrepreneurship, including in related sectors of the economy and human potential in the country as a whole and in the regions, including rural districts. To increase the investment appeal of the tourism and hospitality industry as a priority sector of the economy, it is necessary to create advanced highly efficient and competitive tourism complexes for the industry's integration into the world tourism market.

Upon analyzing the Russian tourism and hospitality industry, we noted that Russia has a lot of cultural and natural attractions. They are 2,368 museums in 477 historical cities, 590 theatres, 67 circuses, 24 zoos, nearly 99,000 historical and cultural monuments, and 140 national parks and reserves. At present, Russia has 103 memorial reserves and 41 memorial estates. The World Heritage List of the UNESCO includes 23 cultural and natural sites from various Russian regions (Konovalova et al. 2018; Safaeva et al. 2019).

However, Russia is a donor country, i.e. many Russians visit foreign countries despite the country's huge tourism potential. Inbound tourism is poorly developed, with the country accounting for a small portion of the entire global tourism market, which is a negative factor for the country with such a strong recreation potential.

At present, outbound tourism dominates over inbound tourism and if tourism development conditions do not change in Russia, this trend will expand. Under the circumstances, the main negative consequence is the fact that foreign traveling of Russian tourists is accompanied by a heavy capital run. In the first place, people transfer foreign currencies abroad. Naturally, this cannot have a positive impact not only on the tourism and hospitality industry but also on the entire economic system.

There has also been a fast differentiation of tourism products by segments and niches. It should be noted that not all of them are intensively developed in Russia. However, there are some types of tourism activities that have been expanding quickly. In our view, they are business tours (business traveling), sightseeing and educational tourism, active recreation, entertainment tours, environmental tourism, and event tourism.

Inbound business tourism plays an important role in Russia because the goal of most travelers coming to the country is business. This factor is much more significant if one considers the difficulties of obtaining a Russian visa. As a result, some business tourists arrive in the country as usual tourists. Certainly, the depth of business
contacts with various countries differs. It can be safely said that the country’s attractiveness as an investment target and an opportunity for the execution of joint business projects will continue to improve over the next few years, implying the number of businesspeople visiting the country will grow as well.

Thus, business tourism is an important segment of the market in terms of a strategy aimed to boost inbound tourism. Consequently, it is important to consider when compiling maps of regional investment attractiveness, development strategies, and other program-related documents of regional importance. Hotel businesses aim to cover the widest possible audience by attracting tourists from other tourism niches.

The danger of remaining in the sidelines and the threat of tough competition have made hotel businesses start adapting to new economic conditions. Governmental and private companies have started investing in tourism and hotel businesses. This has led to projects aimed to renovate existing hotels and build new ones and to change the structure of management at hospitality enterprises, in many cases, with the involvement of leading hotel chains.

Upon analyzing main trends of the latest period, we noted that hotels now pay more attention to the quality of service and introduce diverse marketing campaigns to offer various discounts, bonus programs, and rewards as the crisis has dampened demand for hotel services and competition in the hotel services market has toughened.

The aspiration to expand business has become an everyday need for many participants in the hotel services market in both Uzbekistan and Russia. To withstand competition and expand operations a hotel needs funds (income and profit), thus making it necessary to apply efficient methods of hotel management allowing hotels to achieve strong results and create competitive advantages.

Identifying the needs and demands of target markets and keeping consumers satisfied by using more efficient methods than rivals do are fundamental for a hotel to be a success in Uzbekistan and Russia. In this case, management and marketing constitute two interrelated and mutually complementary areas of business activity (Figure 2).

Figure 2. Features of forming competitive advantages of tourism and hospitality companies in Uzbekistan and Russia

The evolution of marketing is currently related to the modern market’s development trends, with the rising importance of such factors, as the quality of services offered by the tourism and hospitality industry, consumer loyalty to a specific travel company, development of global booking systems, focus on high technologies, establishment of strategic alliances, and ethical standards in the operation of travel companies and hotels.

3. Discussion

The reliability of the presented approaches shows a positive trend in the development of the tourism and hospitality industry in Uzbekistan and Russia, with minor cyclical fluctuations due to changes in the external environment (Cherkasov et al. 2017; Nikiforov et al. 2018). We can give some recommendations on smoothing over the cyclical fluctuations in the development of the tourism and hotel market and comprehensively implementing the industry’s development possibilities considering crisis phenomena.

It is necessary to clearly determine who is targeted by Uzbekistan’s and Russia’s marketing promotion and who is the potential consumer of their tourism products. It is also essential to elaborate on several alternative
national tourism products with a focus on diverse target audiences, thus contributing to lower production and entrepreneurial risks given the location of these countries. In this respect, national authorities in Uzbekistan and Russia responsible for the promotion of their countries as a tourist destination should determine which way to follow.

For Uzbekistan and Russia, we propose using the most popular types of tourism (business tourism and excursions) as umbrella brands for the promotion of promising areas of tourism (environmental, event, and active). In addition, it is also necessary to intensify the application of marketing technologies when developing and promoting national tourism products, use more intensively tools of public-private partnership as the most promising mechanism for the development of the tourism and hospitality industry, elaborate and conduct large-scale advertising campaigns aimed to form a positive image, draw investment into the industry, and develop the tourism and hotel infrastructure.

Conclusion

We can note that the rapid development of various forms of tourism and hospitality in Uzbekistan and Russia makes it possible to make these countries more attractive to foreign tourists. Meanwhile, the main trends related to the development of the tourism and hospitality industry include deeper specialization of tourism and hotel supply, establishment of international hotel and restaurant chains, development of a network of small enterprises, and introduction of new computer technologies in the tourism and hospitality industry.

When developing their national market of tourism and hotel services, Uzbekistan and Russia should also consider development prospects at the international level. Having some advantages in a country while providing services to local organizations, a tourism and hospitality company can make a good profit in another country if it acts properly. In this connection, it is essential to create such advantages that will help an enterprise stand out among others either in the policy related to the quality of services provided, in the price segment, or in both while bearing in mind the price/quality ratio.

Promising areas of the development for the tourism and hospitality industry include a new system designed to classify enterprises from this industry regulating their rating and encouraging investment by simplifying visa regulations for tourists, using discounts to attract regular and potential tourists, introducing educational programs in the tourism and hospitality industry combining theory and practice, prompting all Uzbek and Russian regions to develop as potential tourist destinations, and providing state support for the development of transport and places of culture.

References


