

The competitiveness and potential of Russia in the global business tourism market in the context of digitalization

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Abstract — In the article, the authors examined the factors that influence the formation of the country's tourist image; The distinctive features of the Russian climate, which affect the tourist attractiveness of the Russian regions, are identified and analyzed; factors that made it possible to increase the global competitiveness rating of the Russian Federation were analyzed and substantiated in detail; the authors conducted and presented a comparative analysis of the competitiveness rating of the quality of hotel and transport infrastructure of the Russian Federation; identified and justified factors affecting the competitiveness of Russia in the global business tourism market.

Keywords — *business tourism, competitiveness, world market, tourist image, tourism, business tourism, infrastructure, transport infrastructure, hotel infrastructure, market, indexes foreign policy situation, economic relations, competitiveness ratings, competitiveness analysis.*

I. INTRODUCTION

The development of international tourism has a huge impact on the economy of many countries. One of the main sources of foreign currency earnings in the country is international tourism. This fact, on the one hand, has a huge impact on the level of economic development and the well-being of its citizens, on the other hand, in order to increase the competitiveness of the Russian Federation in the global tourism market, it is necessary to develop the latest approaches to the formation of the organizational and economic mechanism for the development of Russian tourism and also to identify potential tourism opportunities.

Over the past decade, the development of tourism and hospitality in Russia has been considered as a priority area of socio-economic development of the country.

The identified problem was the basis for the choice of the topic under study and allowed to determine its relevance.

II. POPULAR THEORIES OF RUSSIAN COMPETITIVENESS TRENDS IN THE GLOBAL BUSINESS TOURISM MARKET

To date, insufficient research has been conducted regarding the conditions for the functioning of the Russian tourism market, as well as ways to bring the Russian tourism industry out of the crisis. Most of all publications on the role of tourism in the Russian economy were dedicated to this issue by V.P. Gryaznova [Gryaznova, 2016] I.I. Afanasyeva [Afanasyeva, 2017] and others. There are a large number of

works by various authors on the place of Russia in the world tourism market, its prospects and opportunities.

The influence of globalization processes on the formation of the Russian business tourism market has been studied by such authors as: A. Hakan [Hakan, 2016], V. Yu.V. Evseev [Evseev, 2017], T. Gutova [Gutova, 2012] and others.

Problems and prospects of Russia's competitiveness in the global business tourism market were analyzed in their works by S. Duguzhev [Duguzhev, 2015], P. Ananchenkova [Ananchenkova, 2017], K.F. Fam [Fam, 2017], A.Yu. Dementiev [Dementiev, 2013], L.M. Kapustina [Kapustina, 2017] and others.

III. METHODOLOGICAL APPROACHES TO THE FORMATION OF RUSSIA'S COMPETITIVENESS IN THE GLOBAL BUSINESS TOURISM MARKET

The formation of the competitiveness of any country in the world tourism market is based on the formation of its tourist image, which is understood as "an artificial image formed in the public or individual consciousness by means of mass communication and psychological impact" [Duguzheva, 2015]. On the world scene, the image reflects the idea of the country. Therefore, the idea of a country as an object of attraction for tourists is a tourist image.

There are certain factors that contribute to the formation of the tourist image of the country. According to different researchers, such factors include the following:

- availability of natural resources favorable for tourism development (sea, mountains, unique or unusual natural phenomena);
- the country is in a zone favorable for the development of tourism (it can be either a mild continental climate or a climate favorable for the development of extreme types of tourism);
- the existence of historical centers and attractions in the country;
- availability of transport and hotel infrastructure, affordable prices for transport services and accommodation;
- current visa regime in the country;
- free communication in the native (habitual) language for the tourist [Ananchenkova, 2017];

- advantageous geographical location [Korolev, 2015];
- political stability as a guarantee of safety;
- economic stability as a guarantee of high quality services in tourism and related businesses [Duguzheva, 2015].

We can focus on other factors. It is quite obvious that each of the listed factors has a certain influence on the tourist attractiveness of the country. The influence is carried out to the extent that it is known to potential tourists and how it is broadcast through the media. It is important to focus on the fact that in the global market, the country's tourist image can be negative. This is due to incorrect (negative, distorted) informing potential tourists. The presence and use of various indexes help to determine the dynamics of changes in the

country's tourist image in terms of foreign tourists. The Visa Restriction Index is one of the world's recognized travel indices, compiled each year by Henley & Partners in partnership with the International Air Transport Association (IATA).

The essence of this index is to study the difficulty of obtaining visas in various countries and the availability of foreign citizens, as well as the opportunity, without obtaining visas, to visit a certain number of countries. Henley & Partners and IATA experts evaluate these indicators, which ultimately allows countries to be arranged in descending order of visa freedom. Figure 1 shows the changes in the rank of the Russian Federation in this rating.

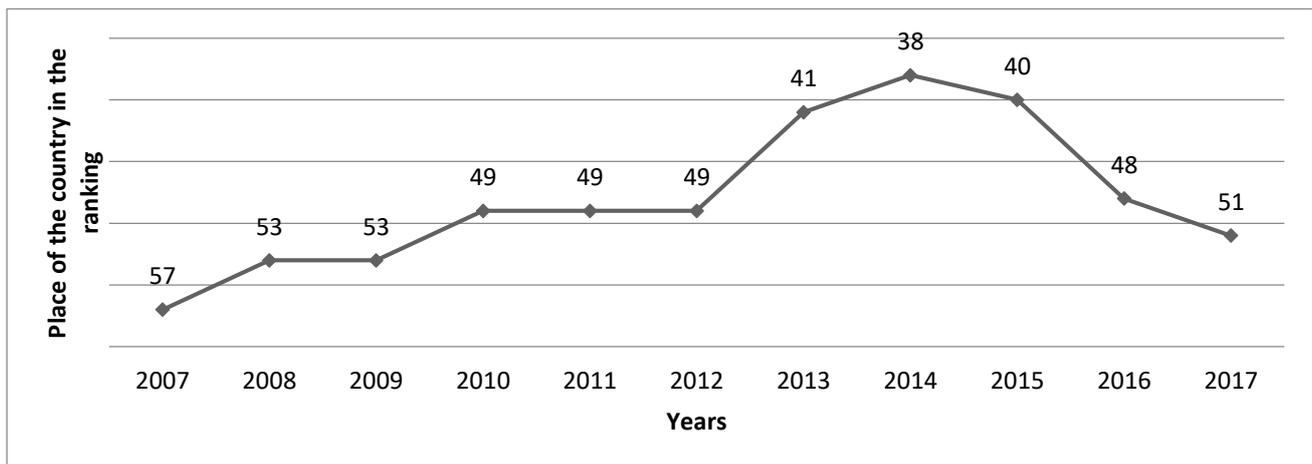


Fig. 1 Dynamics of the rating of the Russian Federation in the Visa Restrictions Index [Report the Travel&Tourism, 2017]

The rating of Russia was the highest (38th place) in 2014 (according to the data in Figure 1). Then, the rating is rapidly decreasing, reaching the 51 positions in 2017, which really corresponds to the country's positions held in 2009–2010. According to the data presented, we can state the following: since 2014, Russian citizens

had great difficulties or they were not able to obtain entry visas to a number of other states. At the same time, we note that earlier the Russian Federation had agreements on a visa-free regime for citizens as part of a visit to some states. According to Henley&Partners, in 2017, citizens of the Russian Federation could visit 106 countries of the world without visas (for comparison, the leaders of the ranking — Germany — 177 of the existing 218 countries of the world) [Henley&Partners Visa, 2018].

In our opinion, the remaining factors should be identified. So, for example, if you examine the presence in Russia of natural and cultural sites that are interesting for tourists to visit, you can refer to the list of UNESCO World Heritage Sites. At the moment, it contains 17 cultural and 11 natural sites. Of the total number of cultural objects, 6 objects are recognized as masterpieces of human genius, and of the total number of natural objects, 4 objects are natural phenomena [World Heritage Center, 2018]. By the total number of World Heritage Sites, the Russian Federation takes 9th place in the world, and by the number of natural sites - 4th place after

China, the USA and Australia [Natural Heritage Protection Fund, 2018]. It is noteworthy that, according to UNESCO, not one of the Russian natural and cultural sites included in the World Heritage List is under the threat of extinction, which increases the chances of tourists to get acquainted with the masterpieces of Russian culture and nature [World Heritage Center, 2018].

It is important to note that the Russian climate is a unique point of view for the differentiation of climatic zones, due to both the significant extent of the country and the different levels of its water bodies, and the diversity of terrain: from high mountain peaks to plains below sea level. As a result, each region of the country is ready to offer tourists unique climatic conditions specific to this region. So, for example, in Yakutia and in the northern regions of Siberia, negative average annual temperatures and short summers are observed (here, for example, the Oymyakon cold field is located, which is the coldest of all inhabited regions of the Northern Hemisphere) [Sights of Russia // Sights, 2019]. A distinctive feature of the Far Eastern climate is its contrast. As we approach the ocean, the continental climate changes more and more towards the monsoon. Central Russia is favorable for most tourists who are prone to a distinct change of seasons [Climate of Russia // Seasons, 2019].

The large length of the country and its location between Asian and European countries determines the favorable

geographical position of the Russian Federation. The formation of transit traffic flows is a good opportunity, in the country, to create transport corridors. This direction will have a positive impact on the development of transit tourism.

One of the most acute problems of the country's economy was considered the transport infrastructure of Russia. For today, the situation has changed for the better. The implementation of the Federal Targeted Programs in the transport sector had a positive impact. This was one of the factors that made it possible to increase the global competitiveness rating of the Russian Federation for 2015–2016 by 8 ranks, moving from 53rd place to 45th place. For each of the factors in the framework of the global rating, mini-ratings are compiled. The rating of the Russian Federation in terms of the development of transport infrastructure for 2015–2016 increased by 4 ranks, moving from 39th place to 35th [Competitiveness Rankings // World, 2016]. The structure of the competitiveness rating of the Russian Federation in terms of the quality of transport infrastructure is presented on the competitiveness polygon (Figure 2) in comparison with the

leader of the rating of transport infrastructure quality, the United Arab Emirates.

According to the data presented, the UAE is superior to the Russian Federation in the quality of transport infrastructure in all directions, except for railway infrastructure (there is no railway transport in the UAE). This means that Russia still has a place to strive, since the indicators of the quality of transport infrastructure existing in the Russian Federation can be called average.

Considering the hotel infrastructure, it should be noted that in this case, Russia is the largest market in the CIS, which at the end of 2016 operated 151 hotels owned by international brands.

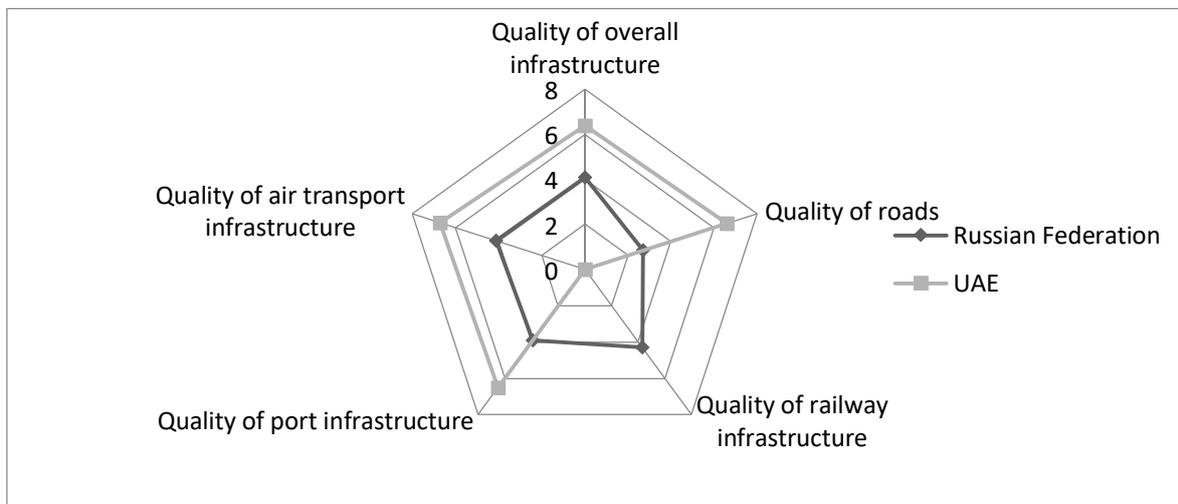


Fig. 2 A comparative analysis of the competitiveness rating of the quality of the transport infrastructure of the Russian Federation and the UAE, calculated in the framework of the global competitiveness index for 2016

The total number of rooms in these hotels is about 33,000. The most developed hotel services markets in the Russian Federation are still Moscow, St. Petersburg and Sochi: they account for 70% of all international hotels in Russia. The holding of the World Cup in Russia in 2018 led to an increase in supply in the participating cities: It was announced the opening of 3 to 5 new hotels under international brands in Nizhny Novgorod, Rostov-on-Don and Samara. A significant increase in supply was also noted in Krasnodar and Tyumen (771 rooms in three facilities and 671 rooms in 4 facilities, respectively, by 2020). Both cities are characterized by a steady flow of tourists whose needs for high-quality international hotels are still unsatisfied [International hotel chains, 2017].

Prices for hotel services are quite acceptable for citizens of Western countries. However, due to low economic opportunities, most Russian citizens cannot yet afford to use branded hotel services. For them, in most large Russian cities there are local small hotels and apartments (apartments and

houses rented out as hotel rooms). However, in those cases when the object of tourist interest is located far from large cities, the hotel infrastructure objects can be met quite rarely or not at all.

The possibility of free communication in foreign languages is the most important factor and a significant component for any country. In large cities of Russia there are tourist guides and signs in foreign languages. We note, at least, representatives of service organizations speak English. The communication process is complicated when moving tourists deep into Russia. Therefore, tourists visiting the Russian Federation must have a basic set of spoken Russian. Note that the factors considered should have a positive impact on the development of tourism and stimulate its development. In the Russian Federation, these processes are not developing efficiently enough. This is due to the fact that there are shortcomings in both the economic and political spheres.

The domestic political situation is characterized by controllability and stability. This can be explained by the fact

that there are significant successes of executive bodies in preventing the suppression of terrorist financing channels, manifestations of interethnic conflicts and extremism. According to political scientists, some Western countries deliberately have a negative impact on the consciousness of Russians. The main goal of this activity is to change the political conjuncture of power and bring the ideas of the so-called "tolerance" alien to the Russian population closer to its acceptance by consciousness. As practice shows, such attempts have the opposite effect, while consolidating the Russians against Western aggression as a carrier of an alien ideology. At the same time, such consolidation is not aimed at representatives of Western peoples who visit the Russian Federation without fear for their lives. At the same time, it is important to pay attention to the declining living standards of the population. This aspect, of course, has a negative impact on the mood of people, and may in the future create protest moods, especially in the regions of the Russian Federation. According to political scientists, such moods in society are currently restrained only by the "need to withstand the external enemy," that is, countries whose governments are aggressively disposed towards the Russian Federation. The lifting of sanctions and the disappearance of the "external enemy" will serve to increase protest sentiments [Polunin, 2018] and, on this side, can serve to reduce the feeling of tourist safety.

We must note that at present, the foreign policy situation in the Russian Federation is developing in different ways. The most favorable are external contacts with the Arab countries, which are gradually consolidating around the Russian

Federation on the suppression of the terrorist threat in the Arab world. This was facilitated by the obvious successes of the Russian Federation in Syria, which, however, were not uniformly perceived by European countries, Canada, the United States and Japan. Together with the negative attitude of these countries to the annexation of Crimea and Sevastopol to Russian territory, the presence of Russian volunteers among the defenders of the Donbass, this created a deepening confrontation with the United States and an increasingly alienation of other countries from the above list from the Russian Federation. The very existence of the Ukrainian military conflict near the Russian borders also does not increase the level of the foreign policy situation in the Russian Federation.

With regard to tourism, the foreign policy situation affects the decrease in the number of visits to the Russian Federation by tourists from European countries, the USA and Canada due to the formation of a negative image of the Russian Federation as an aggressor country.

The foreign policy situation with the countries of southeast Asia is not developing dynamically enough. This is due to the exceeding pace of development of these countries over Russian. As a result, the lack of supply of Russian goods that would be interesting to these countries, the lack of a tendency for the Russian population to consume exported goods from these countries due to the low standard of living of the population.

Most clearly describes the economic situation in the country of GDP per capita (Figure 3).

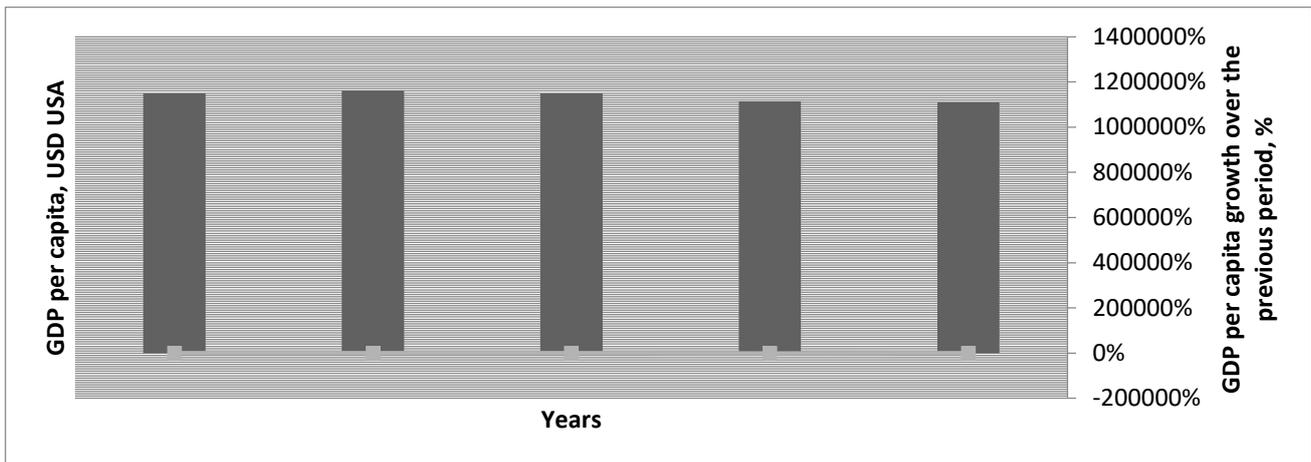


Fig. 3 Dynamics of GDP per capita in the Russian Federation in 2012–2016,%

According to the data presented, in 2012–2016, per capita GDP of the Russian Federation decreased significantly. The maximum absolute value of GDP per capita was recorded in 2013, but the value of growth compared to the previous period was maximum in 2012. Since this period, per capita GDP growth has been steadily declining, and since 2014 it has been in the zone of negative values. At the same time, the minimum value of per capita GDP growth was recorded in 2015, and in 2016 it was possible to achieve some growth of this value, which, however, still remains negative.

The presented dynamics as a whole confirms the conclusion about the expectations of economic growth in the Russian Federation. In order to develop tourism, this also

means that there are expectations for an increase in the quality of services provided in this area.

In addition to the factors presented, from the point of view of this study, the competitiveness of Russia in the global tourism market is also interesting. One of the most respected ratings that reflect competitiveness in the global tourism market is The Travel & Tourism Competitiveness Report, published annually by the World Economic Forum (WEF). According to the report for 2017, the Russian Federation ranks 43rd in the world out of 141. At the same time, in comparison with the rating data for 2015, the Russian Federation rose in the rating by 2 points (from 45 to 43 place), overtaking such traditionally tourist countries as Turkey and Bulgaria.

This rating is based on a study of 90 indicators, 2/3 of which are statistical, another 1/3 is based on the opinion of authoritative international experts. Moreover, according to the rating, the Russian Federation is the leader in the tourism market in the Eurasian subregion, which, in addition to the Russian Federation, includes the countries of the Caucasus and Central Asia that were formerly part of the USSR. The report notes that the countries of this region have become more competitive on the world stage due to an increase in the qualifications and efficiency of personnel working in the tourism industry and related industries, as well as lower costs for accommodation and transportation and an increase in the efficiency of using natural heritage [Report the Travel, 2017

The last of the described factors in the countries of Western Europe for the first time in a long time showed declines, which ensured an additional increase in the competitiveness of the countries of the Eurasian subregion in the global tourism market.

Despite the positive change in the competitiveness rating of the Russian Federation in world tourism, its position in terms of “business infrastructure” can be considered extremely low. Russia occupies 105th position out of 136 countries represented in the ranking for this indicator, located between Bangladesh and Mali. Hong Kong is the leader of this indicator, so we compare all other indicators of the Russian Federation with this country (Figure 4).

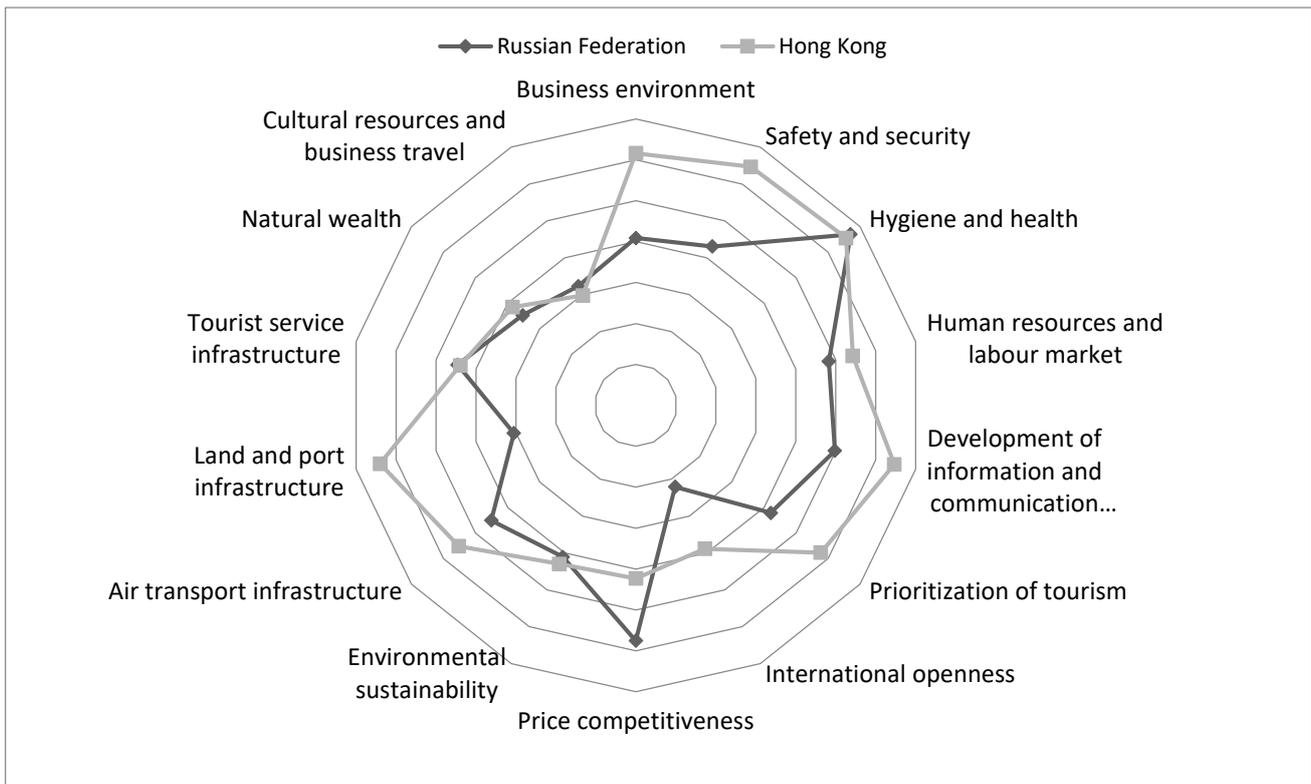


Fig. 4. Comparative analysis of the competitiveness of the Russian Federation and Hong Kong in the field of tourism and travel, points

As follows from the comparative analysis, despite the higher rating of the business environment, Hong Kong is less competitive in terms of prices, natural resources, hygiene and health, cultural and business trips in comparison with the Russian Federation.

Let us make a similar analysis in comparison of the Russian Federation with the leader of the indicator of cultural and business trips, China (Figure 5).

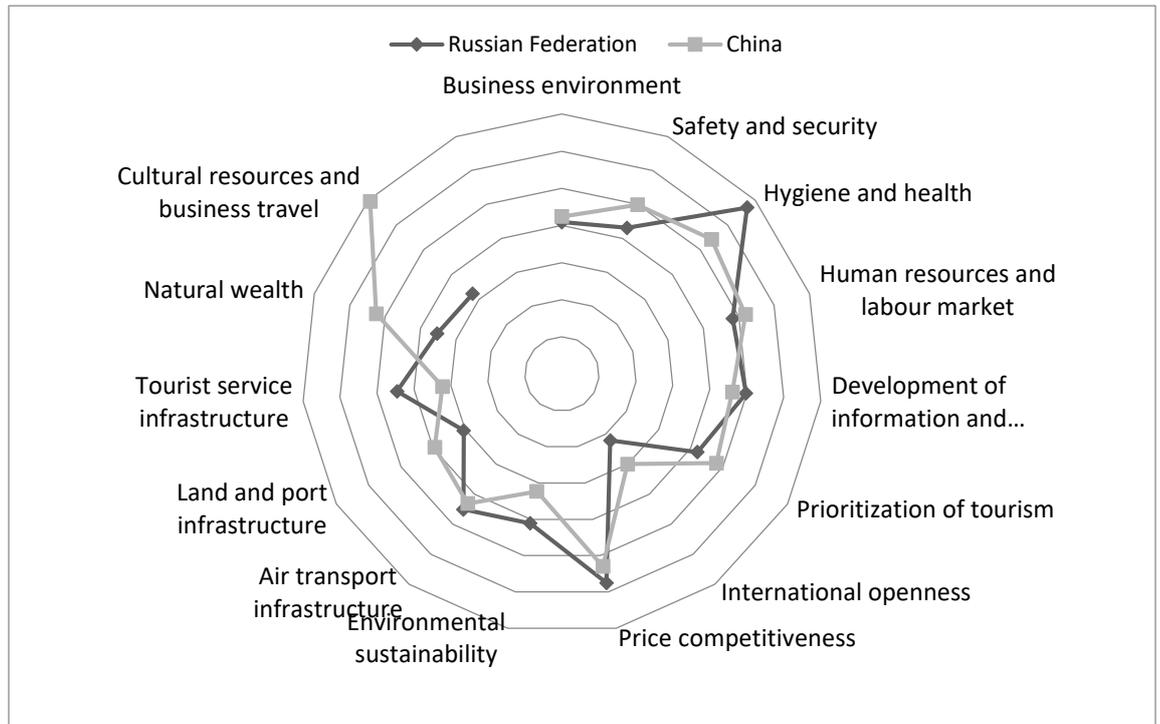


Fig. 5. Comparative analysis of the competitiveness of the Russian Federation and China in the field of tourism and travel, points

The data from this analysis show that a high level of competitiveness in terms of cultural resources and business trips is supported by a higher rating in terms of safety and security, international openness to natural resources, port and ground infrastructure, as well as human resources and the labor market, in comparison with the Russian Federation.

Thus, the main factors affecting the growth of business travel and the country's international openness include: business environment, transport infrastructure, safety and security, human resources and the labor market.

It is important to emphasize that the tourism market of our country has great potential, but it cannot develop without state support. It is necessary to develop federal projects aimed at the development of tourism, which has a positive impact, including on foreign economic relations with other countries.

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