INDICATORS OF TOURIST ENTERPRISES MARKETING MANAGEMENT EFFICIENCY AND SUSTAINABLE DEVELOPMENT

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Abstract

New public policy encourages tourism development and provides tourist enterprises (regardless of ownership) with opportunities to improve management efficiency, expand market proposition to meet the needs of domestic and foreign tourists. In this regard, the practical use by tourist enterprises of the modern management techniques becomes especially important. In the transition to the market, most businesses are in a state of transformation of the existing systems. Application of certain management method is dictated by the overall market situation, the level of competitiveness, enterprises’ purpose, as well as internal company performance. Analysis of recent studies and publications demonstrated that tourist company’s choice of management methods is determined by the latter belonging to one of the categories (large, medium, small to smallest) depending on staffing levels and market shares of selling tours. So for the vast majority of tourist enterprises relevant are the results of research on efficiency of tourist enterprise management, what helps to increase its performance results. The purpose of the article is to present the results of marketing research conducted by authors the aim of which was to identify and analyze the main indicators that determine marketing management efficiency of tourist enterprises in Ukraine and Georgia.

Key words: marketing management, tourist enterprises, integral indicator, matrix indicator.

Introduction

Monitoring of marketing environment of tourist enterprises in Ukraine and Georgia on modern stage of their functioning in complex with diagnostics of management processes between them have testified to little efficiency of the examined processes, and therefore, their incompatibility with tourist service market conditions. We have found out that the main reasons for existing state include failure to consider by employees of tourist enterprises the objective reality with its fundamental changes, and namely: in the level, type and structure of competition; in the change of impact of separate components of resources on final result, in particular, rapid growth of role of informational, innovation and intellectual elements; in increase of relevance to implement concept of marketing cooperation with its principles of customer orientation, social ethics, adaptability etc.

Latest publications [1-5] and researching practice of tourist enterprises evidence that the most part of it has been groundlessly limiting itself to analysis of economic indexes. As we view it such an assessment cannot claim objectivity as economic indexes characterize only the measure of success/failure of relations of tourist enterprise with consumers of the last stage of taking decision to purchase. We emphasize that the mentioned indexes cannot (and should not) characterize such important stages of customer behaviour as awareness, knowledge, convictions and etc. At the same time, in order to assess marketing aspects of tourist enterprise there is a complex of respective indexes (which have not been virtually used in researched market) which include: “reputation—remembering” (level of prominence), remembered when needed which contributes to its selection: “knowing—recognition” (level of remembering), when reputation of tourist enterprise brand overpasses the need, it is recognized in selling points and is selected; “prioritized knowledge” – when tourist enterprise brand is remembered first and etc.

Only in case of conducting the specialized marketing research that the analysis of characteristics of head and team and their cooperation is performed. Virtually there is no analysis of a degree of performance of marketing and management functions, no reasons for insufficient quality of performance are cleared up. Failure to apply the said index groups (marketing and management) is accounted for their underestimation on the part of entrepreneurs, lack of understanding of the necessity to carry out deep analysis of situation and various processes which undergo inside and outside the enterprise.

Purpose of article is to highlight results of research conducted by us and mathematical justification of relevance of use of combined expert
and integral method as suggested by us. The said method has been offered for mathematical justification of selecting complex of measures considering belonging of tourist enterprises to groups defined by us ("traditionalists", "start-ups of marketing management", "marketing management followers" and "marketing management leaders") based on determination of expert assessment of tourist enterprises activity and parallel calculation of integral index of management, marketing and economic activity of tourist enterprise which will allow for selecting the most optimal complex of measures to strengthen its competition position.

Results
The analysis undertaken by us has proved that level of tourist enterprises marketing management efficiency, except for external conditions, has been influenced by characteristics of the head and the team, extent of their performance of marketing and management functions which, in general, has been determined by us as degree of marketing principle implementation and can be identified by complex of economic, marketing and management indexes.

Consideration in the course of tourist enterprise activity of the above-mentioned factors allows for fuller assessment of internal capabilities of enterprise and to choose relevant measures to adjust to market situation and, as a consequence, to raise tourist enterprise competitiveness level. Therefore, efficiency of marketing management (EMM) in a generalized form can be represented as main factors (processes) function (1):

$$EMM = f(x_1; x_2; x_3),$$

where $x_1; x_2; x_3$ – management, marketing and economic factors.

However, each group of factors (processes), alternatively, is composed of considerable number of sub-processes and, therefore, can be measured through a number of indexes ($X=f(a, b, c ...)$), whose failure to determine complicates or makes it impossible to form efficient marketing management due its limitedness of the following: data systemization, interdependence of indexes research, integral outlook on the situation, etc.

Complication of analysis of all three factor groups confirms multidimensionality of the researched processes. Additionally, the considerable share of human factor is a determinant which is important for assessment and defines specification of tourist product. On the basis of foregoing, the efficiency level of tourist enterprise marketing management can be determined with help of suggested order of complex research which includes two stages.

First stage is conducted by method of expert assessment and, in its turn, has three steps. First step of the first stage: assessment, from one part, of characteristics of a head and team of tourist enterprise, and from the other – the level of performance of marketing and management functions by them. On the basis of results of conducted analysis the efficient tourist enterprise marketing management must take into account such elements as: presence of marketing department/marketing manager at the enterprise, marketing plan, management style, training and customer orientation of the staff, establishing contacts with consumers and partners, existence of customer and informational databases etc.

As the second step of the first stage of research the analysis and assessment of characteristic of tourist enterprise head and partner team must be performed; the process and functional factors of internal environment of tourist enterprise partners must be evaluated. The third step of this stage – customer evaluation of tourist enterprise which is inseparable from partners (Fig. 1).

In our opinion it is relevant to supplement the realization of the described part of assessment by conducting additional research of competitors and namely the internal environment by characteristics of the head and the team, level of performance of functions, level of cooperation and communication with researched tourist enterprise.

Tourist enterprises consumer evaluation provides for assessment by consumers of enterprise activity through their perception of complex tourist products (including level of service) price-quality relationship, marketing communications, loyalty programs etc.

The second stage of research is necessary for highlighting results of tourist enterprise activity by means of calculation of complex indexes: managerial, marketing and economic (first step). Second step of the second stage is devoted to identification of tourist enterprise as relevant group according to marketing management implementation level: traditionalists, marketing management start-ups, marketing management followers, marketing management leaders.
The final step of this stage is implementation of complex of measures depending on pertaining to determined enterprise group in order to strengthen tourist enterprises competitive position.

In order to identify certain tourist enterprises group according to criteria of level of implementation of marketing management and elaboration on this basis of most efficient complex of measures to strengthening of its competitive position the matrix has been worked out and such designations have been introduced: (Fig. 2).

For assessment of the said factors and their interconnections we suggest using such indexes:

1) $\overline{A}_{PFFj} = \text{average assessment of process and functional factors of internal environment of the } j\text{-th tourist enterprises to be determined on the basis of researching of process and functional factors of internal environment of this tourist enterprises and calculated according to formula (2):}$

$$\overline{A}_{PFFj} = \frac{\sum PFF_{IEj}}{k},$$

where

- $\sum PFF_{IEj} = $ total of expert assessments of process and functional factors of internal environment of the $j$-th tourist enterprise;
- $k$ – number of process and functional factors of internal environment of the $j$-th tourist enterprise.

2) $A_{IEj} = $ internal environment assessment of the $j$-th tourist enterprise which is composed of assessment index of characteristics of the tourist enterprise head and the team and process and functional factors of internal environment. The data received allow for determining total assessment of tourist enterprise internal environment (3):

$$A_{IEj} = \sqrt{A_{HE} \cdot \overline{A}_{PFFj}},$$

where

- $A_{HEj} = $ resulting assessment of characteristics of the head and the team;
- $\overline{A}_{PFFj} = $ assessment of process and functional factors of internal environment of $j$-th tourist enterprise.
### Expert Model Matrix of Assessing Internal Factors of Marketing Management Implementation at the Tourist Enterprise

<table>
<thead>
<tr>
<th>Head (Hi)</th>
<th>Team (ti)</th>
<th>Head and team assessment (Ahti)</th>
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<th>2</th>
<th>…</th>
<th>j</th>
<th>…</th>
<th>k</th>
<th>Tourist enterprises process and functional factors assessment (APFFj)</th>
<th>Tourist enterprises internal environment assessment (AIEij)</th>
<th>Customer assessment CAc</th>
<th>Total assessment AMEA</th>
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**Tourist enterprise’s partner (competitor’s) internal environment process and functional factors PFFPieg**

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<th>Head (He)</th>
<th>Team (te)</th>
<th>Assessment partner’s of head and team (APhte)</th>
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<th>Partner’s process and functional factors assessment (APPFFg)</th>
<th>Partner’s internal environment assessment (APIEeg)</th>
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**Fig. 2. Expert model matrix of assessing internal factors of marketing management implementation at the tourist enterprise**

**Legend:**
- \( A_{Hi} \) – resulting assessment of head and the team of i-th tourist enterprise. In order to determine the level of influence of head and team on results of tourist enterprise activity, we provide their characteristics with following quantitative meaning in such a way: characteristics of the head are assessed in the range of 10 to 2 points (the highest grade is when he has 7–10 points for personal and expertise characteristics) and 10 points (if these grades are 6 and lower). The team is assessed in 10 points (if complies with requirements) and 5 (if it does not). N index equals to number of studied enterprises represented by the head and the team; \( A_{Phte} \) – in order to receive comparative evolutions we deem it relevant to conduct assessment of tourist enterprise partner’s head and team attributes. For each tourist enterprise the same number of partner enterprises must be analyzed (it is recommended not less than 3); \( PFF_{Ei} \) – process and functional factors of internal environment j-th tourist enterprise, which, one part, determined successful implementation of marketing management and from another part – each of them is required prerequisite to its efficiency; \( PFF_{Eg} = 1…k \), for studied case the factors found out during analysis. For simplification of TAS group identification each factor of internal environment (which are assessed based on 10-point scale) has been given grades in such a range of 2 (best indexes – from 10 to 8); 1(average – 7-6 points); 0,5 (below average – 5-4 points) and 0,1 (worst indexes – 3–1 points); \( PFF_{P} \) – process and functional factors of internal environment of partner enterprises whose indexes are researched in marketing management efficiency algorithm building. Building of one matrix provides for use of data of several partners (m≥3) as final assessment of activity of all tourist enterprise’s partners; \( CA_{c} \) – customer assessment of the c-th tourist enterprise which provides for assessment by consumers of the level of servicing, marketing communications, loyalty programs etc.

3) \( \bar{P}_{PFFg} \) – average assessment of process and functional factors of partners of the j-th tourist enterprise to be determined on the basis of research of process and functional factors of internal environment of tourist enterprise partners and calculated according to formula (4):

\[
\bar{P}_{PFFg} = \frac{\sum_{Eg} PFF_{Eg}}{k},
\]
where
\[ \sum_{g}^{PFFP_{Eg}} \] – amount of expert assessments of process and functional factors of internal environment of the g-th partner enterprises of the j-th tourist enterprise;

k – number of process and functional factors of internal environment of the g-th tourist enterprise.

4) \( APIE_{eg} \) – assessment of internal environment of the g-th partners of the j-th tourist enterprise which is composed of indexes of characteristics of partner’s head and team and assessment of process and functional factors of partner’s internal environment. Assessment of internal environment of the g-th partners of the j-th tourist enterprise is calculated similarly to assessment of internal environment the j-th tourist enterprise (5):

\[ \text{AP}_{IEg} = \sqrt{A_{Het} \cdot \overline{AP}_{FFg}} \] (5)

where

\( A_{Het} \) – resulting assessment of characteristics of partner’s head and team;

\( \overline{AP}_{FFg} \) – average assessment of process and functional factors of internal environment of the g-th partners of the j-th tourist enterprise.

5) \( CA_{c} \) – customer assessment of the j-th tourist enterprise activity.

CA_{c} – customer assessment of the c-th tourist enterprise activity.

Therefore, we have obtained expert assessment of tourist enterprise activity which indicates its level of preparation to implementation of marketing management. From other viewpoint, the same level is evidenced by integral efficiency index of tourist enterprise marketing management – \( \int MME \), calculated by us by means of quantitative economic, marketing and managerial indexes (7).

\[ \int MME = \sqrt{\overline{M} \cdot \overline{M} \cdot E} \] (7)

where

\( \overline{M} \) – average coefficient of tourist enterprise marketing activity;

\( \overline{M} \) – average coefficient of tourist enterprise managerial activity;

\( E \) – average coefficient of tourist enterprise economic activity.

All above-mentioned coefficients have been obtained by us through conversion of growth rate of the indexes in the system as selected by us into coefficients and receipt of average value out of it.

Data in Table 1 convince in the relevance of use of integral index as the one which has highest level of objectivity as compared to separately taken economic, managerial and marketing indexes.

Thus, in leader group the integral index has higher value as compared to economic index of rate of increase of sale volumes as it considers the results of tourist enterprise successful marketing activity, evidences the growth of tourist enterprise competitive power as well as enterprises potential to grow and to develop its activity. On the contrary the values of integral index of enterprises belonging to “traditionalist’s” group are lower than their economic index. In our opinion, it indicates that all tourist enterprise’s efforts are directed at quick profit receipt and do not take into account its strategic development which, in the future, can negatively tell on its market position.
Table 1. Summarized table of tourist enterprise activity integral indexes in Ukraine and Georgia, 2011/2010

<table>
<thead>
<tr>
<th>Index</th>
<th>&quot;Marketing management leaders&quot;</th>
<th>&quot;Marketing management followers&quot;</th>
<th>&quot;Marketing management start-ups&quot;</th>
<th>&quot;Traditionalists&quot;</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>TEZ TOUR, Kyiv</td>
<td>Caucasus Travel, Tbilisi</td>
<td>Calypso Travel, Tbilisi</td>
<td>Vanilla Sky, Travel, Kyiv</td>
</tr>
<tr>
<td>Rate of increase of sale volumes</td>
<td>0,210</td>
<td>0,141</td>
<td>0,110</td>
<td>0,082</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>0,076</td>
<td>0,056</td>
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<tr>
<td>Integral index</td>
<td>0,258</td>
<td>0,208</td>
<td>0,174</td>
<td>0,195</td>
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<td></td>
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<td>0,117</td>
<td>0,047</td>
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Orientation for determination of desired integral group is rate of growth of the branch in the country: a) if MME > branch growth rate – tourist enterprise belongs to marketing management leaders; b) if MME equals to branch growth rate – to follower’s group, and if less – to start-ups or traditionalists. Grouping of the last ones is carried out by way of expert assessment.

Conclusions
It has been proved that level of tourist enterprise market management efficiency can be determined by means of proposed expert and integral method which provides for assessment of: characteristics of a head and a team of tourist enterprise’s partners; process and functional factors of tourist enterprise’s partner internal environment; tourist enterprise activity which is inseparable from partners’ activity (customer assessment). Calculations of tourist enterprises integral indexes have evidenced its high level of objectivity and relevance for adopting justified decisions. We consider it perspective to conduct further researches to define more exactly the meanings of integral indexes for each of the allocated tourist enterprises groups.

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