

Artículo de investigación

The peculiarities of the market of tourist and hotel services in modern Russia

Las peculiaridades del mercado de servicios turísticos y hoteleros en la Rusia moderna
 As peculiaridades do mercado de serviços turísticos e hoteleiros na moderna rússia

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Abstract

The purpose of this article is to determine the role of tourism in socio-economic development of the economy at all levels of its development, as well as the identification of the functioning of the market of tourist and hotel services in the current economic conditions. Main research methods are: analysis and synthesis, classification and comparison. Based on the results of the analysis of the market of hotel services of Russia, we can conclude that the infrastructure of the hotel industry is not sufficiently developed.

Our research highlighted a number of factors determining the growth of technical and material base of Russia in the sphere of tourism and hotel services: the development of existing cities and the increase in the number of new cities, the growth of industry, culture and art, science, improvement of the material welfare of the population, domestic tourism. These factors should be the conditions for the development of domestic tourism, exchange, increase in the number of business travelers and vacationers.

Keywords: tourist service, tourist industry, hotel business, tourist product, tourist infrastructure.

Resumen

El propósito de este artículo es determinar el papel del turismo en el desarrollo socioeconómico de la economía en todos los niveles de su desarrollo, así como la identificación del funcionamiento del mercado de servicios turísticos y hoteleros en las condiciones económicas actuales. Los principales métodos de investigación son: análisis y síntesis, clasificación y comparación. Sobre la base de los resultados del análisis del mercado de servicios hoteleros de Rusia, podemos concluir que la infraestructura de la industria hotelera no está suficientemente desarrollada.

Nuestra investigación destacó una serie de factores que determinan el crecimiento de la base técnica y material de Rusia en el ámbito del turismo y los servicios hoteleros: el desarrollo de las ciudades existentes y el aumento del número de nuevas ciudades, el crecimiento de la industria, la cultura y el arte. Ciencia, mejora del bienestar material de la población, turismo interno. Estos factores deben ser las condiciones para el desarrollo del turismo interno, el intercambio, el aumento en el número de viajeros de negocios y vacacionistas.

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Palabras claves: servicio turístico, industria turística, hotelería, producto turístico, infraestructura turística.

Resumo

O objetivo deste artigo é determinar o papel do turismo no desenvolvimento socioeconômico da economia em todos os níveis de seu desenvolvimento, bem como a identificação do funcionamento do mercado de turismo e serviços hoteleiros nas condições econômicas atuais. Os principais métodos de pesquisa são: análise e síntese, classificação e comparação. Com base nos resultados da análise do mercado russo de serviços hoteleiros, podemos concluir que a infraestrutura da indústria hoteleira não está suficientemente desenvolvida.

Nossa pesquisa destacou uma série de fatores que determinam o crescimento da base técnica e material da Rússia no campo do turismo e serviços de hotelaria: o desenvolvimento das cidades existentes e o aumento do número de novas cidades, o crescimento da indústria, Cultura e arte Ciência, melhoria do bem-estar material da população, turismo interno. Esses fatores devem ser as condições para o desenvolvimento do turismo doméstico, o intercâmbio, o aumento do número de viajantes de negócios e turistas.

Palavras-chave: Serviço turístico, indústria do turismo, hotéis, produto turístico, infraestrutura turística.

Introduction

The development of tourism technologies is the leading trend of the world economy, which is caused by the social restructuring of modern society. (Kiseleva, 2016) Today tourist businesstakes the third place in terms of development in the modern economy. The number of hotels, tourist complexes, bases, inns and motels in the Russian Federation is increasing. Many investors understand perfectly well the advantage of investment in this area. But at the same time very few people realize the fact that in order to increase the profitability of this activity and stand out in the total number of competitors, it is necessary to use modern innovative solutions. They allow to optimize this type of activity and increase the profitability index. (Lankina & Platonova, 2015)

Tourism can be called a source of profit at many stages of activity, it is caused by the fact that its characteristic feature is the focus on the needs of a particular person, a social group and society as a whole. (Schipanova & Burkaltseva, 2017) The modern tourism industry finds a solution for a number of socio-economic problems: accelerating development of road construction and transport infrastructure, creation of a large number of jobs, stimulation of production growth of means of communication and consumer goods.

Purpose

The purpose of the article is to determine the role of tourism in the socio-economic development of the economy at all levels of its development, as well as to identify the peculiarities of the market of tourist and hotel services in modern economic conditions.

Materials and methods

The main methods used in the preparation of the scientific article are: analysis and synthesis, systematization and comparison. The information and analytical materials received during the preparation of this article are summarized and structured in accordance with general requirements for the development of scientific and methodological bases on the topic of the article. In methodical terms this research is an analysis of current trends in the tourism development. The main attention is paid to the formation of the tourist and hotel industry of Russia in modern conditions.

Literature review

Studying the approaches to the definition of place and role of tourism industry in the economic system of the state in various foreign sources, Mathieson A. and Wall G. in their studies

highlight the level of impact of tourism on the economy of the host community using the indicators of volumes and expenditures of foreign tourists. These authors use the term "economic effect" to describe primary and secondary impacts, costs and benefits from tourists on the destination areas, define "impact" as "a form of altered human behavior that results from interactions between change agents and subsystems on which they encroach". They distinguish the following economic benefits (Mathieson, 1982):

1. Foreign exchange earnings and balance of payment;
2. Income generation;
3. Employment generation;
4. Improvement of economic structures;
5. Stimulation of entrepreneurship.

In his studies devoted to measurement and interpretation of economic consequences of tourist activity, Frechtling D. focuses his attention on measuring the economic benefits from tourism at the national (macro-) or regional (i.e. meso-) levels. (Frechtling, 1994).

The economic theory takes the central place in determination of the final price of a tourist product as determinants of demand. In the international tourism a large number of empirical researches is devoted to the role of price, its price elasticity. However, it seems that there is still little consensus in these studies as the results turned out to be differentiated. So the obtained

data show the average price elasticity of demand for the international tourism about -0.6 to -0.8, depending on a number of methodological and significant factors. According to Geoffrey I. Crouch: "Firms engaged in tourism business should continue to manage the costs and participate in solution of issues of the efficiency and productivity of local tourist services." (Crouch, 1994). Studies on the impact of cultural and historical, traditional factors on the development of tourism are reflected in the works of foreign scientists. When analyzing inbound tourism in Hong Kong, the group regression tests were run, the purpose of which was to assess cultural values in determining the expenses on tourist purchases in the country. When processing the test tasks the results demonstrating the cultural differences which influence on the level and degree of expenses on trade. So, the distribution of tourists' money on purchase at first decreases with the difference because of cultural differentiation, and then increases after reaching the optimal point of purchase by tourists. (Hyounae et al. 2017).

Results of the research

Now the tourist potential of the Russian Federation is not fully unlocked as evidenced by the small share (1,1%) of hotels and restaurants (the main indicators of tourism development) in the sectoral structure of added value (Table 1).

Table. 1. Sectoral structure of the gross added value in 2014-2015 in the Russian Federation

	the Russian Federation		the Southern Federal District	
	2014	2015	2014	2015
Total	100,0	100,0	100,0	100,0
Including:				
Agriculture, hunting and forestry	4,8	5,2	10,8	12,8
Fishery, fish farming	0,2	0,3	0,1	0,1

Mining	10,6	11,2	3,0	3,4
Manufacturing	16,4	17,0	16,2	15,4
Production and distribution of electricity, gas and water	3,7	3,6	3,2	3,1
Construction	7,5	7,2	11,5	10,1
Wholesale and retail trade; repair of vehicles, motorcycles, household articles and articles for personal use	19,2	17,9	17,1	16,6
Hotels and restaurants	1,1	1,1	2,1	1,9
Transport and communication	9,4	9,4	11,4	12,2
Financial activity	0,5	0,5	0,2	0,2
Real estate transactions, rent and services	11,8	12,7	8,3	8,9
Governance and military security; social insurance	5,7	5,2	6,0	5,4
Education	3,3	3,1	3,6	3,5
Healthcare and social service	4,3	4,1	4,8	4,6
Other utility, social and personal services	1,5	1,5	1,7	1,8
Activities of households	0,0	0,0	0,0	0,0

Income of added value from the hotels and restaurants is one of the smallest – the 13th place in the Russian Federation, the 12th place in the Southern Federal District.

Analysis of the sectoral structure of the gross added value in 2014-2015 reveals the stability of the tourist industry in comparison with other sectors of the national economy. During 2014-2015 the share of income from hotels.

The sectoral structure of the gross added value in 2014-2015 in the Russian Federation and the restaurants in the Russian Federation remained stable and was 1,1%, while in many other sectors income was unstable and tended to decrease (for example, the income from

wholesale and retail trade, repair of vehicles, household articles, articles for personal use decreased by 1.3%, and from governance and military security; social insurance - by 0.5%).

In the structure of added value of the Southern Federal District during the analyzed period there was negative dynamics of the share of hotels and restaurants in the general structure by the sectors of economy: a decrease by 0.2% (from 2.1% in 2014 to 1.9% in 2015). It should be noted that there was the same tendency in some other sectors of the federal district (decrease of the share of manufacturing by 0.8%, construction - 1.4%), while in other sectors there was a significant increase (growth of the share of agriculture, hunting and forestry by 2.0%, transport and communication - 0.8%). Such

significant change in the structure of added value demonstrates reorientation of the regional economy and shifting the emphasis towards other sectors of the economy (Schipanova et al. 2017).

The hotel industry in Russia developed in the conditions of the processes typical for the countries of Europe and, therefore, repeated in general the stages of the European hotels formation. For the intensive development of the hotel and tourist complex (GTK) in Russia there are all the objective conditions. These include geographical location and favorable climate, various natural, historical, cultural, tourist and recreational resources. (Romanova, 2013).

However, the country accounts for about one percent of world tourism flows. The analysis of the WTO assessments shows that potential of the Russian Federation has only been mastered by 17.9% (calculated from the data (Romanova, 2006). Despite the fact that the hotel industry is becoming an important sector, in Russia this business has its own specifics and peculiarities caused by a number of problems: the rapid obsolescence of rooms and hotels built in the Soviet period and requiring fundamental reconstruction. The shortage of high-quality services corresponding to the world standards is especially felt in the middle and budget segments.

According to Romanova M.M. nowadays one of the problems of the hotel and tourist complex development is "the lack of an effective information market. For example, in the Russian Federation small funds are allocated for advertising, information and exhibition activities in comparison with other countries, such as

Turkey, Greece, China, Japan. Tours advertisement is not really developed, the magazines and television programs advertise more often "the distant countries" nowadays, consciously or unconsciously ignoring tourist and recreational resources of Russia. A weak degree of the Russian market development by foreign citizens, the lack of truthful information deprive the country of potential tourists. Foreign citizens note that the central regions of the country are somehow visited, but inbound tourism of Siberia, the Far East and the North of Russia is not developed at all – the lack of infrastructure within the western standards is a mistake of local authorities". (Romanova, 2013).

The unconsciousness of the higher education system in the formation of human potential for this labor market and a small number of the skilled staff are the problems of the tourism development in Russia. For example, about 300 Russian educational institutions train personnel for this industry in the Russian Federation, while in China their number is more than 1000. в Китае их число более 1000.

The analysis of the structure of employed by sectors showed that in 2016 their share in manufacturing is 14.4%, in the "wholesale and retail trade; repair of vehicles, motorcycles, household articles and articles for personal use" sector - 15.9%, in restaurant and hotel business - 2.5%. In contrast, in the CIS countries the share of employed in this sphere is higher only in Kyrgyzstan – 4.2%, the lowest percentage of employed with the share of less than 2% is in countries - Tajikistan, Azerbaijan, Ukraine - 0.4%, 0.1, 3%, 1.7% respectively.

Table. 2. The number of employed in the Russian economy and some foreign countries by types of economic activity (in percent to the total) in 2016, %⁴⁷

	CIS countries							
Russia	Azerbaijan	Armenia	Belarus	Kazakhstan	Kyrgyzstan	Republic of Moldova	Tajikistan	Ukraine

⁴⁷http://www.gks.ru/bgd/regl/b17_11/Main.htm

Total									
including types of economic activity:	100	100	100	100	100	100	100	100	100
Agriculture, hunting and forestry	6,5	36,4	35,3	9,7	18,0	29,3	31,7	64,9	17,5
Fishery, fish farming	0,2	0,0	0,0	...
Mining	2,2	0,8	0,7	0,3	3,3	0,4	0,2	0,5	15,7
Manufacturing	14,4	4,9	8,0	20,5	6,4	7,4	10,0	2,5	...
Production and distribution of electricity, gas and water	3,2	1,1	2,5	2,6	2,9	1,8	2,1	0,8	...
Construction	7,2	7,2	4,7	7,7	8,0	11,3	5,4	2,8	3,9
Wholesale and retail trade; repair of vehicles, motorcycles, household articles and articles for personal use	15,9	14,8	10,5	14,6	14,6	15,5	13,6	6,3	21,3
Hotels and restaurants	2,5	1,3	2,1	2,1	2,0	4,2	2,2	0,4	1,7
Transport and communication	9,5	5,5	5,5	7,4	8,9	8,2	6,3	2,4	7,7
Financial activity	2,2	0,7	1,5	1,7	2,3	1,1	1,4	1,1	1,5

In our opinion, such distribution is connected:

Firstly, with insufficient number of organizations for the population of the country involved in this business, which in turn can not meet the increasing demand for tourist services; secondly, with a weak material and technical base of the tourist industry, underdevelopment of restaurant, hotel, tourist complex infrastructure: low level of improvement of the tourist cities and their historical centers;

imbalances of the hotel sector between demand and supply of accommodation; (Vlasova, 2012). thirdly, with the influence of the management factor on the staff. Inefficient management, irrational management style cause the greatest reflection in staff turnover in the restaurants and the hotel and tourist complex.

In foreign countries the share of employed in the hotel and tourist complex is several times higher:

in England the figure is 2,3 times more, in Germany is 1,8 times more, in Sweden - 1,5 times. Such situation is largely related to the attitude of the state to this service complex.

Thus, according to S.A. Lankina and T.E. Platonova "in the conditions of an economic crisis the problems of the functional management of small hotel enterprises are of a particular importance. Successful promotion in the hotel market is impossible without the use of anti-crisis marketing and management mechanisms: the creation of new tourist products, introductions of measures for improving the efficiency of the staff, promotion of special flexible pricing models, etc.". (Lankina & Platonova, 2015). A great importance in the development of infrastructure (communication and transport); creation of necessary conditions for the managers training; protection of the local and foreign consumer rights; an effective investment policy; allocation of funds for information work; promotion of tourism services in other markets; improvement of the country's image in the world community relate to the hotel and tourist complex. (Romanova, 2013) The Russian tourism has the following aim – to make tourism competitive, innovative, highly profitable sector

of the national economy. Stateregulation of the service market in terms of tourism suggests the coordination of all service profiles regulation, including tourism as well as its accompanying forms. The state aims to create equal conditions for the competition between the main participants of the tourist and hotel market: for hotels and inns, tour operators and travel agents, the booking information system (TIC), online shop and additional protection factors for tourists. These measures, of course, are reflected in the new law. (Federal law, 2015). Service orientation leads to a qualitative change of principles and approaches of the organizations functioning, which development is always directed to maximizing and accumulation the existing material, technical and social potential in tourism and services. The economic goal of this "qualitative leap" is the growth of competitiveness of "the models of domination of services" that "integrate" in the Russian economy (Glubokova, 2014; Ismaev, 2015).

According to the official statistics⁴⁸ in recent years the number of visitors is decreasing while simultaneously there is a reduction of inbound flow.

Table. 3. Number of inbound and outbound tourist trips

	2010	2014	2015	2016
Inbound tourist trips	8266	25438	26852	24571
Outbound tourist trips	25487	42921	34390	31659

According to the World Tourism Organization (UNWTO), Russia is one of the top ten most visited countries in the world. According to UNWTO estimates, the tourist flow in the Russian Federation until 2016 increased by 4-6% annually⁴⁹. In 2016, inbound tourism in Russia decreased by 8.5% in comparison with 2015 and domestic tourist flow by 7.9% respectively.

In 2010 for the purpose of tourism Russian citizens traveled 6 times more than foreigners arrived. And in subsequent years the excess of outbound tourist flow over inbound flow proves that most of the Russian citizens prefer to have a rest abroad, while the number of foreigners visiting our country decreases. So, in 2016 for the purpose of tourism 11262 thousand people and 2731 thousand people less came to Russia than in 2014 and 2015 respectively.

⁴⁸ http://www.gks.ru/bgd/regl/b17_11/Main.htm

⁴⁹ <https://republic.ru/posts/85084>

Table. 4. Number of tourists entering Russia according to countries⁵⁰

Countries	2014		2015		2016	
Total	thousandpers.	%	thousandpers.	%	thousandpers.	%
including from countries:	25438	100	26852	100	24571	100
Kazakhstan	3733	14,7	4711	17,5	3564	14,5
China	874	3,4	1122	4,2	1289	5,2
Poland	1772	6,9	1416	5,3	1017	4,1
Ukraine	8436	33,2	8912	33,2	8569	34,9
Finland	1380	5,4	1725	6,4	1319	5,4

According to the statistical data presented in table 4, Russia is attractive, first of all, for tourists from neighboring countries, it can be explained by the fact that residents of all countries that were part of the USSR have become foreigners for Russia and therefore their number many times exceeds the number of tourists from foreign countries. A great number of income tourist flow is from Ukraine and Kazakhstan, the total share of which is more than half of all incoming to the country foreign citizens for whatever reason. The popularity of Russia among citizens of Poland and Finland, first of all, is explained by territorial proximity as well as the opportunity of cheap shopping, caused by the growth of foreign exchange (euro, dollar) towards the ruble. Clothes of famous brands, cosmetics and jewelry were profitable to buy in Russia.

Every year the flow of tourists to Russia from China increases, since 2014 when the ruble devaluated Russia was visited by more than one million Chinese in 2015-2016. Hotels and shopping centers translate signs into Chinese, and travel agencies make up special routes for them. The Chinese are interested not only in the sights, but also in details and polar nights in

Russia. All this brings billions of dollars a year to the business, but the Chinese tourism industry is arranged so that a considerable part of money still remains in China even if it was spent abroad.

The most popular tours to Russia among the Chinese are Moscow (details of the biography of Lenin, shopping), St. Petersburg (the Winter Palace, The Peterhof Palace, white nights) and also border areas with China – Irkutsk region, Buryatia (Lake Baikal), Murmansk (northern lights), Sochi (Olympic venue).

The cost of a one-week tour to Russia is about \$ 1,200⁵¹, but it is possible to have cheaper a rest: there are budgetary tours for six days with visiting Moscow and St. Petersburg for \$690. In the program – Red Square, the Kremlin, St. Basil's Cathedral, the Mausoleum, the Cathedral of Christ the Savior, the Winter and Summer Palaces. Tourists are accompanied by a Chinese guide, and they are fed with Chinese food⁵². Besides the usual tours, there is also a "red tourism", based on the history of communism – mainly for the older generation. One of the current routes involves visiting four cities: Moscow, St. Petersburg, Ulyanovsk and Kazan.

⁵⁰<http://www.gks.ru/>

⁵¹Anna Sibirkina, China Friendly Program Manager, who promotes Russia in the Chinese tourism market.

⁵²In the report of the magazine *New Yorker* it was told about bust tours in Europe for Chinese tourists: the members of the tour during the week spent between Germany, Italy and France don't usually eat anywhere except the special Chinese restaurants opened on their way

Besides the Kremlin and the Mausoleum, tourists see the house where Lenin was born, and Kazan University, where he studied. During the breaks between excursions, the Chinese lay flowers at the Lenin monument, or on request join the "Leninists" - there is a special ceremony for this. (In Europe, a Mecca for the Chinese was the house in Trier, where Karl Marx was born).

In 2015 travelers from China spent about \$ 2 billion, and it is the fifth part of all foreign tourists' expenses in Russia.

After the ruble devaluation the Chinese purchase in Russia became especially profitable. At forums travelers advise to bring from Russia almost everything – from electric kettles to jewelry, because in China it will be more expensive. But most often they bring well-known cosmetics brands, sweets (chocolate "Alenka") and jewelry from Russia. The main hit is amber, which is considered a sign of well-being and is called "northern gold".

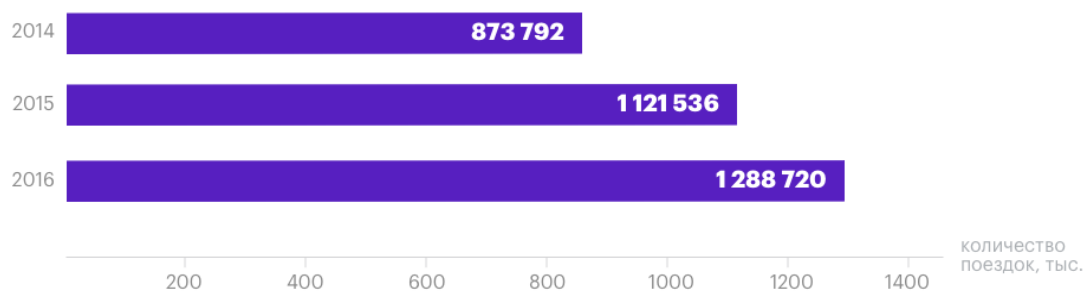


Fig. 1. The number of tourist trips to Russia from China⁵³

Despite the fact that Chinese people are less interested in shopping abroad, many Russian sellers of luxury goods still count on them. By estimates, tourists from China bring from 5% to 20% of the revenue to some shopping centers in Moscow and St. Petersburg.

But the main feature of the Chinese tourism is that it is the closed ecosystem. Tourists, when it comes to mass organized tours, stop at special hotels, go to the Chinese restaurants (European food seems unusual to them) and the Chinese souvenir shops and at excursions the tourists are accompanied by the Chinese guides.

Representatives of the industry claim that quite often the Chinese travel companies sell tours to Russia at a cheaper cost, but then the guides working in the interests of these companies bring tourists to the shops connected with the same companies where travelers buy jewelry and

souvenirs at inflated prices. Many shops that sell amber do not let anyone but the Chinese. Because of such schemes, the Russian economy loses about \$ 500 million annually, they calculated in the association "The world without borders", which is engaged in the development of Russian-Chinese tourism.⁵⁴

In modern economic conditions of development in Russia service market in the tourism industry plays an important role in formation of the national internal economic space. Based on the task set by the President consisting in increase in the share space of the country's non-resource-based exports (Potapova, 2016), we can say that the question of increasing a tourist flow and financial benefits from Russia's tourism industry is becoming of strategic importance. (Schipanova & Burkaltseva, 2017).

Due to political events, the year of 2014 has become crucial for Russian tourism. External factors, on the one hand, conditioned by political

events, induced an absolute necessity in realization of the country's tourist potential, and, on the other hand, - by economic factors -

⁵³According to <http://www.gks.ru/>

⁵⁴Kirakasynts A. Russian hospitality. Who gets money from Chinese tourists? <https://republic.ru/posts/85536>

weakened the ruble in the global financial market, which inspired our citizens to turn their attention to Russian resorts. In 2015 the focus on development of the domestic tourism continued as a result of deterioration of relationship between Russia with Egypt and Turkey. Popularity of Egypt and Turkey as of the two most popular directions with Russian tourists sharply decreased.

Analyzing the 2016 data on development of the domestic tourism, it is established that the most demanded resorts among Russians are Krasnodar Krai, Crimea and St. Petersburg. Tourist attractiveness of Krasnodar Krai and of the Republic of Crimea is explained by favorable geographic location, advantages of climate and environmental conditions and a seascape. Development of the domestic and inbound tourism in Krasnodar Krai have been positively affected by such major sporting events as the XXII Olympic Winter Games and the XI Paralympic Winter Games in 2014, the 2017 FIFA Confederations Cup in Sochi.

Increase of the rate of hotels and restaurants through the 2014-2016 years in these constituent regions by 0.3 %, despite the general trend towards decrease in the Federal District, attests to tourist specialization of the regions' economies and significant importance of the tourist industry for them.

Saint Petersburg is the capital of the Northwestern Federal District, being Russia's historical asset it has an extremely rich cultural heritage, unique sources for a culture-related resource. And the north capital is the most popular destination with foreign tourists. According to statistical data, in 2016 98 (ninety-eight) thousand Russians visited the Republic of Karelia. In the Republic of Karelia there is situated a part of the Vodlozersky National Park (the territory is lying through Arkhangelsk Oblast as well) with the highest potential in the area of tourists attraction, where cultural and environmental heritage assets, arts and crafts, folk traditions have been preserved. A broad route network along Karelia's wildland can be found in the Paanajarvi National Park.

Moscow occupies a central place in development of the country's cultural, educational and business tourism. Moscow and Kaluga Oblast (from April, 2016), the Central Federal District, are a part of the tourist route called the Golden Ring of Russia, which is one of the most popular interregional tourist routes around ancient historical towns; in these regions pilgrimage tourism is actively developing, tourists enjoy routes around orthodox monasteries in Kaluga and Moscow Oblast.

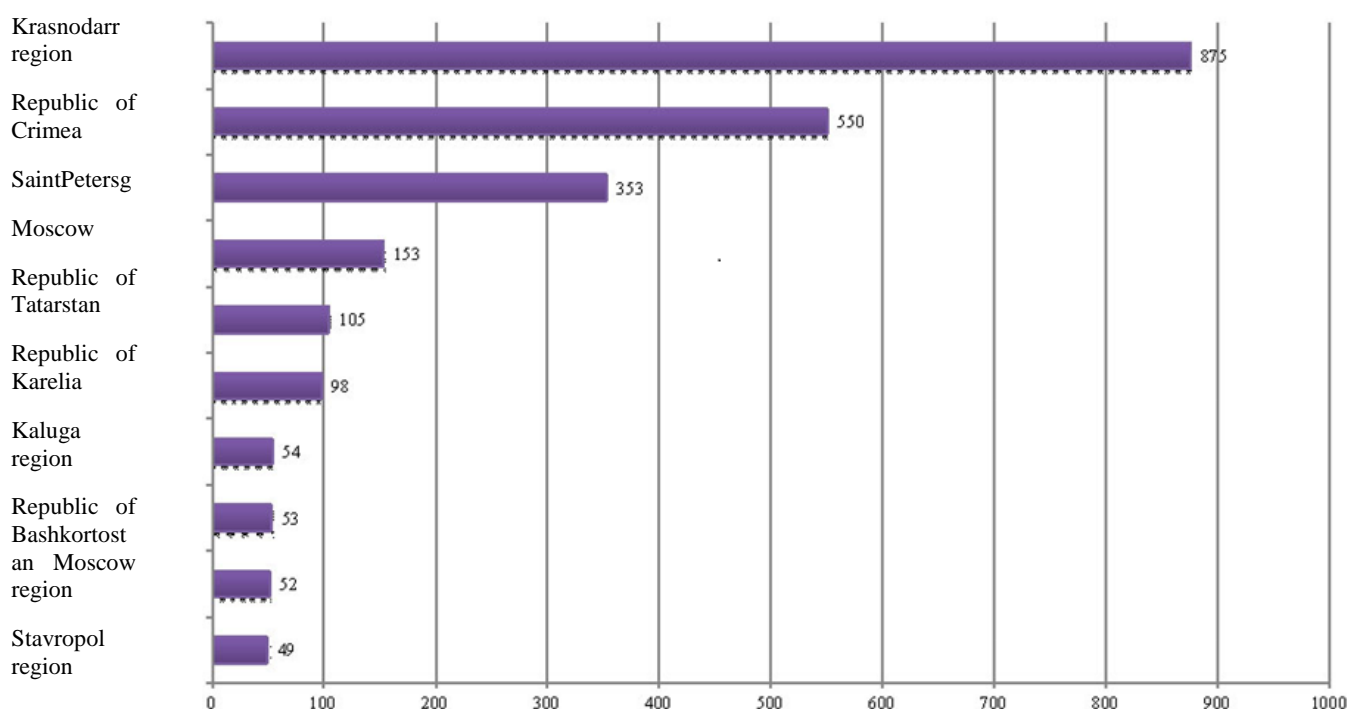
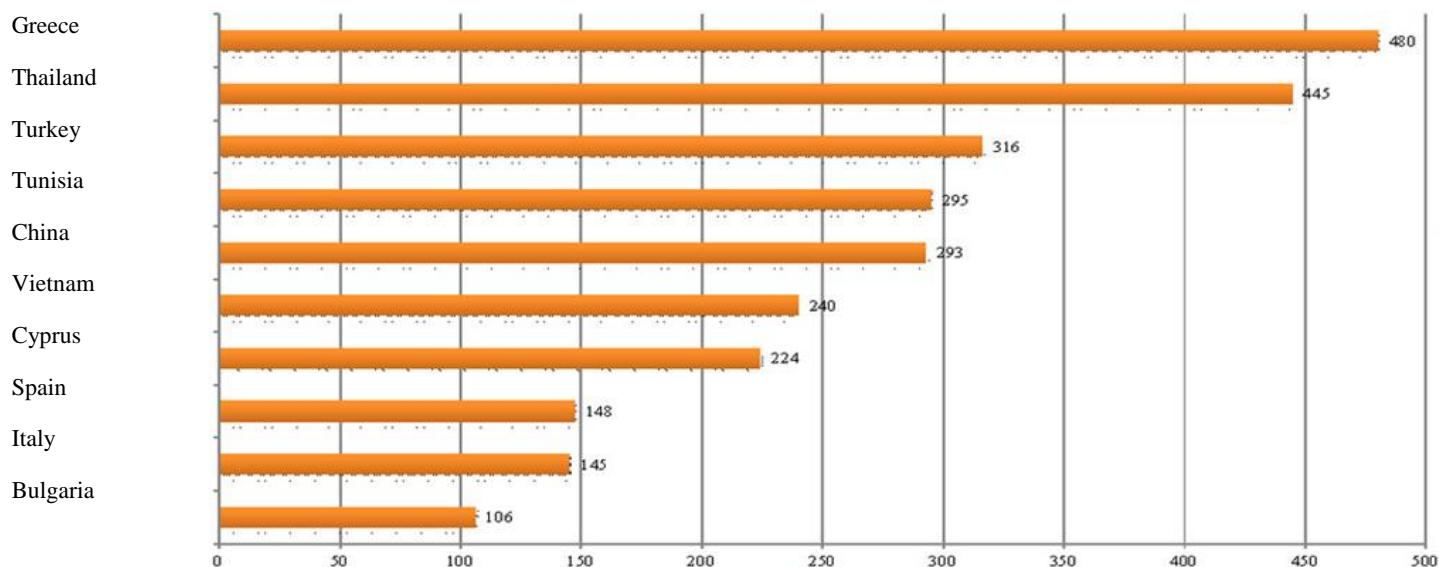


Fig. 2. Number of Russian domestic tourists served by travel agencies in 2016, thousand persons⁵⁵

 Fig. 3. Number of Russian tourists sent abroad by travel agencies in different travel destinations in 2016⁵⁶

Formation of extra tourist flows in Kaluga Oblast is encouraged through implementation of a tourist-recreation cluster «Nikola-Lenivets», sanatorium and health promotion facilities, facilities of cultural and educational significance in the travel area, as well as sightseeing and military memorial tourist routes in the territory of the park Ugra.

The Republic of Bashkortostan and the Republic of Tatarstan, with the domestic tourist flow of 105 (one hundred and five) thousand and 53 (fifty-three) thousand in 2016 correspondingly, the Volga (Privolzhsky) Federal District, may be characterized with an indigenous population make-up. It is worth mentioning that in these Republics there is an ethnic, religious and language diversity at natural and conflict-free coexistence of different cultural traditions, which, certainly, influences development of ethnic, cultural and educational, as well as pilgrimage tourism there. Besides that, the existing national, historical and cultural particularities, and presence of a large number of recreation areas contribute to attraction of investors to the tourist industry as well.

Stavropol Krai with its favorable conditions for sanatorium and health promotion tourism rounds up the top ten destinations among Russians. Such towns as MineralnyeVody, Pyatigorsk, Zheleznovodsk, Kislovodsk, Essentuki, and Lermontov are a part of protected environmental health resort complex of this region. The Caucasian Mineral Waters specialize in wellness tourism. It is to be noted that the rate of foreign tourists in this region is below the average level across Russia. To our mind, development of the tourist cluster in Stavropol Krai, despite unique balneological and natural resources, is restrained by the absence of a high-quality tourist infrastructure and a low-level service. Realization of projects requires attraction of investment funds, directed at overhaul and renovation of outdated and ramshackle facilities of the tourist infrastructure of the Caucasian Mineral Waters.

At the same time, according to the news agency Interfax, which in its turn is referring to the information from Aviasales, the service looking for tickets and hotel booking, for the first time the city of Makhachkala ranked fourth among the

⁵⁵According to State Statistics Committee in RF: http://www.gks.ru/free_doc/new_site/business/torg/tur/4-2gr.htm

⁵⁶According to State Statistics Committee in RF: http://www.gks.ru/free_doc/new_site/business/torg/tur/4-2gr.htm

most popular destinations of the domestic tourism, displacing Saint Petersburg. In August, 2017 Saint Petersburg ranked number seven. Aviasales claims that the most popular domestic destinations, just as in the past year, have become Crimea, Sochi and Mineral Waters. As per the service provider, the most expensive flights across Russia are flights to Simferopol (an average cost is 17.6 thousand rubles). Then comes Sochi (16.4 thousand rubles). Flight to Kaliningrad costs 13.3 thousand rubles in average.

As for international flights, here, according to statistical data for 2016, leaders are Greece, Thailand, Turkey, Tunisia and China.

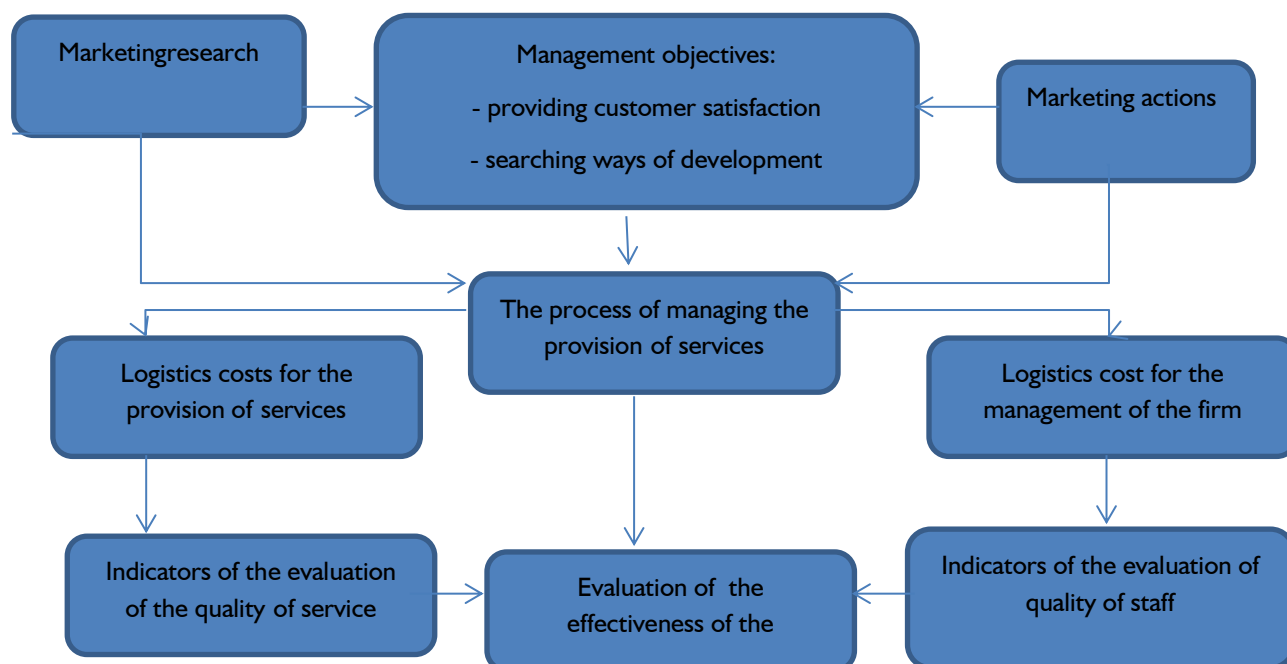
Thus, the most popular travel destinations among Russians in 2016 were: in European Mediterranean region (Greece, Spain and Cyprus), in northern Africa (Tunisia), in Asia Pacific Ocean region (Thailand, China, Vietnam), on the Adriatic and Black Sea coastline Italy and Bulgaria correspondingly.

As a result of political instability in relationship between Russia and Turkey in 2016, Turkey stopped being the most attractive tourist destination, which explains its third rank, whilst since 2011 Turkey had kept the leading position.

In the travel industry it is of highly importance for companies to take into consideration all logistics costs, which are connected with extra services affecting the ultimate price.

Apart from that, important factors of logistics are transport services, i.e.: exact traffic schedule (of marshrutkas (public minibuses in Russia), buses, trains, electric trains, etc), transfer, availability of insurance package, reductions and bonuses. These logistics costs allow to reliably estimate the results through quantitative cost value (Voronov,2015,2013; Nekrasov et al. 2005). However, costs provide for aim achieving, therefore, the cost object shall be indicated with the possibility of the aim achieving. Thereafter, the cost volume shall be associated with the possibility of the aim achieving (Abdulbekova,2005; Voronov,2003; Ermakov & Petukhov,2014; Anikin,2014). Assessment of finance and investment in a company's organization plays not an unimportant role. Assessment of efficiency of travel agency's management shall be done, on the one hand, in terms of correspondence of the results being attained with the set goals, and on the other hand, shall be based on definition of the level of efficiency of resources usage (Nekrasov et al. 2005).

Fig. 4. Assessment of efficiency of travel agency's management



Our home market, where hotel service providers operate, includes hotels and similar accommodation means, public, special and other types of accommodation. Let's consider indices of the hotel services market in Russia based on statistical data.

In accordance with Table 5 data the number of hotels and similar means of accommodation is steadily growing. The sum total of hotel service providers in Russia in 2016 was 14948 (fourteen thousand nine hundred and forty-eight) entities, which is 3 times more than in 2005, in 2.5 times more than in 2010, and by 78% higher than in 2015.

Table. 5. Dynamics of the number of hotels and similar accommodations means

	2005	2010	2011	2012	2013	2014	2015	2016
The number of hotels and similar accommodations means, total	4812	5953	6357	6706	6998	7898	8391	14948
With beds available, thousand	404	458	495	516	565	698	704	1035
Из общего числа гостиниц и аналогичных средств размещения:								
Hotels	3663	4220	4444	4666	4856	5445	5697	9243
Beds available, thousand	330	366	386	397	439	550	540	750
Motels	48	99	123	132	138	155	167	275
Beds available, thousand	3	3	6	4	6	7	7	9
Hostels	516	507	500	484	495	492	535	881
Beds available, thousand	35	38	40	45	45	41	43	53

It is to be noted that the year of 2016 is characterized by correlation between hotel resorts and special-purpose accommodations in terms of accommodation capacity as 62% against 34%. It was stipulated by the fact that the number of hotels and similar places increased, what consequently encouraged increase in accommodation places. Thus, increase in the number of hotel rooms led to the growth of the general number of possible beds and the number of beds at one accommodation place. Correspondingly, the number of potential beds

at one hotel resort was 14 entities in 2016, which is 31 entities more (36.4%) compared to 2010.

Based on these results of the conducted analysis of the general condition of Russia's hotel services market, we can come to the following conclusion: the infrastructure of this industry is developed insufficiently.

In this regard, a range of factors can be distinguished, which shall determine growth of Russia's technical and material base in the tourism and hotel industry (fig. 5).

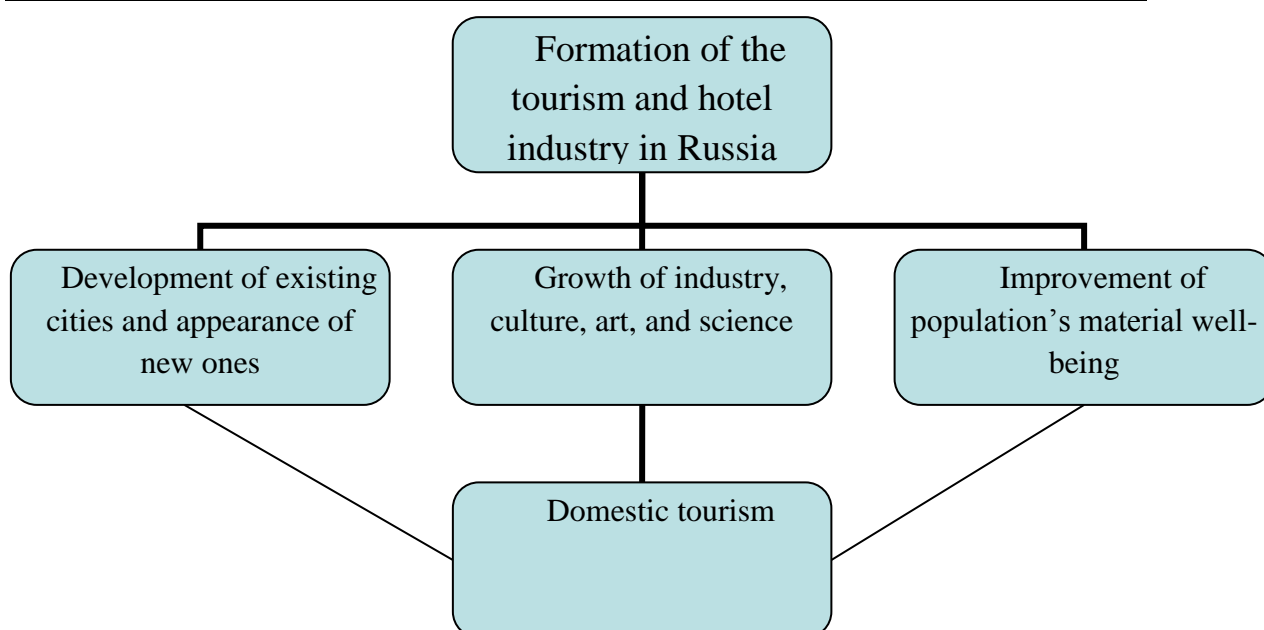


Fig. 5. Formation of the tourist and hotel industry development in Russia

Thus, these factors shall become conditions for development of domestic tourism, exchange and increase in the number of seconded employees and vacationers.

For the purposes of business performance enhancement and formation of anti-recession policy it is necessary to carry out the under following actions: (Kiseleva,2016)

- to estimate the hotel market value ratio in accordance with the mission and the business long-term vision;
- to use as criteria not only business financial results, but the quality of business processes as well;
- to estimate the upside potential of the hotel and travel industry at large in provision of the business strategic growth in future;
- to organize an audit of infrastructure and facilities in accordance with strategic plans and business development trends for the owners' benefit;
- to determine efficiency of the resources usage and a hotel innovation potential in prospect of strategic plans and new trends of the hotel industry;
- to estimate the hotel business orientation to new markets, segments, acquisition of new clients;
- to analyze business competitive capability, profitability and attractiveness for potential clients;

- to analyze efficiency of the usage of proprietary resources and borrowed resources, fixed and circulating assets, paying capacity and other economic factors;
- to check efficiency of the hotel's management actions, profitability and payback from work.

Conclusions

Based on the review of the foreign literature we can say that tourism has an integrated impact on development of economy at all levels of economic system. Development of tourism, having a multiplier effect, is an important challenging factor for establishment and formation of tourist services sector, influencing increase in the budget revenue, growth of the number of employed in this business. Growing investment volumes into the tourist industry lead to establishment of new objects of extensive infrastructure, which allows to enhance attractiveness of the home sector of tourist services, which as a whole is aimed at formation of conditions and factors, affecting growth of social and economic indices of the country's development.

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