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# ENTREPRENEURSHIP RECOMMENDATIONS FOR INCREASING THE CONSUMER DESTINATION OF TOURIST PRODUCT: INTERNATIONAL ASPECTS

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## ABSTRACT

*Appeal of tourist product forms at the account of increase of practicability of complex of direct and indirect services, i.e. at the account of the tourist's satisfaction from receiving of each of the services. It is previewed to make the assessment of consumer appeal of tourist product according to the following stages: 1) definition of the list of direct and indirect services; 2) definition of the weight of components of the tourist product by direct and indirect services; 3) assessment of practicability of the tourist product by all components of direct and indirect services; 4) assessment of appeal of tourist product with taking into account of weight and practicability of all components of direct and indirect services. Herewith, weight and practicability are reviewed as main criteria of consumer appeal of tourist product. At the elaboration of management recommendations as for increase of consumer appeal of tourist product, the influence of factors of inside management of enterprises on rendering of direct and indirect tourist services connected with characteristics of personnel and external view and inside content of the main means for formation of a certain consumer stereotype on the quality of services in general was justified and international of entrepreneurship.*

**Keywords:** International of Entrepreneurship, Tourist Product, Consumer Appeal, Quality of Services, Consumer Practicability of the Service.

**JEL Classifications:** M5, Q2

## INTRODUCTION

Tourist domain as a component of services industry is an objective reflection of the level of social and economic development of the country and of the level of life of the population. It should be noted that all the components of the services industry are interdependent, as they are directed alike to satisfaction of the needs of population, the level of which is increasing.

Over the last years, consumers of tourist product put more and more requirements to such characteristics as integrated approach. I.e., together with receiving of an immediate tourist service, consumers wish to receive additional services that in the end, influences consumer appeal of tourist product.

In the middle of the twentieth century, industries that render services gradually turned in developed countries into a dominating sector of national economy on production of gross domestic product and number of occupied, that received a name of “*service revolution*”.

The sector of services in the economy of the Western countries is living regeneration now, during which new methods of business come to change the traditional ones. Introduction into the processes of servicing of more and more perfect technologies and thoroughly made systems of service that answer the requests of demanding consumers serve as an entrance ticket to new markets for services.

## REVIEW OF PREVIOUS STUDIES

Allocation of funds for development and promotion to the market of tourist services should be made with engaging of clearer marketing and monitoring of services that satisfy appeal of tourist product (Pantano et al., 2017). Investigation of the problem of formation of consumer appeal of tourist product has always been within eyesight of scientists. Analyzing modern conceptions of management in tourist industry, we discovered that scientists studied this process in plane of different aspect, namely: they pointed up at relevance of consumer appeal for tourist industry and defined that ideas, conceptions, and theories of prepositions of sustainable development of tourism base on claims about values (Pera, 2017), (Popiel, 2016); they grounded the scale of values of enterprises of tourist industry (Drobyazko et al., 2019a,b); they offered a model of value of tourist services that is based on intensification of use of recreation potential, adaptation to market conditions of inside factors and reserves of development of the territory for receiving of economic effect from the tourist service, present strategical and tactical competitive advantages (Prebensen et al., 2018); (Somov, 2018).

Tourist enterprises function in the conditions of fierce competition and constant fight for preference of clients, in which it is impossible to reach success without introduction of innovation processes to industrial activity (Hilorme et al., 2019a); (Hilorme, 2019b); (Kasych & Vochozka, 2019).

Positively assessing the results of research that are given in scientific literature, giving proper respect to theoretical and practical value of previous scientific achievements, as well as to practical experience of management of enterprises of services industry, we should note that there is a need in systematic research of issues of management of enterprises of services industry in the context of guarantee on consumer appeal of tourist product, namely: in defining of features of components of appeal of tourist product, grounding of ways of increase of practicability of direct and additional services in tourist product. The abovementioned conditioned the choice of the theme, the purpose and the tasks of the work.

## METHODOLOGY

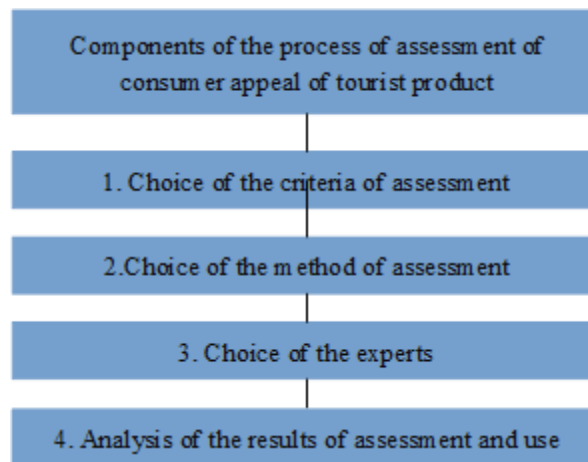
Such methods were used to make the research: systemic and structural, and terminological analysis (for adjustment of conceptual construct of the theory of management of enterprises of services industry); methods of comparison and expert assessments (for research of consumer practicability and appeal of tourist product); graphical and table's method (for

visualization of positions of consumer appeal of direct and indirect tourist services, as well as presentation of the results of the research); methods of defining of average and relative indices (at calculations of indices of practicability, meaningfulness and consumer appeal of tourist products).

## RESULTS AND DISCUSSIONS

Appeal of tourist product is formed due to increase of practicability of the complex of direct and indirect services, i.e. at the account of satisfaction of the tourist from receiving of each of the services.

Graphically the process of assessment of appeal of tourist product is given in Figure 1.



**FIGURE 1**  
**SCHEME OF ASSESSMENT OF APPEAL OF TOURIST PRODUCT (AUTHOR'S DEVELOPMENT)**

Having analyzed the methodology of calculation of ESCI satisfaction of the consumer, we offer an improved process of assessment of appeal of tourist product:

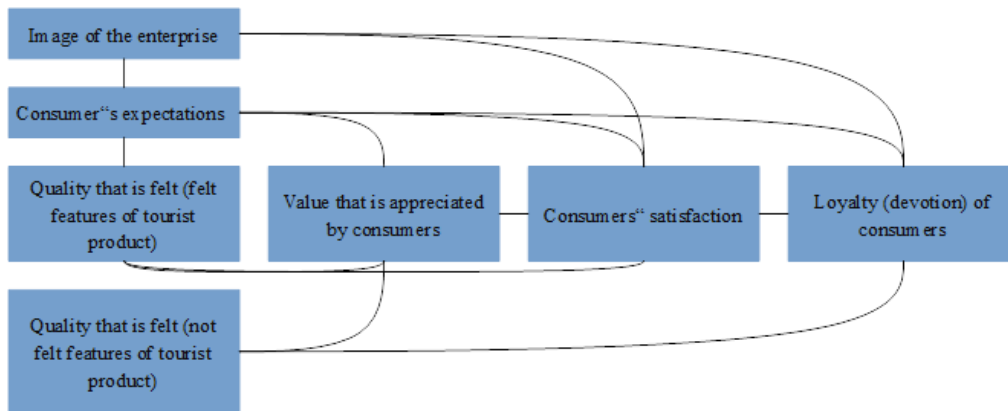
I stage: defining of the list of direct and indirect services that influence the appeal of tourist product.

II stage: defining of weight of components of tourist product.

III stage: assessing of practicability of tourist product by all components.

IV stage: assessing of appeal of tourist product with taking into account of weight and practicability of all components.

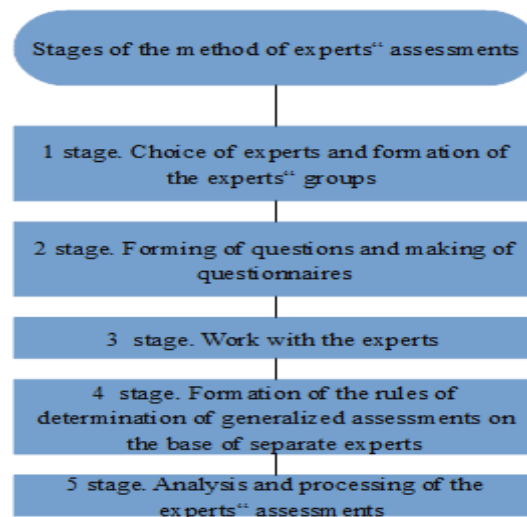
Methodology of calculation of ESCI satisfaction of the consumer is made in the format of interviewing of consumers and allows defining the meaning and the ratio of quality, price and other variables that may be used to form groups of constant and loyal consumers. The basic model of ESCI that is given in Figure 2 is a factor model with latent variables that connect consumer's satisfaction with its determinants, the result of which is loyalty of the consumer towards the enterprise.



**FIGURE 2**  
**THE BASIC MODEL OF EUROPEAN CUSTOMER SATISFACTION INDEX (SYSTEMIZED BY THE AUTHOR)**

Such approach allows developing managerial recommendations concerning the increase of appeal of tourist product, as for tourist enterprises, as for enterprises that give indirect tourist services.

The first three stages of the process of assessment of appeal of tourist product are worth to give with the help of the method of expert assessments (Figure 3).



**FIGURE 3**  
**GENERAL SCHEME OF USE OF THE METHOD OF EXPERTS ASSESSMENTS (AUTHOR'S DEVELOPMENT)**

The experts' assessment is a method of receiving of a complex assessment of the features of the object, widely used in managerial activity.

The use of the expert assessment at making feedback with consumers comes down to the fact that every chosen object receives the expert assessment by a certain scale. The object may be the product itself – the service or a set of features meaningful for consumers, peculiar to it and reflected in the normative document for this product. The expert assessments must be rationally united, adding and enriching one another. Experts may be professionals and within their powers know well the requirements to the object. But a necessary condition of making an expert

assessment of services is participation in it of a group of consumers who do not have special knowledge relating the assessed object. As they are real buyers of the product.

In our case we should use as experts those people whose judgements will help the most to take an adequate decision, i.e. potential consumers or consumers who already used the services of the enterprise and have their remarks as to improvement of the conditions of rest.

The main demands that are raised to experts are: competency, interest in the work of the expert commission, businesslike character, and wideness of views, objectivity and independence of judgements. The exactness of the expert assessment depends a lot on the number of experts.

The chief must consider motives to work, social and psychological trends, interpersonal relationships, style and culture of management. Credibility, prestige and business-like style of managerial activity determine respect to the personality of the employee, culture and ethics of business communication.

Ways of making of a qualitative expertise are different. A method of putting points that is directed on the choosing of the most attractive types of services will be rational in planning of qualitative tourist servicing and increase of consumer appeal of tourist product.

The method of advantages has several steps. Step No 1. Filling in of the expert form. As we have already stated, each of the experts has to fill in the expert form that is, in effect, a matrix of advantages, herewith the columns and the lines of this matrix are named by the chosen kinds of services. The sense of such filling in lies in comparison of all kinds of services in turn one with another. At this, a more attractive service is given 2 points, and a less attractive one – 0 points. If it is impossible to give advantage to one of two compared services, each of them is given 1 point. To check the accuracy of the filling in of matrix of advantages we should pay attention to the fact that all elements relating to the main diagonal possessed the mutual correspondence, i.e. if in box 1.2 a meaning 2 is written, then in box 2.1, correspondently, a meaning 0 must be written, if in box 1.3 a meaning 1 is written, then in 3.1, correspondently, a meaning 1 must be written, etc. Step No 2. Working out of the matrix of advantages. At this stage, each expert starts to work out the matrix of advantages. First of all, all meanings of boxes of the matrix in lines are summed. Step No 3. For further defining of the level of appeal of tourist product, we calculate the coefficients of the weighting of direct and indirect services. The sum of coefficients of the weighting must be equal to one.

At this day, tourist agencies cannot overtake all range of needs, in which the consumer is interested. At this moment, organizations offer services that satisfy only basic needs of the consumer, and the consumer must fill in by himself these gaps.

In order to create tourist product adapted to the consumer, i.e. that product that will be the most attractive, it is important to investigate what is useful for the consumer of tourist services. The term “practicability” means ability to satisfy certain needs of the individual. When using the theory of practicability it is worth to follow the scientific approach of ordinalists who think that the individual may only compare practicability of the sets of goods, defining herewith which of the sets is more wanted for him.

Reviewing consumer practicability of tourist product, it is possible to eliminate dominating components that are expressed through indices of quality, destination, safety, price, professional competence of personnel, intangible assets and ecological compatibility.

The goal of the process of formation of consumer practicability of tourist product is objective definition of consumer features (set of characteristics) that must be natural for tourist product concerning perception and assessment by consumers.

Functional advantages of tourist product may be assessed through indices of intention. Accessibility of a good or a service for the consumer is important not by itself, but just at that moment of time and in that place that are actual for him. Practicability of the time is an advantage created at the account of “*something*” in necessary time. Practicability of the place is an advantage that is created to make the good suitable for acquiring and use in the necessary place.

Practicability of sale characterizes the level of satisfaction by services connected with the process of theoretical or practical acquaintance of consumers with parameters of tourist product. At the same time, it should be taken into account that the service may be attractive if the consumer satisfies not only the existing need, but also a need that may arise in future—a potential need. In modern conditions of the development of tourist market, enterprises should increase practicability of tourist product to provide satisfaction of demands of the client. Practicability of tourist product is the base of management in the tourist firm, and client’s satisfaction is the main criterion of the effectiveness of work of the service department, as orientation at needs is a key goal of modern enterprises.

In order to increase maximally practicability of tourist product in general, you should pay attention at component services of this product and enterprises that render them and define practicability of each service separately. At definition of practicability and consumer appeal of services in tourist product it is revealed that segmentation of consumers by criterion “*incomes of population*” gains a more precise differentiation, in correspondence to which a more precise division of requirements to services takes place. It certifies about the necessity of taking into account of increased demands of consumers to services at the organization of rendering services with the purpose of increase of consumer practicability of tourist product.

Psycho-emotional peculiarity of tourists with high incomes is their wish not so much receive a more qualitative service as demonstrate their bigger possibilities in front of other tourists, by this raising their self-esteem and statusness. From the point of view of marketing, any need should be turned into a capital at the account of its satisfaction.

Because, if demand arises for such a need as a wish to underline one’s statusness, then enterprises that render services to tourists must use such possibilities of the market and offer services that will be declared as of more status or such that only tourists with high incomes can afford.

It does not mean that only rich citizens can use such services. It is proven that in the periods of crisis, a citizens’ wish to spend money on things that are usually considered expensive and unnecessary becomes bigger. It is explained by the fact that in complicated economic conditions citizens, spending money on goods and services of more status, by this strive to prove themselves that they can provide themselves well-being.

In connection with the abovementioned, it is offered to introduce in the system of assessment of consumer appeal of a principle of service statusness that appears at the consuming of the service from demonstration and understanding of a higher position of the individual in social hierarchy. Such principle allows without essential additional expenses at the account of use of informational and organizational events to increase consumer practicability of the service.

## RECOMMENDATIONS

Chiefs of enterprises so of direct, as of indirect services can use these data in their activity as recommendations relating to increase of practicability and consumer appeal of services.

Taking into account that consumer practicability of direct services that was determined earlier has a high level for all tourist products, then it makes sense to pay attention at the possibility of increase of consumer practicability at the account of factors of inner management at enterprises on rendering of indirect tourist services. At this, in the first place attention should be paid to those services where the difference between actual and wanted practicability and weighting are high. Namely at the account of these services it is possible within short time to increase the level of consumer appeal.

Herewith, it is necessary to answer a question what factors of inner management can increase maximally practicability of the service. The answer to this question will allow chiefs of enterprises to introduce appropriate managerial decisions that, in their turn, will provide the increase not only of the level of consumer appeal of the service, but of the tourist product in general.

## CONCLUSIONS

A conclusion about necessity of taking into account of increased demands of consumers to the services at the organization of rendering of tourist services is laid into grounding of the directions of increase of practicability of services in tourist product. Measures on increase of statusness of services are proposed for enterprises on rendering of indirect tourist services.

Together with taking into account of measures on increase of statusness of indirect services, modified consumer appeals of indirect tourist services are determined that are compared in the map of positioning with actual consumer appeals. A conclusion about possibility of increase of consumer appeal of all analyzed tourist products at the account of introduction of the principle of statusness of indirect tourist services is made on the base of determined positions. Managerial recommendations are given relating to the increase of the influence of factors of inner management on the level of consumer appeal of tourist services.

The mentioned scientific and methodological approach allows to develop managerial recommendations as to the increase of consumer appeal of tourist product, so for tourist enterprises, as for enterprises that render indirect tourist services.

Requests and proposals of consumers are constantly transforming, as new clients' needs appear. New technologies of servicing of tourists lead to liquidation, union or transformation of the existing new spheres of tourist products. New competitors with their exclusive product that provides appeal of tourist products appear at the tourist market. This has an essential influence on the dynamics of competitive struggle and market situation.

Improvement of qualitative features of proposed tourist trips by way of development of functional strategies of increase of appeal of tourist product demands constant attention. Even with presence of achievable number of universal instruments of informational processing of present data, the question of taking into account of peculiarities of appeal of each specific tourist product, its seasonality, dependence on climatic conditions, price characteristics, comfortability of location of hotel, transport servicing etc. stays open.

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