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Dear colleagues, authors, students and all people who love travelling and adventures!

Tourism and culture have been our life, work, hobby and love for many years. For years we have been travelling, we have been enjoying adventures, experiences, tastes, emotions. And we are happy to share our emotions and experiences, to discuss them and to search for new ways of doing all these wonderful things. We use workshops and seminars, foresight-sessions and meetings, conferences and exhibitions, gamification and projects.

This is the second volume of the journal "**Cultural Heritage and Tourist Territories**". We hope the pages of this journal are capable of presenting our love to tourism and culture, adventures and travel. The authors who have contributed to this volume of the journal "Cultural Heritage and Tourist Territories" are not only enthusiasts but also serious scholars working in this field. And we are happy to present their papers, we are proud that they have chosen our journal as a driver for their researches. We hope for future cooperation!

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Contents

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Formation of a competitive strategy for the development of a tourist company in the digital transformation of the industry

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Abstract

The issues of the concept of "Industry 4.0" applied to the tourism enterprise management and aspects of the digitalized business models are disclosed in this paper. The theoretical aspects of the digital approach, as well as the nowadays industry trends, actualize the interest of the tourism and hospitality industry specialists to the issues of increasing enterprise competitiveness in the Russian services market. The article presents key spheres of innovation that will be most influential to business processes and enterprise management as a response to changing competitive market.
The paper describes key drivers of digital transformation in tourism business with examples of exact activities that can give the opportunity to stay profitable and competitive in changing environment. The author resumes, that digital transformation, as a modern challenge for companies in different spheres requires using another business models in order to hold positions in competitive market.

Keywords: digital transformation, services market, concept of "Industry 4.0", Internet of Things, competitiveness

Introduction

Nowadays the development of a competitive strategy is needed in many areas of entrepreneurship, including in tourism, taking into account innovative changes, the speed of which is increasing.

Digital transformation of the industry contributes to the emergence of new ideas, which translates into successful projects to bring innovative products and services to the market, and also improves the quality of service and offers in the market as a whole. The scale and dynamics of this transformation of the industry determined the need for companies to adapt to new realities and search for an effective growth and development strategy.

The relevance of the chosen topic is that the fundamental factor in the development of a modern market economy is competition, which necessitates the formation of effective competitive strategies. The field of tourism business is characterized by a high degree of competition in the market for entrepreneurial activities, and in such circumstances tourist enterprises need adequate tools to assess competitiveness and successfully plan their activities.

Approaches of company's competitiveness

The quality of modern products and services has significantly increased under the influence of digital business transformation in each industry. This transformation is based on the concept of Industry 4.0, which allows companies make more profit and, in turn, invest in innovative products.

- German scientists have formulated the basic principles of implementation the digitalized business model the concept of "Industry 4.0":
- Compatibility. This principle implies the interaction and exchange of information between people, machines and sensors through the Internet of things.
- Transparency. The result of the interaction described above. Accumulation of information about physical objects, processes and changes and creating backups in the digital space. Information is collected using sensors.
- Technical support. Decision making with computer systems. Only machines carry out performing dangerous and routine operations.

Table 1. Comparative analysis of resource and cognitive approaches

Characteristics	**Traditional theory (resource approach)**	**The concept «Industry 4.0» (cognitive approach)**
Key competitive advantage	Material resources	Intangible (intellectual) resources
Reproducibility of key competitive advantage	Reproducible (copied) competitive advantages	Unique competencies of the organization, impossibility of reproduction
Competitive analysis of the company	Review of the firm's position in the industry (model of five forces M. Porter)	Consideration of the company in the context of the social and environmental environment
The main recipient of the recommended activities	The consumers, suppliers, partners, investors Stakeholders in a broad	Stakeholders in a broad context

Characteristics	Traditional theory (resource approach)	The concept «Industry 4.0» (cognitive approach)
	context	
The dominant goal of the company	Increasing the well-being of owners through increasing the cost	Increase in value for all stakeholders of the company (internal and external)
Level of security	Regional, global to a lesser extent	Mainly global
Time horizon for the implementation of measures to improve competitiveness	Tactical (ahead of existing competitors, creating barriers to entry into the industry)	Strategic (creation of long-term projects)

There is a change in the traditional way of forming competitive advantages, which was awarded to the industrial economy, and cognitive, behind which is the knowledge economy. The table shows that the traditional approach is based on an analysis of the company's material resources, while the cognitive takes into account the competence and intellectual potential of the company.

Intellectual resources are considered as the most important resources in the new technical and economic paradigm, under which the reassessment of competitive advantages takes place. As a conceptual basis of this paradigm «Industry 4.0», the foundation of which contains knowledge-intensive technologies based on human cognitive abilities.

The most influential factors of innovations and development in digital economy

In January 2018, the consulting company BCG presented a study on the most innovative companies and the role of digitalization in innovative business processes. According to BCG statistics, among the various spheres of innovation that have an impact on the industry, in the opinion of the majority of respondents only 4 of them have grown since 2014. These included speed of application of new technologies, analysis of big data, digital design, mobile products and capabilities, and all of them relate to digital transformation.

Analysis of big data has risen from the 8th position to 3d and now, along with the new product, is one of the most pursued goals in the key of innovative development. More than half of respondents noted that their companies use data analysis for a variety of purposes related to innovation, including identifying new areas of development, contributing to the flow of new ideas, providing information for investment decisions and determining a portfolio of priorities. Energy, media and entertainment, financial services and the public sector - all are witnessing a significant increase in the number of companies and organizations that use big data as an innovation.

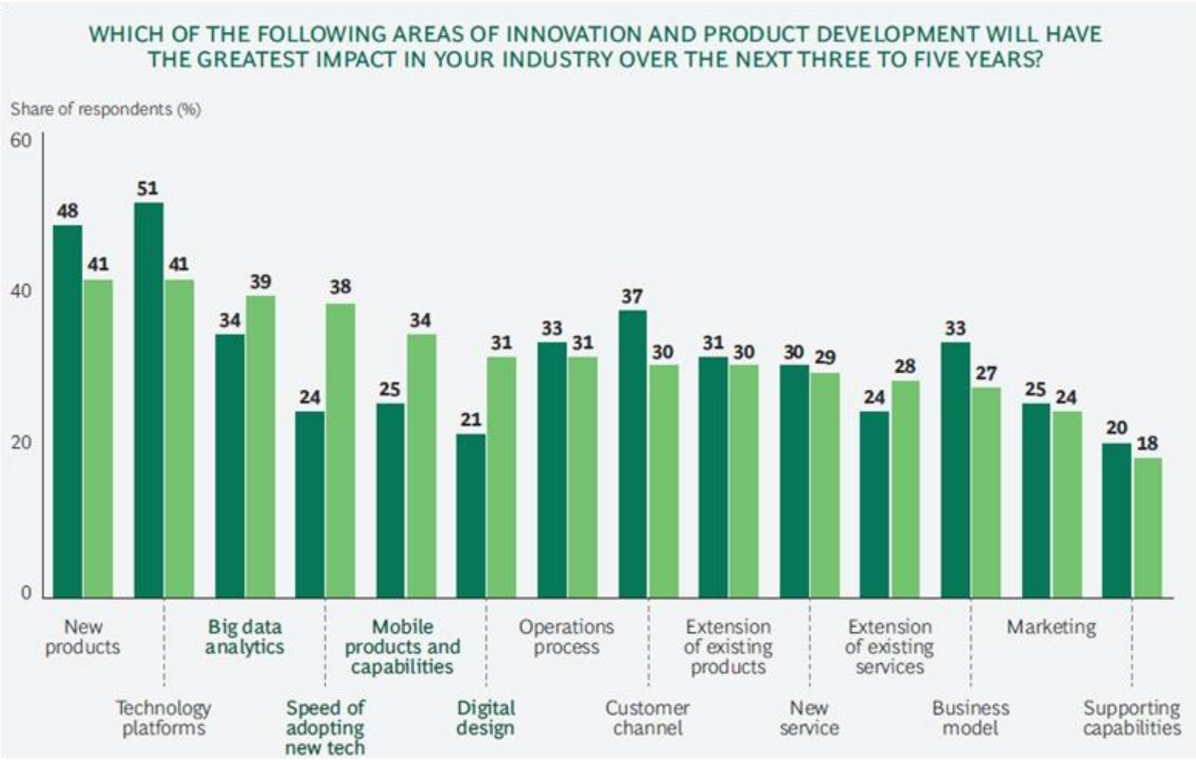

Fig. 1. Results of BCG survey about the most influential areas of innovation and product development (BCG, 2018)

The importance of the speed of application of new technologies, according to the diagram, moved from the last place to 4th. Innovators understand that successful digital transformation requires excellence in three fundamental areas: speed, scale and meaning. One third of respondents identified mobile products and opportunities along with digital design as factors that will have the greatest impact on their business for the next 3-5 years.

Digital technologies change the strategy of innovation, expanding the horizon of opportunities, encompassing new products, services, business models and internal processes that allow us to offer a new one. This shift towards digital transformation raises rates and accelerates the pace of the innovative race, so today, business representatives need to rethink their innovative development strategies within the industry 4.0.

When developing a strategy, the company is based on a goal that determines its actions for a given period of time, but when forming an innovative development vector, it is also necessary to have a clear answer to the question of how technologies can be applied to expand the horizons of opportunities by creating new products, services and business models.

What are the possibilities? Practically about all. Companies can develop and test new products - for example, with digital simulations, 3D printed prototypes or mini products released in real markets - much faster and cheaper than ever before.

At the same time, besides adapting to a faster tempo of competition, innovation strategists need to engage on broader playing field. For example, competitive advantage increasingly is driven less by productive advantage and more by the digitally enabled services that surround them. From todays's predictive maintenance offering for industrial goods to tomorrow's Internet of Things (IoT) , strategists need to explore and master new innovation domains. Already connected cars have drawn automakers into the software business, and autonomous vehicles are bringing tech companies into transportation and mobility. As more advanced technologies, such as artificial intelligence, enter the mainstream, the stakes keep climbing.[1]

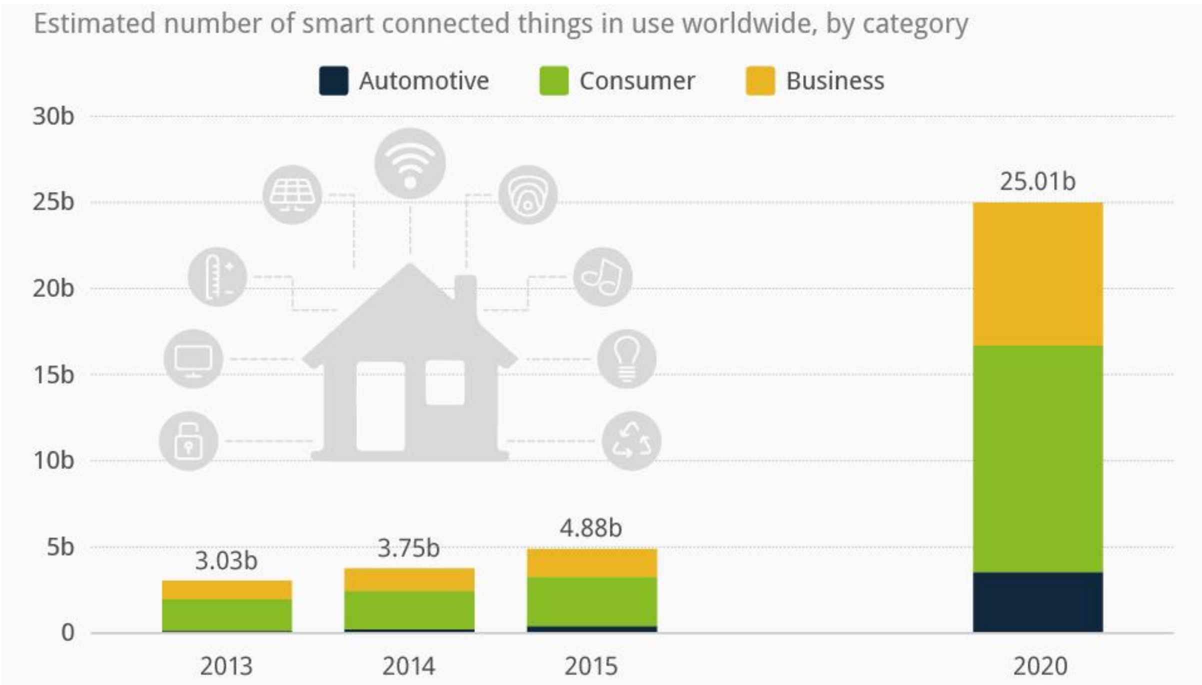

Fig. 2. Internet of Things to Hit the mainstream by 2020 (Statista, 2014)

Forming a competitive strategy, it is necessary to take into account the risks that arise when the innovation approach is not implemented quickly enough. Thus, the most significant risk of ignoring the digital transformation of the industry and the company's traditional development path is the loss of its market and customer, it's enough to look at the companies Kodak and Wang Laboratories.

At the same time, the difficulty lies in keeping pace with key innovators in a particular industry, who previously or significantly invested in digital

[1] The most innovative companies 2018 The Boston consulting group

innovations. Studies show that key innovators attach great importance to the speed of technology adoption, mobile capabilities, digital design, analysis of big data and digital platforms in general, rather than other market participants. It should also take into account the degree of aggressiveness of the introduction of these innovations by leading companies. They take reasonable risks. Leaders are willing to make big bets that are high risk, high profile, in part because they understand that there is a greater risk in doing nothing.

It is important to understand that innovation takes time. Based on the analysis of the current state of the company in the market, areas of development are identified that need to be turned into advantages and implemented an action plan to achieve these goals as part of the company's development strategy.

There are good and bad reasons why the innovation that is ultimately launched may differ from the original concept. It is important to track the compliance of the innovation to the intended customer value proposition at each step as it moves through the development funnel. All changes to the concept need to be deliberate and informed by new information. Guard against unintended changes to the value proposition originating from miscommunication as it is handed across from one part of the team to another. Any material change requests initiated by one function—for instance, engineering or procurement—should be approved by a cross-functional review board to ensure the integrity of the value proposition is not compromised.[2]

Key drivers of digital transformation in tourism business

The economy of the fourth generation, in particular the era of the Internet of things, affects the behavior of buyers in the tourist industry, which go from offline to online every minute, that is, they cease to consult travel agents and tour operators, and organize their own holiday independently, through purchase of tour packages.

The digital platform is the catalyst of the economy. The emergence of a digital platform in any industry (Uber, Airbnb, Amazon, Cainiao, SmartCAT, etc.) leads to a significant reduction of transaction costs and acceleration of the operating cycles of its participants. Digital platforms set new professional standards, develop competition and form dynamic ratings of industry participants.

The value of technology, in the first place, is that it helps the client to become more competitive. Blocker is able to reduce the cost of the service and ensure its delivery in 24/7 format. When working with Big Data, the execution of the smart

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[2] The Eight Essentials of innovation performance December 2013 Copyright © McKinsey & Company

contract according to the given algorithm allows to significantly modify and improve the service that the client offers its customers. In addition, the block helps reduce transaction costs - through the elimination of unnecessary and duplicating links in the process.

Structuring of huge data flows and processes in the industry makes it possible to apply algorithmic regulation and greatly simplifies the tasks of analysis and synthesis of value chains. Digital platforms, like the new "global cells of industries" in the current industrial revolution, have already proved the effectiveness of their "unit-economy". Multilanguage and cross-border capabilities make it possible to quickly involve users from all over the world, keeping the company-operator of the digital platform the principle of extraterritoriality. Uberization of all sectors is a natural accelerating trend in the development of the global economy.

Blockchain is inspiring technical communities the world over due to its unique properties and innovative new take on database structure. This technology makes it possible to create a distribution platform for tourist services. Based on this technology, a distribution network is formed that connects buyers and sellers with the help of smart contracts. The application of this approach in relations with counterparties has many advantages, ranging from access to huge databases, ending with a reduction in mark-ups on the part of tour operators.

Smart Contracts are not actually a new concept, with theoretical work having been undertaken in the 1990s. However underlying blockchain technology has made them a reality today. With smart contracts it is possible to hardcode the stipulations of an agreement between parties into a self-executing blockchain programme.[3]

The introduction of the new NDC (New Distribution Capability) sales protocol allowed tourist company to sell sales without the intermediation of global distribution systems (GDS) through more than 1500 agents. To connect to carriers' inventory systems, the company can use Direct Connect technology, which operates on the basis of the NDC protocol.

Conclusion

The competitive environment is temporary and constantly changing, as it is influenced by specific participants in the competition. Changes occurring in the market are manifested most quickly and clearly through the prism of the relationship between competing firms.

Digital technologies change the strategy of innovation, expanding the horizon

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[3] Blockchain: harnessing its potential in travel // An Amadeus Innovation foresight paper

of opportunities, encompassing new products, services, business models and internal processes that allow us to offer a new one. This shift towards digital transformation raises rates and accelerates the pace of the innovative race, so today, business representatives need to rethink their innovative development strategies within the industry 4.0.

Digital transformation of the industry contributes to the emergence of new ideas, which translates into successful projects to bring innovative products and services to the market, and also improves the quality of service and offers in the market as a whole. The scale and dynamics of this transformation of the industry determined the need for companies to adapt to new realities and search for an effective growth and development strategy. Digital platforms based on blockchain, NDC protocol tecnologies set new professional standards, develop competition and form dynamic ratings of industry participants.

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Development of the hotel industry in the aspect of territorial marketing

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Abstract

The article deals with the sphere of tourism and hospitality, one of the fastest growing segments of the world economy. According to the World Tourism Organization (UNWTO), the annual market growth is 3%. The active development of the tourism industry requires the improvement of the hotel infrastructure. This article presents an analysis of the factors and the strategic directions of the development of the hotel industry in Russia.

Keywords: territory marketing, tourism, hotel industry, cultural heritage

The sphere of tourism and hospitality is one of the dynamic branches of the economy in most developing countries at the present stage. Russia is not an exception and today it occupies one of the leading positions in the world in the sphere of international tourism and hospitality. According to the report of the United Nations World Travel Organization (UNWTO), more than 30 million people from other countries visit Russia annually (9th in the world). In addition, domestic tourism is actively developing. According to Rostourism, the tourism flows in the country increases by 10-15% every year. It is also worth noting that official figures greatly underestimate the number, because in practice many tourists make their travel independently (without participation of producers of tourism services) [2].

The active development of the tourism industry stimulates the development of the hotel industry. According to 2015 results of the Federal Agency for Tourism, 13,958 hotels operated in Russia, which number grew by 30% compared to 2014. Every year, the hotel services market is steadily growing by an average of 12-15%. According to general forecasts, by the end of 2018, more than 17,500 hotels and other accommodation facilities will operate in Russia with more than 1 million equipped rooms (table 1).

Table 1. Number of hotels and similar accommodation facilities

Year	Number of organizations	Equipped rooms, thousand beds
2010	7866	529,6
2011	8416	571,2
2012	9316	617,8
2013	9855	676,8
2014	9771	703,2
2015	13958	771
2016	14948	846,2
2017	16231	931,1
2018*	17500	1000

Source: according to Rosstat

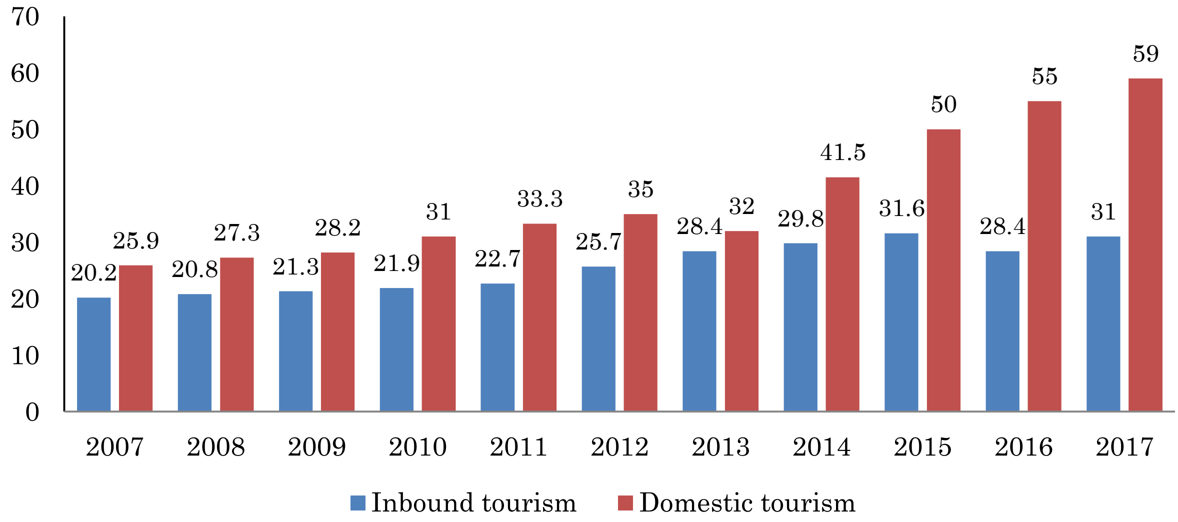

Fig. 1. Internet of Things to Hit the mainstream by 2020 (Statista, 2014)

According to the Federal State Statistics Service, in 2016 the largest number of accommodation facilities was in hotels. There were 9,243 hotels (61.8%) in Russia. The second place is occupied by furnished rooms - 2530 (16.9%), the third - other organizations of the hotel type - 1640 (11.0%).

Thus, the hotel industry in Russia is developing quite dynamically: the number of hotels and alternative accommodation facilities has tripled over the past 15 years.

The development of tourism and hotel infrastructure relates directly to the development of the territories. Developing them, the region becomes more attractive for investments, raises incomes. This, in turn, attracts tourists and their means. At the same time, the development of the hotel industry should be modern and better integrated into local historical and cultural environment. In any case, the way to develop a territory is to make it attractive for the population and partners as consumers. This, in turn, proves the necessity of attracting professional marketers for the territory development.

Territorial marketing is a set of tools that are used by authorities and governments to promote their territory efficiently, its name and capabilities in the minds of consumers [5].

The main goal of territorial marketing is the creation and maintenance of the appeal and prestige of the territory as a whole. Another goal to achieve is making the production resources attractive. The third goal is the systematic study of the external and internal environment for a given territory [1].

Territorial marketing resources are the resources of the territory demanded by consumers: the geographic and geopolitical position of the territory, the structure and composition of the population, the quality of life, infrastructure, the ability to work with high technologies, raw materials, the level of business activity, etc., as characteristics of the tourism products. Image and brand are a big part of the territory. For the imputing prices of the tourism products, you can take the costs that consumers bear coming to the territory. In particular, this is the cost of living, the alternative cost of travel, the financial accessibility of transport, food, etc. Placement of production and productive forces is carried out proceeding from the principle of the most efficient production of certain goods or services. In industrial society, the general transport accessibility and placement of raw materials and other material resources such as personnel supply and, most importantly, the state of market infrastructure (transport, communications, finance, services, roads, etc.) serves as reference points for such localization [5]. Promotion of the territory includes a wide range of activities aimed at achieving the region's variables affecting competitiveness and image making. Most importantly, these include PR and advertising campaigns.

In each of these branches of territorial marketing, there is a place for hotel marketing. The number and infrastructure of hotels, the quality of hotel services, determined in turn by a combination of material, technical, human, information, time and other factors, form the environment for the development of the territory and its image. On the other hand, the directions of territorial marketing determine the development of the tourist, hotel and transport industry on the territory and the external conditions and position of the accommodation facilities (view from the hotel room window, architecture, atmosphere, climate, etc.). The cost and quality of life on the territory, its attractiveness determine the price of staying in hotels and other accommodation facilities.

One of the possible examples of using the tools of territorial marketing is the marketing of the hotel industry providing the realization of the "Golden Ring of Russia" tourist route.

Brief history of the route. In 2017, the route marked its 50th anniversary. Historically the route included eight cities - Sergiev Posad, Pereslavl-Zalessky, Rostov the Great, Yaroslavl, Kostroma, Ivanovo, Suzdal and Vladimir. For half a century the route has undergone many changes. Since the 90s of the XX century and until early 2010, the number of tourists and investment attractiveness have decreased sharply. With the development of the route, some other cities were included into it such as Uglich, Myshkin, Tutayev and a number of other small towns.

Branding the route in the territory marketing system. Administrations of Vladimir, Kostroma and Yaroslavl Regions are working on the development of the tourist cluster, the creation of programs for events, as well as the image and brand of territories. Thus, for example, the Government of the Yaroslavl Region studied the project of a brand of the Yaroslavl Region - "Yaroslavia - Central Russian Gardarika" in February 2018. The authors of the concept relied on the history of the Yaroslavl land. "Gardarika" - the country of fortresses (cities) in medieval Rus, which was described in Scandinavian legends. There are several historical cities - Yaroslavl, Rostov, Uglich, Pereslavl-Zalessky, Tutaev, Rybinsk and Lyubim in the Yaroslavl region. The authors made a wager for the complex image making of a number of small towns.

The purpose of creating the "Yaroslavia - Central Russian Gardarika" brand is the formation of a stable excellent, original, rich in history, traditions and culture of the region's consumers (tourists, investors, etc.). The cost of the project amounted to 1.38 million rubles. The strategic tasks of the administration of the Yaroslavl Region greatly influence branding of the territory. The aim is to enter the top five largest tourist centers in Russia and welcome 8 million tourists a year until 2025.

Particular importance was given to the quantitative development of the hotel industry. Today the hotel fund of the regions of the "Golden Ring of Russia" has about 130 hotels (total fund - about 7000 rooms). Of these, about 40% of hotels are located in the Yaroslavl Region, 30% - in Vladimir, another 30% fall in the Ivanovo and Kostroma regions. At the same time, there are only 8 officially certified hotels among which there are no hotels corresponding to the highest category of "5 stars". The hotel base consists mainly of large complexes, mini-hotels, as well as private placements. Moreover, private accommodation facilities are more affordable, and comfort is higher than in large complexes. Mini-hotels, as a rule, open in the restored houses, and consist of 10-15 rooms. Typical rates range from 2000 rubles per day on average.

Nevertheless, the hotel complex has even more problems: an outdated room fund (60% of the total number of rooms built more than 30 years ago); lack of 3-star accommodation facilities; high prices for hotel service; insufficient level of training of specialists working in tourism, shortage of service personnel. Unwillingness of graduates of higher educational institutions to work in the initial positions in hotels (as maids, waiters, etc.), attracts foreign citizens to these positions; low workload indicators of hotels in the regions are to be mentioned which contributes to the state of the regional tourist infrastructure, primarily transport, etc.

We need a marketing approach in overcoming the problems. This approach determines when making managerial decisions and budgeting the priority of their compliance with the tasks of increasing consumer demand and population satisfaction. Taking into account the tasks of territorial marketing, the development of the hotel industry requires strategic solutions, such as following:

1. The development of the hotel industry integrating tourism and transport infrastructure: updating the facilities and reconstruction of hotel stock, building new means of tourist accommodation (hostels, hotels etc.). Upgrading the current vehicle fleet to transport them, the growth of the quality of roads and maintenance of regional and local subjects of the tourism industry.
2. Increase the level of service in regional hotels. Improving the customer service in the hotel may require implementing extra services. According to experts from the Federation of Restaurateurs and Hoteliers of Russia, the introduction of an average online hotel in Russia raises its profit by 8%, profitability by 24%, and the delivery of an order from the bar to the room (room service) allows increasing profits by 6%.
3. Certification and licensing of hotel services in the regions. To date, it is necessary not only to comply with GOSTs, but also to actively implement international service standards to increase the competitiveness of hotels. Among the most famous are IH & RA, UNWTO, ICCA, UFTAA / FUAAV, PATA. National standards, or GOSTs, determine only the conditions of safety and hygiene in hotels, the responsibility of the enterprise, the procedure for resolving complaints and general recommendations for the quality of tourist services (comfort, aesthetics, staff ethics, etc.). However, in order to perform everyone's standards of service, training and detailed

instructions for each employee are required (the dress code, the manner of communication with customers, methods and extent of information about the services, methods, incident response, and others).

4. Development of client-oriented corporate culture, increase of efficiency of work, education of modern and competent personnel in regional hotels. As studies show [3] traffic from the countries of southeast Asia has increased in recent years, therefore it is advisable to open courses for in-service training and retraining in regional universities with an emphasis on the study of Oriental languages (for example, Chinese).
5. The development of the image of the territory, innovative approaches to the hotel infrastructure and services, the expansion of related services and characteristics contributes to the increase in demand for hotel services. Among such approaches is the positioning of attractive features (floating hotel, hotel-training center), work with corporate clients on professional holidays and strategic sessions, installations and exhibitions in cooperation with museums and more.

These and other areas of development of the hotel industry should be based on the results of marketing research. One of the key tasks is to study the demand, motives, values, interests, desires, as well as other factors that influence the behavior and, in particular, the choice of territories and hotels of real and potential Russian and foreign tourists. The results of marketing research are the basis for changing the geography of tourism, expanding the range of hotel types and variety of services, as well as location of hotels within the region.

In general, the market of hotel services shows significant qualitative and quantitative growth in recent years. It increases the interest in investing in hotel business in the territories. The development of territories based on the introduction of marketing will contribute to the development and overcoming of existing problems of the hotel business. In turn, the development of hotel infrastructure and service is a factor in increasing the image and attractiveness of the territory for tourism.

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On Trust in Social and Touristic Area

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Abstract

In the article, the evolution of views to the study of the phenomenon of trust prescribed for foreign and Russian sociological thought is examined, and meanings of the social area of tourism are analyzed.

Keywords: tourism, touristic area, social trust

Scientific researches devoted to the problem of social trust identify a number of fundamental approaches to the examination of this phenomenon. The works of Plato and Aristotle should be noted, where the phenomenon of trust was reviewed as part of the most common issues. So, for example, in Plato's philosophical system about the state, a number of sections describing the people's trust in governors are singled out. In the philosophical system of Aristotle, the most interesting is the comparison of such terms as: trust and faith, trust and morality. A new stage in the study of trust, as a philosophical term, became the works of P. Abelard, T. Aquinas, A. Augustinus, G. Hegel, I. Ilyin, I. Kant, J. Locke, G. Leibniz, I. Prazhsky, Socrates, D. Hume and others, where the concept of trust was interpreted by researchers usually in association with the concept of faith.

It should be emphasized that since the end of the 18th century certain aspects of social trust have been studied not only within sociological science, but also philosophy, psychology, theology, literary criticism and ethics. Thus, in social sciences, trust is given to an important role of shaping foundations and premises of social order and is accepted as a feature of interpersonal communication and becomes the basis for formation of small groups (M. Weber, E. Durkheim, F. Thönnis, etc.). A significant contribution to the study of social trust was made by M. Weber, the German sociologist; in his opinion, the basis for formation of trust in the West Europe was the so-called "formal rationality". However, M. Weber's theory had quite a lot of opponents, to which, first of all, E. Durkheim should be attributed, who concluded that social trust is created with the help of public moral solidarity. And later F. Thönnis correlated trust with distrust. F. Thönnis' concept of distrust is a mirror reflection trust, i.e. negative expectations about actions of others.

The ethical nature of trust, as a component of communication, social and organizational behavior, was revealed by the following researchers in their works: A.L. Zhuravlev, V.P. Zinchenko, A. Maslow, S. Moscovici, J. Rotter, K. Rogers, T.P. Skripkina, V. Frankl, E. Fromm, K. Horney, E. Erikson, K. Jaspers, etc. In our opinion, the studies of E. Giddens, J. Coleman, N. Luhmann, A. Seligman, P. Sztompka, etc. were not of less significance. In their works trust was correlated with the concepts of "social interaction", "social communications", "social order". So, as per E. Giddens' works, social trust is based on Hoffmann's concept, where trust is a bond of faith and confidence grounded on knowledge. N. Luhmann highlighted the difference between danger and risk as follows: "Trust is vital in interpersonal relationships, but participation in functional systems, such as economics, politics, is no longer a matter of personal relations. It requires confidence, not trust" (Luhmann, 2000). A. Seligman analyzed the problem of trust arising in response to social segregation, examined trust through role behavior. In his turn, P. Sztompka proposed his original understanding, i.e. "trust is a bet on the future unforeseen actions of others." Based on this, trust involves the following main components: conviction and special expectations, confidence in action.

Being one of fundamental principles of both public and industrial relations, trust is characterized by a wide variety of manifestation forms. Having analyzed various approaches to the study of trust as one of components of relations, the following areas of the basic principle are singled out: interpersonal, social and cultural, political and administrative, production and economic, creative. The problem of trust is one of the most important and less explored aspects of modern Russian society life. "Trust" appears most crucial condition for communication, providing mutual understanding and possibility of joint activity. Shift in social and economic life, as well as technological structures, together with change in social and production relations, led to transformation of the term of trust. According to the opinion of many scientists of psychological, sociological, cultural and political science schools against activation of social and economic, production activities, managed by the "invisible hand of the market" and objective competition, there should have been a revival and strengthening of the basic principle of trust. There were hopes of an early revival of codes of honor, a return to the "merchant's word," which gave rise to a whole series of proverbs and sayings in Russian: "a bargain is a bargain," "a good name is better than riches", "a gentleman's word," "an officer's word," and so on.

However, the results of sociological polls of the population testify to growing processes of destruction of the "institution of trust", which determines the problem of studying this phenomenon, conditions and trends of its development is extremely urgent. It should be noted that precisely whether it will be possible to restore, preserve and consolidate trust in all the above areas of human life, effectiveness of modern transformations, and strength, integration and comprehensiveness of the civil society and the rule of law formed depends on the above as well.

The scientific task of this article consist in the study of the phenomenon of social trust and identification of a mechanism for building trust in touristic area and its translation into the "basic" social area.

One of the most urgent and at the same time complex issues of modern social science presents the study of completely new types of social segregation formed in modern society. The classical parameters of social segregation, social stratification in the form in which they were formulated by the classicists of functionalism (O. Conte, R. Merton, S. Montesquieu, T. Parsons, G. Spencer, etc.) were developed in production field. At present, in most of industrialized countries, including in Russia, most people are engaged in the service sector, and the social status is formed according to characteristics different from classical views. The study of foundations and principles of formation of status differences, real segregation of society and mechanisms for formation of group and stratum solidarity requires the analysis of a distinct field of activity, i.e. the field of leisure and free time. By the results of analysis of social identities formation, they are not formed in a competitive environment, they require a social environment (social area) integrated into society, connected with it, but at the same time, isolated from it and being relatively autonomous one.

Obviously, during the economic crisis, production facilities are liquidated, employees are fired, and the population living standard is declining. At the same time, there are growing contradictions within the society, a growing distrust to authorities, an increase in the death and criminal rates. Consequently, a social crisis emerges. A similar crisis situation developed in America in 1929-1933, when the social crisis broke out. At that time, President Roosevelt implemented some reforms that changed the social order. The reforms aimed at intervention of the government to the economy in order to regulate the situation, a social policy directed to maintaining a decent lifestyle for people was actively pursued. At the stage of overcoming the social crisis, a social program is usually being developed; that program purports supporting the population and restoring trust to the authorities. "Social policy should be aimed at economic stimulation of citizens, creating conditions under which the personal qualities of a person's abilities will manifest themselves" (Parsons, 1982).

"Globalization has imperceptibly introduced new rules of the game that demolished the old stable economic systems and created a global disease - distrust," the well-known Russian figures claimed even during the crisis in Russia in 2008, which shifted from the economy to social relations. The crisis of 2014-2015 developed in a similar scenario. Therefore, the main task of today remains" creating a new system of trust both in the global economy and in a single country", i.e. creation of new rules of the game. However, the rules of the game are organized much more complicated than formal institutions and even it is more difficult to transform them. If the law can be changed, the instruction can be rewritten, then the rules of the game can be changed more difficultly and slowly. The basis for preserving the rules is the trust relationship arising in the situation of successful contact. While maintaining trust in the rules, a general image of the world is gradually being formed, at least the image of the future, and the image itself becomes the basis for distinguishing "one's own" and "others", formation of a social community. This community itself, growing into horizontal relations, begins to work to preserve the stable rules of the game.

The main reason for decline in trust in the tourist market consist in the following fact: in 2014 tour operators who suspended their activities (about 1% of tour operators, and at the beginning of 2014 in Russia there were 1,700 tour operators) announced their bankruptcy. This fact has not passed without a trace for the industry and the population of Russia: there was a crisis of trust in the tourism industry. A positive event is that the crisis in the tourism industry has led to the quit of a number of tourist companies operating inefficiently or using the fraudulent schemes. Obviously, the problem of managing the tourism industry today is more urgent than ever. It should be noted that in recent years the situation on the tourist services market has deteriorated sharply, many companies close their branches in the regions of Russia, cancel charters flights and certain directions, reduce salaries, dismiss staff, and reduce the amount of advertising. But this helps not for all companies, and other ones will continue to quit the market. Therefore, now it is vital to restore trust in the industry.

But the specificity of the situation is that, as V.M. Sergeev noted, there is no trust in the "basic" social reality, acting as a tough competitive environment. Here the "Hobbs problem" of the war of all against all and legitimate violence as a way of its resolution manifests itself (Hobbes, 1991). The lack of interpersonal trust is compensated by institutional trust. At the same time, the institutions themselves means not naturally established standards but the product of "legitimate violence" on the part of the state. But the problem of Russia in post-reforms period consists in the absence of such elements, at least at the level of shared social practices. Obviously, for the appearance of trust, a special area, simultaneously included in the main one and at the same time allocated from it, is required. The social area of tourism, which acts as a social institution, satisfies these conditions. And exactly in this situation the institution is not a way to recreate or satisfy curiosity, but rather a way of reproducing trust in society.

In our opinion, the key factors that have affected the decrease in outbound tourism in recent years were not only the economic situation in the country, the decrease in purchasing power of the population due to the fall of the ruble rates, but also a significant decrease in trust in the tourist market and growing number of "independent" tourists. In such an autonomous social area, an opportunity exactly to build trust between social agents (consumers and producers of tourism services) arises. Trust encourages formation of stable social ties, overturning into real space further, become the basis for the emergence of group solidarity. In order for these groups to be built into a certain social hierarchy and could become elements of social stratification, the autonomous space itself should be organized and structured. Here, in such an autonomous social space, taken out of the competitive environment, the opportunity to build trust between social agents appears. Further trust fosters the formation of stable social ties, and, overturning into real space, becomes the basis for the emergence of group solidarity and identity.

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Recruitment and Staff Adaptation Process Improvement in AS "Air Baltic Corporation"

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Abstract

The article gives the analysis of staff recruitment and adaptation process in AS "Air Baltic Cooperation". It highlights the importance of selection and staff adaptation for the enterprise, describes its current processes, and formulates the ways of improving the process. Characteristics of the aviation industry in the Baltic States are given, as well as staff recruitment process is reviewed. The role of Human resource in the company structure is discussed through thorough analysis of staff recruitment process in the company. Besides, new employees' adaptation process is studied with the aim to suggest some improvements of staff adaptation and training.

Keywords: hospitality, recruitment, , employees' turnover, airline company

Introduction

Employee recruitment and adaptation plays a crucial role in any organizations life, especially in service industry. Hotels, restaurants and airlines are in need of professional staff, which will bring customer satisfaction and ensure the best quality service. This is why recruitment has to be done very carefully. Adaptation is an essential element of the personal management system; it is a link between development and practical action. The introduction of the adaptation process is sufficiently complex task, because of the important challenges it brings out. It is important not to forget that the weak adaptation of the employee bears the loss not only for the employee, but also for the entire company. In this work the object of the research is a large airline company - AS „Air Baltic Corporation" while the subject is staff recruitment and adaptation process. The research method was collecting and observing secondary data.

Company's development depends a lot on recruitment process quality. If company performs staff adaptation process well, then new employees are able to adapt more quickly to working environment and make fewer mistakes. This means introducing the new employee with the company, also training and allowing him to feel valued and safe in the organization. Sadly, nowadays companies do not pay that much attention to adaptation and are expecting the new employee to jump into the work with 100% motivation. However, this is not a practice that should be adopted. AS "Air Baltic" is a large company with a lot of different job positions, which means that effective staff recruitment and adaptation processes are a must here.

Overview of the Study Area

Description of Aviation Industry in Latvia

Aviation significantly contributes to the European economy in terms of employment and trade and joins the millions of businesses and citizens across the world. But for the EU airline industry, in particular, international airlines, competitiveness is seriously compromised. The fastest-growing markets are now outside Europe. European aviation industry - not just airlines, but all of the aeronautical industry, airports, air traffic management service providers and other service industries - are facing slow growth in the European Union and the stiff competition internationally. "With an expected average annual GDP growth rate for Europe of 1.9%3 between 2011 and 2030 – compared, for example, with growth rates for India and China of 7.5% and 7.2% respectively – aviation growth will see a relative shift to areas outside the EU with Asia and the Middle East in particular expected to become the focus of international air traffic flows. Half of the world's new traffic added during the next 20 years will be to, from, or within the Asia-Pacific region, which will thereby overtake the US as leader in world traffic by 2030, reaching a market share of 38%" (European Commission, 2012).

According to the World Bank study on air passenger traffic (domestic and international flights), Latvian aviation industry competes with countries such as Iceland and Libya, a country whose population is three times higher than the Latvian population. Latvia has surpassed itself on area and population of most countries - Uzbekistan, Belarus and Bolivia, which means that, despite the relatively small population, Latvia is a strong competitor for the aviation sector, being the absolute leader in the Baltic countries (WorldBank, 2016).

Among the Baltic States, the aviation industry in Latvia is strongly developed. International Airport "Riga" offers more destinations, compared to Estonian and Lithuanian airports. In 2014 Airport "Riga" cooperated with 17 airlines, offering 70 winter destinations and up to 81 destinations during the summer period (see Fig. 1).

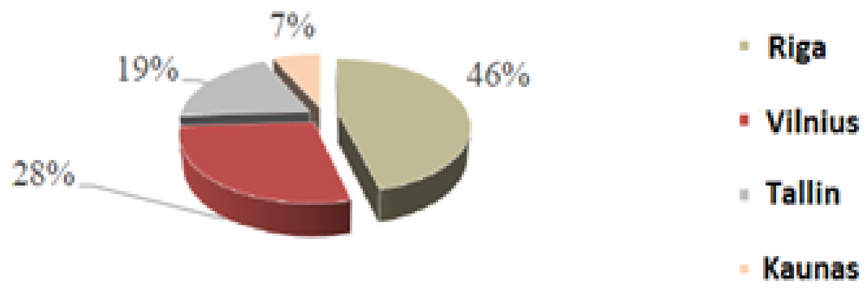

Fig. 1. Statistics on passenger numbers in 2014 in Baltics

Staff Recruitment in Latvia

Today, the labour market is in a very stressful situation - every company is fighting for the best employees to be working in their company. Both newspapers and many career portals are full of job offers, but attracting good employees is not so easy. The employer has two options - search for the employees himself or with the company's human resources efforts, or use the services of recruitment companies (CvMarket, n.d.).

Personnel search is carried out within the company or outside the company. Any company that wants to operate successfully in today's rapid changing market conditions, has to constantly look for new opportunities to grow and develop. There are two types of personnel search:

1. Internal recruitment

   Internal selection is done via the company with already working employees. This selection procedure motivates the company's existing employees, ensuring the growth in the company, reducing the costs of the selection process and developing staff loyalty, as the existing employee is able to work in a new position with more creativity and productivity and by adding something from his past experience.

6. External recruitment

External selection of the candidates comes from outside the company, from the labour market. If the employer uses this type of selection, he is certainly sure, that the existing staff expertise will be unable to ensure the requirements of the new position (LIAA, n.d.).

Both types of recruitment have advantages and disadvantages, presented below (see Table 1):

Table 1. Internal and External recruitment (Enjoy recruitment, n.d.)

	Benefits	**Disadvantages**
Internal Recruitment	– Cheaper and faster; – The company knows employees strengths and weaknesses; – Employees know how the company works; – Carrier growth, which is a good motivator	– Small choice of potential candidates; – No new ideas are brought for company's' development; – New vacancy appears, which has to be filled; – Resentment from employees who are not invited
External Recruitment	– New ideas are brought to the company; – People have wider experience; – Greater choice of potential candidates	– Higher costs for selection, training; – Longer process of selection; – It is possible that staff selection methods are not effective enough

It is necessary to filter out unsuitable candidates before going into the complex selection. First sorting of the candidates may be done regarding prior interviews, previous test questionnaires, application letter and resume.

The employer has a duty to familiarize applicants with the company's collective agreement and working procedure regulations, as far as it is intended for working, as well as provide other information, which is essential for the understanding of the employment contract. The applicant has the obligation to provide information to the employer about his health status and vocational training, as far as it plays a vital role in the signing of the employment contract and the future work (Labour Law, 2002).

Personnel Adaptation

Currently, in personnel management there are different approaches to staff adaptation classification. For example, according to employee's engagement types: primary (employee has no work experience in the company) and a secondary adaptation (employee changes his professional role in the company).

Another classification is according to orientation:
- Organizational adaptation (employee is given an information about the company's objectives, structure, management, etc.). One of the most difficult stages of employee's adaptation, because often the company has no structured procedure;
- Professional adaptation (if the employee lacks knowledge and skills in the professional field or the company has high labour standards, which means that he needs assistance and training);
- Psycho-physiological adaptation (employee gets used to the new working cycle);
- Socio-psychological adaptation (new employee is acquainted with the company's' atmosphere of corporate culture, traditions, he starts to fit into the company). The company's management should strive for new employee to feel comfortable and safe in the workplace (Кибанов, 2007).

Lately, in the United States and Europe the most frequently used methods are "shadowing" and "secondment". To speed up the employee's adaptation to the new workplace, the method "to spend time in the shadow" - shadowing is used. The essence of it is that an employee follows a specialist in the working day period and understands what he does (an effective method, if the employee has no work experience, one would like to know more about the profession).

For the development of new skills and new knowledge a rotational method of secondment is used. Changing the department of an employee temporarily to another department or subdivision, and then returning him to his previous responsibilities. In this case, the employee obtains new knowledge in another area and can expand his competences.

The first working day is crucial in terms of employee's future in the company. The main task of adaptation is to achieve a maximum of an early integration of new employees in the company.

Therefore, the following questions can occur:
- How fast will the new employee start working to his full potential;
- How will his relationship with co-workers develop, what will be his attitude towards work;
- What will be his attitude towards the company? (Kerhe, 2004).

Employee's adaptation process requires mutual interest from not only the employee, but also from the employer. Adaptation key ingredients are:
- Employee's self-esteem and their ability to coordinate their work;
- The working environment in reality.

Better understanding of the nature of adaptation arises from its definition: "adaptation is a new employee's induction." In other words, adaptation is employee's reaction to the change in their situation (Forands, 2002).

Description of AS “Air Baltic Corporation” Current Personnel Motivation System in the Enterprise

Description of the enterprise

AirBaltic” is Latvian national airline and their main base is in Riga International Airport. “AirBaltic” flies from two additional bases in Vilnius and Tallinn. This airline combines traditional as well as low-cost airline business models. The airline was founded in 1995 as a limited liability company (Ltd.) after Latvian national airline "Latavio" liquidation. It was established by the Latvian government, together with the Latvian - US joint venture "Baltic International Airlines" and the Scandinavian airline.

“AirBaltic's” mission is to act as a safe, cost-effective, to passenger interest-oriented, high quality airline offering flights from Riga and to Riga, as well as transit connections through it, which helps to develop Riga as effective Baltic region air traffic hub. However, its vision is to work with partners to ensure the safety of passengers and the ability to fly at a convenient time to the desired destination.

Safety and reliable activity is the most important point of all the three priorities. Quality of service becomes visible when an airline employee meets the customers. This is why company's goal is to provide themselves with qualified and knowledgeable staff that will take care of “AirBaltic” customers. Another goal is to be the most punctual from all other airlines.

“AirBaltic” offers flights to over 50 destinations in Europe and beyond. It is the main carrier in the Baltic region, which offers nearly 60 nonstop flights from Riga to the following several destinations: Amsterdam, Athens, Baku, Barcelona, Berlin, Billund, Brussels, Budapest, Burgas, Zurich, Düsseldorf, Dubrovnik, Frankfurt, Hamburg and many more. “AirBaltic” has established close cooperation with the airlines as part of “AirBaltic's” western and eastern direction of the destination network and carry out co-operation flights (code share) with the following partners: Aeroflot, Tarom, Czech Airlines, Alitalia, Air France etc. “AirBaltic” provides air cargo transportation services and is the official Singapore Airlines representative in Latvia. “AirBaltic's” business model includes both the transportation from one point to another, as well as transit flights (“AirBaltic”, 2016).

Human Resource's Role in the Company's Structure and Their Activities

"AirBaltic" personnel strategy is to ensure the company's ability to corporate implementation of the chosen strategy and achieving business goals. Human Resource Management Department aims to support the development of the company, providing modern, effective human resource management policies ("AirBaltic" Intranet, 2016).

At present, there are ten people working in the human resource management department in "AirBaltic": senior vice president, four people in the HR (human resource) business partner, head of operational personnel matters, personnel management specialist, the youngest personnel management specialist and an assistant.

HR mission is to ensure the company's ability in implementing the chosen strategy and achieve business objectives, to maintain, develop and, as far as possible, keep positive and loyal customer support.

"AirBaltic" core competencies are:

7. Personality and attitude:

- To maintain a positive attitude towards different people and situations;
- To be open and able to adapt to any situation.

8. Loyalty and cooperation

- To be aware of their belonging to the company's values and goals and act as an ambassador of "AirBaltic";
- To seek to actively use the information to get involved and offer solutions to improve work processes and results;
- To show examples of the excellent co-operation or service and exceed the expectations of customers.

Human Resources tasks in "AirBaltic" are to develop and update the personnel management strategy, training and development strategy to ensure its implementation; develop and update personnel management procedures; make staff analysis, planning, searching, selection and adaptation. "AirBaltic" human resources organize part of performance evaluation of the learning process and promote staff development, as well as develop and implement employee tangible and intangible motivation system.

One of the tasks is to draw up documents concerning the recruitment, release, replacement of grant of the leave and other personnel management-related issues, to coordinate the position description of the development and regularly updating, maintaining employee personnel records.

Human Resources Department representative coordinates and controls the occupational health and safety organization, in order to promote employee loyalty and commitment to common goals, providing advice for "AirBaltic" working unit in labour rights and other personnel management issues.

Analysis of Staff Turnover Characteristics and Dynamics

"AirBaltic" is a company that seriously deals with personnel management. The main features are to hire the best employees of the appropriate candidates, as well as to create a conductive environment so that employee would like to stay for a long time. The data available made it possible to analyze staff composition and turnover dynamics for the period 2013-2015.

In December 2015 there were 343 positions (AirBaltic Intranet, 2016). The most demanded were the positions as flight attendants and pilots, technicians, customer service specialists. The largest company division (34%) are departments that provide a corresponding high level of safety and passenger service quality (cabin crew and pilot services) (see Fig. 2).

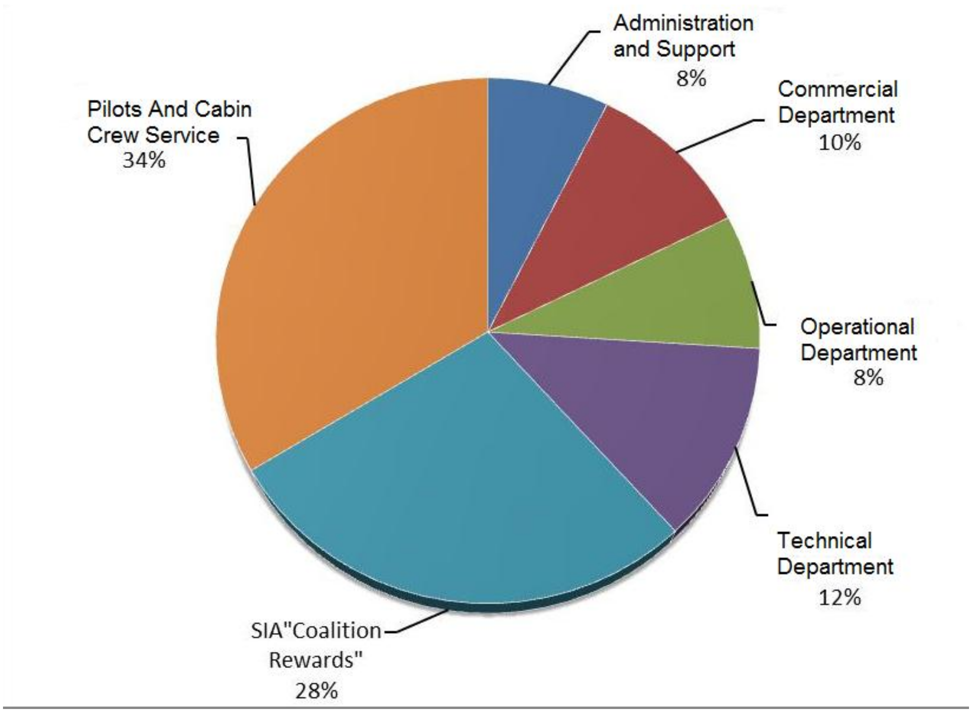

Fig. 2. "AirBaltic" Structure Divisions

Another department (28%) is LLC "Coalition Rewards" loyalty program management firm owned by JSC "Air Baltic Corporation". The remaining divisions (technical department, commercial department, operational department, administration and support department) generally make around 38%.

Every year the number of employees is constantly changing. In the following graph the dynamics of the number of staff within three years can be seen (see Fig.3).

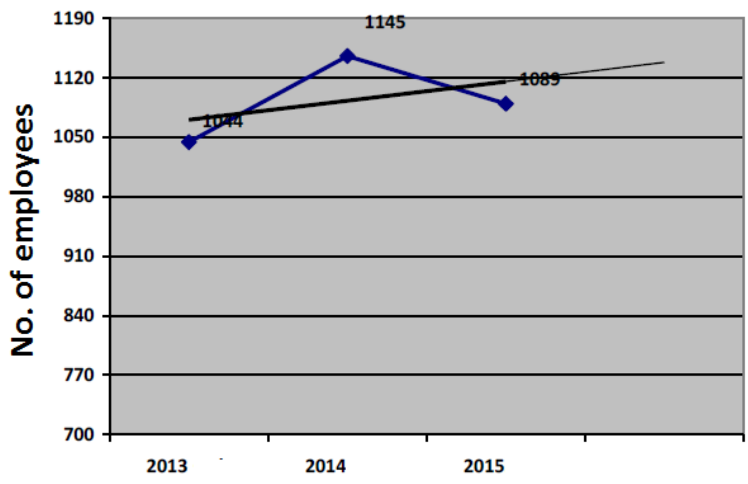

Fig. 3. "AirBaltic" Staff Dynamics

To make personnel dynamics analysis, it is necessary to calculate the average number of staff using the formula:

$$Pavg. = \quad (Ibeg. + Iend) / 2,$$

where:

- Pavg. - the average number of personnel;
- Ibeg. - the number of the period beginning, people;
- Iend - the number of the period end, people.

The average number of employees in the company over the past three years was 1,093. Most of employees are qualified professionals, who constantly improve their knowledge and skills to take care of security, punctuality, continually improving the quality of services and promoting customer satisfaction.

As it can be seen in the graph in 2013 1,044 workers were employed. At the end of 2014 the number of employees increased to 1,145 employees, which is more than 9% in 2013. Increasing the number of employees was related to the positive trends in the company's restructuring process, which was introduced in late 2012. Airline got into financial difficulties and shareholders agreed on terms in late 2011 to change the company's board of directors and develop an extensive restructuring program, which would allow the company to return to profit ("AirBaltic", 2016). In 2015, the number of employees decreased by 5% (1,089 employees). This occurred because of staff optimization. However, the number of passengers after this significant restructuring also decreased by 5%, despite the fact that in the 2014 and in the 2015, "AirBaltic" earned a profit. Thus, it should be noted, that the company has positive dynamics in the number of employees, despite the fact that the number of employees in 2015 decreased slightly.

"AirBaltic" is a large company, employing workers of different ages (see Table 2).

Table 2. "AirBaltic" No. of Employees in Age Groups

Year	Age groups					Total No. of employees
	18-24	25-35	36-50	51-60	61 and more	
2013.	141	602	221	62	18	1044
2014.	172	653	229	68	23	1145
2015.	143	589	257	69	31	1089
Average number of employees	152	615	236	66	24	1093

As it can be seen in the table 3, the largest age group in all researched working years are 25-35 years old people and the average indicator for them is 615 of the total number of employees, or 56.3% (average). This figure indicates that more than half of them are middle-aged people who have a certain work experience and relevant education. However, in this age group stable tendency of reducing number of employees was observed: 2013 - 57.6%, 2014 - 57%, 2015 - 54.3% (see Fig. 4). This is due both to the transfer of staff to another age group, although possibly with a negative belief of employees on career development.

Young people, who are employed with little or no work experience, are in average of 152 people that is 13.9% of the total number of employees. Their number varies within 1.5%. Most attractive year was 2014, when new routes were launched and it was buzzing with young people – cabin crew. The number of employees in the age group 36-50 years is on average 236 people, that is 21.5% of the total number of employees. In the age group 51 - 60 years old are 66 people, that is 6%. The smallest group is in the age of 61 years or more in all three years (24 people), that is 2.1% of the total number of employees.

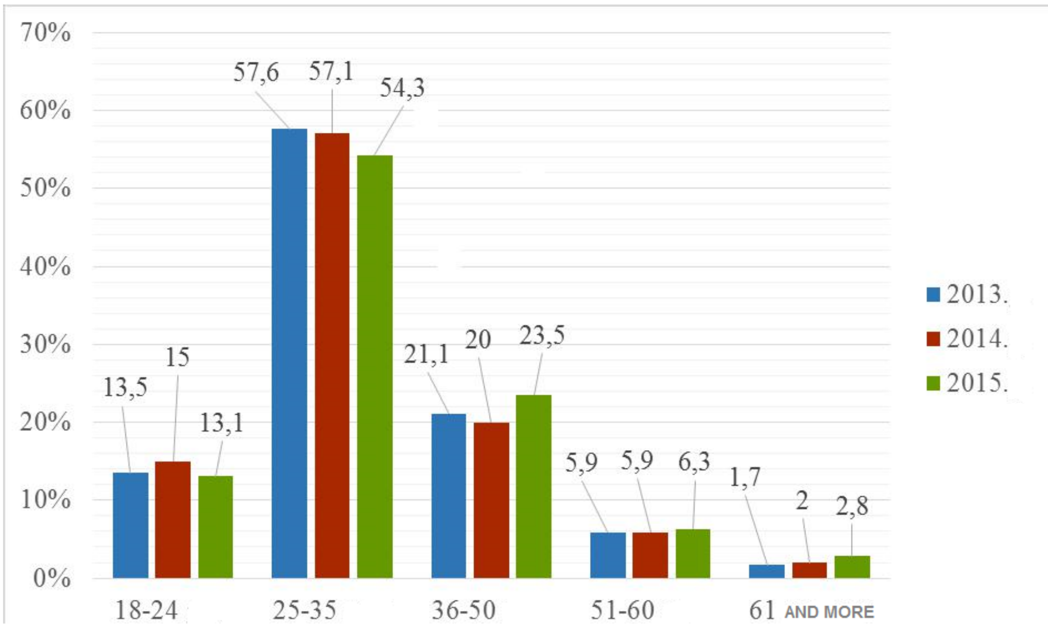

Fig. 4. The Number of Employees in "AirBaltic" According to Age Groups (%)

Everything expressed above suggests that the largest age group of employees is in 25-35 years. The average age of employees is around 33 years. This means that the company is sufficiently attractive to young people and middle-aged workers. Substantial changes in the age composition of the three-year limit have not occurred. However, it should be noted that the company gradually reduced the number of employees aged between 18 and 35 years of age and increased them with the age of 36 to 61 (see Fig.5).

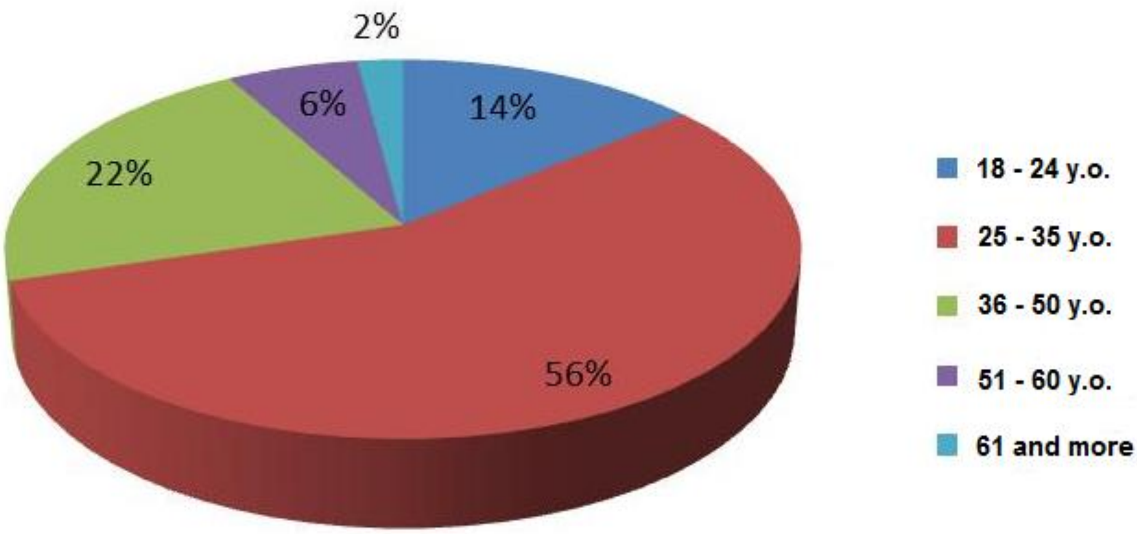

Fig. 5. Average Rate on Age Groups (%)

Analysing the data related to the employees' division by gender (see Table 3) the specifics of the company "AirBaltic" should be taken into account. In positions such as pilots, technicians, aviation engineers there are mostly men.

Table 3. "AirBaltic" Employee Gender Distribution

		Women		Men	
Year	Total	No.	%	No.	%
2013.	1044	489	46,8	555	53,2
2014.	1145	530	46,3	615	63,7
2015.	1089	518	47,6	571	52,4
The average	1092	512	46,9	580	53,1

As shown in figure 7 in the last three years the number of men exceeds the number of women employees in the company. In 2013 - 6.4%, in 2014 - 7.4% and in 2015 - 4.8%, which is in an average of 6.2% (see Fig.6).

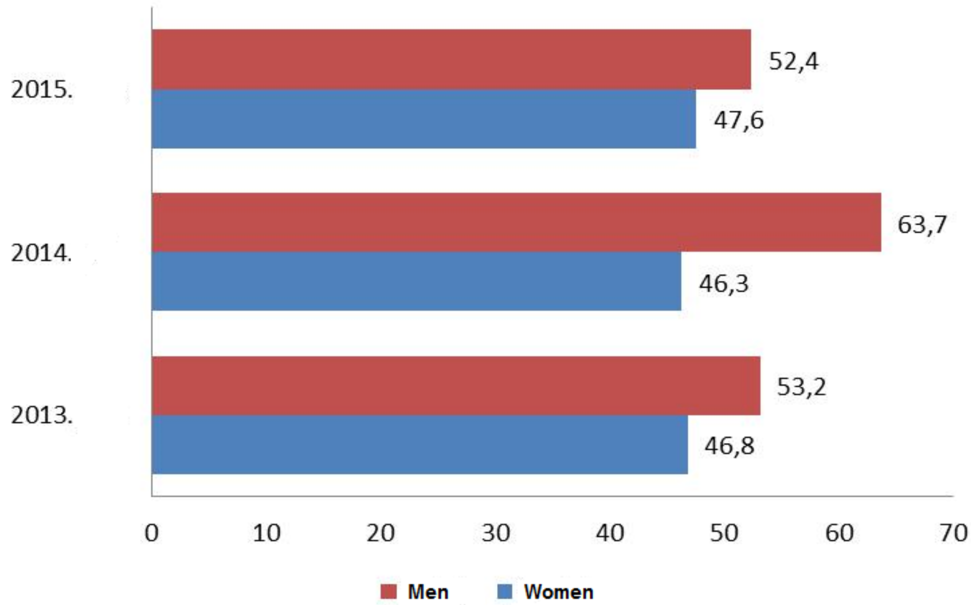

Fig. 6. "AirBaltic" Employee Gender Distribution (%)

The length of service in the company (see Table 4) is an important factor in the development of the company. "AirBaltic" was founded in 1995, but the number of staff working for the company since inception is 3.6% (mediocre indicator). The number of employees who work in "AirBaltic" from 10 to 19 years is 16.2% of the total number of employees.

The largest group are employees with 5-9 years (38.6%) work experience. Less number of employees in the company have 1 to 4 years (34%) experience. Stable indicators (7.6%) are younger workers in "AirBaltic" with experience up to a year.

Table 4. "AirBaltic" Employee Length of Service Indicators

Year	Less than a year		1 – 4		5-9		10-19		20		All toget - her
	No.	%	No.	%	No.	%	No.	%	No.	%	
2013	75	7,2	352	33,7	411	39,4	170	16,3	39	3,7	1044
2014	95	8,3	397	34,7	429	37,5	183	16	41	3,5	1145
2015	78	7,2	366	33,6	424	38,9	178	16,3	43	3,9	1089
Average	83	7,6	372	34	421	38,6	177	16,2	41	3,6	1093

On the one hand, young people quickly learn new skills and abilities, thus the company's management has reason to believe that at the time the company will work for both the new and the experience already acquired employees. On the other hand, experienced employees leave the company, even though their experience is valuable to the company's development.

Staff turnover is an indicator that reflects the ratio of company's past number of employees against employees who are working in the company. Number of employee's in "AirBaltic" is constantly changing (see Table 5). Personnel work organization, a result of restructuring depends on the season and other reasons.

Table 5. "AirBaltic" Staff Turnover Dynamics

REPORTING YEAR	Total in the begininng of the year	Hired	Fired	Total at the end of the year
2013.	1060	186	202	1044
2014.	1044	237	136	1145
2015.	1145	193	249	1089
Average	1083	205	196	1093

Over the past three years, 587 workers have stopped working in "AirBaltic". In early 2013, "AirBaltic" had 1,060 employees. At the end of 2014 the number of employees increased. Hired number of employees was 237, of which 101 people were over the redundant workers. This happened due to the restructuring process and the increase of destinations. In particular, "AirBaltic" mainly recruited cabin crew, pilots and office workers. In 2015 relationship was cut off with 249 employees. This was due to the difficult financial situation. Attracted auditor for Latvian national airline "AirBaltic" research has pointed to the urgent need to find a solution to ensure the financial stability of the airline, informed the Ministry of Transport (Privāta Latvijas ziņu aģentūra, 2015)

In order to perform motion analysis of personnel, it is necessary to calculate staff turnover rate using the formula:

$P_t = I_r / I_{avg} * 100\%$, where

P_t – staff turnover rate;

I_r – workers made redundant during the reporting period, people;

I_{avg} – average number of employees during the reporting period, people.

$P_{2013} = 202/1052{,}0 * 100\% = 19{,}2$ (staff turnover rate in 2013);

$P_{2014} = 136/1094{,}5 * 100\% = 12{,}4$ (staff turnover rate in 2014)

$P_{2015} = 249/1117{,}0 * 100\% = 22{,}2$ (staff turnover rate in 2015).

So, staff turnover in the company "AirBaltic" can be described as high. Partly this is due to the company's specifics. First of all, spring - summer season needs more cabin crew and pilots. However, in the fall and winter the need for so much staff is not. Second, work with passengers is stressful and intense, that is something not everyone is able to do and in which is often difficult to find a long-term satisfaction. Third, selection and adaptation has to be done to supply company with trustworthy staff.

Increased staff turnover is worth the attention to the fact that it may be related to professional resilience influencing conditions. "AirBaltic's" employee termination can be divided into two groups: own employee initiative and after administration initiatives.

Recruitment Process Characteristics in the Company

The main objective of personnel planning is early personnel detection, training and adaptation into the work. Planning begins with the new job openings. Once the company has taken on new vacancy, head of operational personnel issues need to balance the budget, what will be the cost of the post. Personnel administration specialist looks at what will be the structure.

Once the budget is planned and changes to the structure are handed in, vacancies approval form is filled out. Then workflow vacancies confirmation form is sent to the approval to an appropriate HR business partner.

1. When workflow is confirmed vacancy description is made:
9. Candidate profiles - education, knowledge, experience, personal profile;
10. Job description;

11. Structural changes (cognitive) - to submit documents for approval of changes to the organizational structure;
12. Job and salary wage assessment - HR business partners, head of operational personnel matters and the board.

Approval is done once again, where department reviews and approves all new documents. The search process starts only after this.

Attracting Candidates

Today, the labour market has a very stressful situation, where every company is fighting for the best workers for their collective. Both newspapers and many career portals are full of job offers, but attracting a good employee is not so easy. After the vacancy has been approved and the add is ready, the advertisement takes place with partners. In order to ensure effective personnel search process, HR managers use different search channels:

- Internet;
- Add distribution (social networks);
- Advertising in the mass media;
- Through recruitment companies through;
- "Head hunting";
- In cooperation with educational institutions - Latvian University, Riga Technical University, Alberta College, Latvian Business College, RISEBA.

Before the search process, the budget has to be approved and the search plan has to be made. When the search plan has been approved, the search process begins.

1. Search steps - Duration:

13. Publication of ads - 2 weeks;
14. Interviews, tests - 2 weeks;
15. Decision-making - 1 week;
16. Hired employee documentation signing - from 1 week to 1 month.

"AirBaltic" recruiters implement recruitment targets, not only during the filling of vacant positions, but also runs the processes that are important to employee motivation and loyalty maintenance. Mostly "AirBaltic" uses external staff selection method. "AirBaltic" selection process has a number of stages:

- Received CVs and application letters evaluation, in accordance with the vacant post profile;
- Potential candidates CV screening and job offering to the most suitable candidates;

- There may be communication with the candidates (telephone interview, identifying the candidate's suitability and motivation);
- Verification of suitability;
- Structured interviews;
- Candidate discussion;
- The selection process analysis and decision-making. If a decision to the applicant's candidacy is approved - the applicant receives a confirmation that he/she is being taken. He/she receives an email with the offer letter, position, job start date. If the candidate is not accepted, - he/she is contacted over the phone as soon as the decision has been taken.
- The result announcement of the selected candidates.

"AirBaltic" is using several selection methods at different stages:

1. CV sorting. Recruitment specialists will bidder application for initial analysis, selecting the appropriate people so that the company receives only the most appropriate candidates. Then "AirBaltic" selects people who meet the requirements. Those candidates, who are not invited to the next selection round, receive an e-mail with a refusal in about 2 weeks.

17. Interviews:

- The first interview takes place with the direct department managers and personnel managers;
- Interviews with the image of competence, to identify and find the candidate's skills, attitude to work and personality.

18. Group evaluation and maintenance methods (more to the flight attendants): a group of tasks to assess the candidates' behaviour in situations that are similar to reality, role playing;
19. Individual evaluation methods - test, assignments, presentations (prepare a presentation for a certain topic);
20. Virtual testing - collected and recorded data prior to a job offer.

This work analyses the process of selecting the company's biggest department – cabin crew, because they have the highest staff turnover. It is one of the main challenges for "AirBaltic" management.

New Employees' Adaptation Process Description

New employee's adaptation happens with introduction of "AirBaltic" business philosophy, work environment, work objectives, operating rules. The first day involves the following steps:

- Information folder (the first day folder). It has:
  1. Greeting message "Welcome letter"

2. The company's presentation.
3. The company's organizational structure.
4. Air glossary of terms.
5. The internal rules of conduct.
6. Administrative procedures.
7. "AirBaltic" destinations.

- Presentation of the security rules;
- "Riga" Airport pass.

Within two weeks of work the employee is presented with his duties and safety rules. The probationary period is the most difficult period of adaptation. Employees must be sure that they made the right decision and chose this company.

In the probationary period the new employee can find out information about the company's structure. Communication department organizes "Travel for "AirBaltic" networks". The new employee can attend the seminar "Presentation of "AirBaltic"" ("Know "AirBaltic"").

"AirBaltic" examination period takes place within three months, when the wishes of employees, loyalty and the ability to perform tasks assigned to them are analysed. Direct responsibility of the manager is to organize the appraisal interview for the employee after working for six weeks. During this interview the employee and line manager shall complete the evaluation form and sign it.

Evaluation sheet is necessary in case one if the parties are not satisfied with the working conditions. In this case manager and the employee may terminate the employment contract in accordance with the Labour Law or to negotiate and choose another job. The manager can offer the employee to apply for another post more suited to his/her skills. If a decision is made to continue the work a contract for indefinite duration of time is signed.

"AirBaltic" is a company with a large number of employees. The company's personnel management is a difficult job. But the personnel department specialists have a great experience. HR managers not only know how to achieve the goals, but they manage to create a positive, friendly atmosphere. Personnel management strengths are also the selection process, which is firmly planned. But based on results of the study and analysis of recruitment such problems were identified:

1. The staff turnover in "AirBaltic" is described as high. It has objective reasons, as well as the reasons which are based on the personnel management deficiencies in both the selection phase and the adaptation period;

21. The selection process differs only for cabin crew and pilots. For the rest of

the candidates the selection process is done the same. There are same tests used, in an interview general questions are asked, without taking into account the specifics of different positions;

22. Flight attendant selection procedure takes place too often - two times or once a month. A small group of candidates gathers and it is difficult to select a suitable candidate;
23. During the interview, no attention is paid to issues of internal motivation and the candidate's goals;
24. Flight attendant selection takes place after the developed plan, but the selection procedure remains the same for many years. And exactly in cabin crew department the highest turnover rates are observed;
25. The adaptation process has no defined structure and adaptation process happens very formally.

Problems bound to flight attendant selection, interview and adaptation will be addressed in the next part.

Suggestions for Improvement of Staff Selection and Adaptation

Proposals for Staff Selection

The first problem that can be spotted is that "AirBaltic" personnel management publishes vacancy ads too often. But the analysis carried out indicated that after the first several weeks employees cut their working relationships. This means that the flaws are in the recruitment process. "AirBaltic" should improve their website and make potential employee (flight attendant) online testing.

There are several ways how to do it: the candidate who is applying for a job (any) can perform tests (common for all positions), to test their ability to vacancy applications. Thus, the candidate can train. Then, when he/she decides to apply for the vacancy, he has a chance (but not necessarily) within 10 days to test his skills and abilities. Testing cannot be stopped and done again. Different positions have their own tests with post specifics (for example, flight attendants). Each test checks certain abilities and will continue for 15 minutes. Online testing (after submission) results may also be considered in the selection process. If a candidate does not want to perform the tests, he will have the opportunity to do them in the selection process room. Personnel manager gets an idea of the candidate's ability and testing is organized in a telephone interview with the candidate (optional).

Test examples (for any position - training):

1. Concentration test. The duration is 2 minutes.

Description:

The test has 504 words, which are arranged in rows by 12 each. It is necessary to find the asked word, for example: "PABA"

- There is no need to look for these words:

dada bada dapa baba papa bapa pada daba

- In this example the words are chosen:

bsps psps qsqs psqs psbs bsbs bsqs bsps psps qsbs qsps psbs
psbs bsqs psqs psps qsbs bsps qsps bsbs psbs psqs qsqs bsps

2. Language Development Test. Duration is 3 minutes.

Language skills are a key factor for successful communication in all areas of work. The test examines if the candidate can understand the meaning of the word in their native language.

Task:

- 3 sentences are given;
- Each sentence has two empty spots;
- Candidate has to fill columns by selecting from the options offered.

3. Foreign language test (English). Duration is 3 minutes.

The test consists of 8 tasks. For example: find synonyms, the correct question word, what is in the picture etc.

4. The mathematical test. Duration: 4 minutes.

This has to be done if the candidate is applying for a job related to the flight technical provision (technicians, engineers, etc.).

Task:

- 4 examples with no arithmetical signs.

  Example:

$$11 \square 5 \square 3 = 9$$

If the candidate is satisfied with the test results, he may apply for the vacancy; send his/her CV and application letter to the recruiter.

There are many competences that are difficult to identify in the negotiating process, but they are important for the specific position. For example, analytical capacity or work with numbers. School testimony, university diplomas and CV often do not show whether this person is actually that smart and good. Candidates themselves often do not know how to adequately assess their capabilities. There are some advantages and drawbacks to online testing.

Among online testing advantages one can name the following ones:

- The applicant has the idea of "AirBaltic" in testing in the selection process;
- Candidate does not stress in the test;
- Candidate can test his/her abilities and skills;
- Candidate (in case of failure) knows what capabilities should be developed and after some time can try again;
- Candidate immediately receives an answer to the questions as to whether he has a chance to deal with the tests.
- Testing is not mandatory and anonymous.

Online testing disadvantages include:

- Online testing is not taken seriously;
- Test content should be changed frequently to offer potential employees a variety of test options and initiate interest.

Online testing experience is known for a German airline "Lufthansa". For everyone who dreams of a job in the clouds, it is possible to test their capabilities. As it was said by the personnel manager Claudia Ratenberg, "this type of sampling method is very effective" (Lufthansa, n.d.). Thus, online testing is not mandatory, but it can help to start the road to company "AirBaltic".

The second problem in "AirBaltic" recruitment is related to the cabin crew selection. A lot of young people all around the world dream of a cabin crew job. This profession for a quite long time has been attracting young people. In movies cabin crew profession is depicted very romantically: smiling, polite girls in uniforms traveling from one part of the world to another. In reality, it is romantic, but also a very difficult profession. To become a cabin crew a candidate should be responsible, self-possessed, and punctual, manage foreign languages, be able to communicate and take decisions in serious situations.

The Baltic air security instructor Agris Kal?js in his interview said that, candidates must be positively motivated. Most of these are young people who want some kind of active lifestyle, diversity, and not routine. But they must be prepared to deal with the difficult parts of this job. Flight attendants work sometimes starts at six in the morning, sometimes at three in the morning, sometimes at eleven in the evening. Also they have to be able to smile in the early morning and in the late evening. Each flight is completely different. And people on flight are different (E?envalde, 2014).

Air Baltic regularly offers new cabin crew vacancies. This is due to the expansion of destinations and cabin crew turnover. Due to the new business plan for the implementation of Horizon 2021 and increasing number of passengers, in

March and April 2016, "AirBaltic" conducted a first "open door" initiative for young professionals who want to join the cabin crew team and become part of the airline's business plan Horizon 2021 (Vanags, 2016).

Due to the lack of data (information not available) the number of flight attendants, who left the job from 2013 to 2015 cannot be accurately determined. But observations and an interview with the heads of personnel show that in this department the highest turnover of staff is observed. This is due to various problems: firstly, with a small salary at the beginning, which will gradually increase; secondly, physically hard work (to fly at any time of day, spend a lot of time on their feet etc.), and psychologically complex work (work with people, not always polite, many are afraid of flying), recruitment has shortcomings which do not allow to reduce staff turnover.

It is, therefore, very important that the financial resources that the company spent on the training of cabin crew (flight attendants are training for free) do not perish. The main cabin crew responsibility is every passenger's safety. Therefore, after the selection procedure only prepared and able to be physically as well as intellectually useful should remain.

Flight attendant selection takes place twice a month. In order to ensure summer flights stewards are trained till "hot" period starts. Selection takes place in three stages. Candidates are entering the room and receiving numbers. The numbers help to observe the candidates.

The first round is the company's presentation, everything about the company is told, the company's development goals, the requirements for the position, salary, career opportunities. Presentation is led by a business partner in the field of personnel management. The training is led by a senior flight attendant. Sometimes people become aware of some sort of details of the flight attendants life, and understand that the cabin crew position is not what they dreamed of. Then they can stop right there and go.

The second selection round begins with tests: candidates must get acquainted. At this stage, knowledge of English level is tested. Candidates are in pairs and tell about themselves, about their leisure time activities etc. After two minutes of talking with their partner in English, they present the partners as their colleagues in the future. Recruitment staff should be closely monitored not only by how candidates speak in English, but also to identify emotions and what they are talking about.

The next test is a role-playing game. Role-play is necessary to learn how the candidates behave. Flight attendants main weapon is the language and the ability to communicate with different people, so the flight attendants must have good communication skills. In the authors' opinion the role-playing scenario should be changed. Today candidates are in pairs and are playing the passenger

- flight attendant discussion. For example, unfortunately back toilet on the plane is not on the agenda and it is shut down. The flight time to the final destination is 4 hours, passengers are shocked. In real life flight attendants must be able to cope with the several numbers of passengers. Therefore the author offers other types of groups: one flight attendant and four passengers. If all four "passengers" will start to worry and fidget, candidate selection will be clear. In such situations they will act as their real selves and it will be easily seen how he behaves. The role play should be played in a similar environment, for example, chairs are arranged similar as in the plane (see Fig. 7).

It can be suggested that the cabin crew can be offered a selection of alternative tasks rather than traditional role play. Candidate group (4-5 people) sits in a circle. Arranged in different order there are urban images of countries (preferably, "AirBaltic" destinations), and images that symbolize the different countries (for example, Germany - beer, France - wine) and find out why each candidate chose that pictures mix together. The point of this exercise is listening attentively to their partners, in cases of dispute behave quietly, and do not become angry. There is no need to show management skills. Recruiters record their observations.

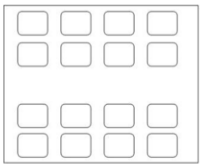

Fig. 7. Average Rate on Age Groups (%)

Then selection of the city occurs. The person has to imagine that the selected city is airline's new destination and flight attendants (candidates) should think about what food they can offer to their passengers on this flight. This task is to check whether the candidate knows how to listen, think, and speak calmly. Attention should be given not to the answers, but to the behaviour and the ability to communicate during the task.

With the language test the second part is finished. Each candidate is given a test in English; the tasks have the same structure as online testing website, but with a different content. Testing takes place for 15 minutes. After that the candidates have a break, during which the selection of experts evaluate the tests. To the third part only best candidates are invited.

The third round is the interview, which takes place for 20 minutes. The interview is done by a business partner and a senior flight attendant. During the interview, questions are asked in a specific order. Question lists should be drawn in such a way that it reflects in the different types of interviews (competence, psychological). The candidate has to feel safe and it can be done by starting to ask simple questions. Example: Why did you come directly to “AirBaltic”? What do you do in your free time? Why would you like to become a cabin crew? After these questions more complex ones can follow. For example: What do you know about aviation?

And the end, situations should be offered in which the candidate is a flight attendant and he/she has to deal with the problem. For example, there is no tomato juice, but the passenger requires just that. What is the candidate going to do? How can he keep the person, who is afraid of flying calm?

With that the selection tests end. Candidates are informed about the results of the selection. Those candidates, who successfully have passed all the tests and have the desire to work as flight attendant, are invited to the training.

To prepare for the selection process, the recruiter prepares observation forms, where recorded observations and results are put down. There should be particularly detailed documentation required for the implementation and assessment system, so that the selection process is a success.

A necessary condition for the successful selection of cabin crew is management support. It is very important to create an atmosphere in the selection room, so that candidates would like to train and to work as cabin crew. The adaptation period also relies on selection process.

New Employees Introductory Project

Adaptation Activities

“AirBaltic” does new employee adaptation activities, however, this process has to be improved. New employees should not feel stress, anxiety or be insecure when starting the job; they should also feel the support of colleagues, their belonging to the company.

All new “AirBaltic” employees are introduced to the company's mission, vision, objectives and culture, as well as routine procedures. For the first three months, employees have the opportunity to participate in the seminar "Learn about “AirBaltic”" and to meet with members of the board, as well as try out the company's core services - flights.

The authors offer to supplement this program. This program has different stages (see Fig. 8).

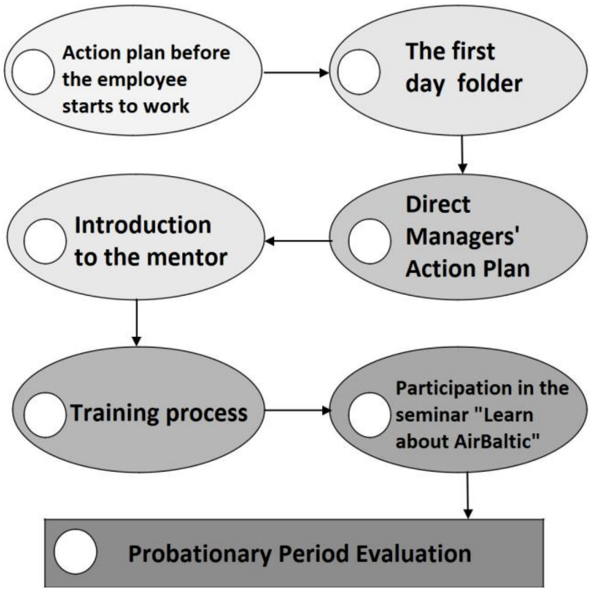

Fig. 8. New Employees' Introductory Program Scheme

Action Plan Prior Starting The Work

Even before the employee starts to work different specialists are included in the adaptation process. In order for this process to be structured, clear, sequential and fulfil all the tasks in a timely manner, a form should be filled out by a personnel manager or business partner, when the task were fulfilled (see Table 6). It should be noted that this form helps to avoid disturbances and thoroughly prepare for a new colleagues' arrival to the company.

Table 6. Action Plan for Managers

Task:	Task description:
Responsible:	**Personnel manager, business partner**
Preparation of a job description	Develop a job description
Information about the new employee	- Prepare information about the new employee; - Report via e-mail the relevant department manager about the new employee
Introductory plan development	Preparation of the adaptation plan
Obtaining the passes	Ensure passes from the "AirBaltic" and Riga airport
Responsible:	**Direct manager**
Necessary means and conditions for the working environment	- Prepare workplace, keys, stationery, clothing; - Notify department about the new colleagues; - Introduce to the internal rules; - Choose a mentor for the new employee
Responsible:	**Personnel administration specialist**
Labor Relations formation	Prepare employment contract (must be signed at least 1 day prior first work day); Send employee to do mandatory health examinations
Responsible:	**Safety and defense specialist**
Work safety instruction	To introduce with the safety instruction (in the first work day)
Responsible:	**Personnel specialist**
First day information folder	Prepare First day folder; Give First day folder to the employee on his first day

First Day Folder

Human Resources Specialist prepares the first day folder for issuing to the new employee. Table 7 shows a comparison of the first day folder in “AirBaltic” and the authors’ suggestion to this folder.

The table shows that the first day folder is supplemented by two important points. When starting a job, the employee has to know what career opportunities he/she has. For example, flight attendants have different "positions": flight attendant – trainee, junior flight attendant, flight attendant, a senior flight attendant, flight attendant - instructor. It briefly describes what the requirements for each position are.

Company “AirBaltic” has 41.6% of employees whose length of service in the company is up to five years. This means that people are looking for a new workplace in the first year of service. According to the TNS study, 17% of people working in Latvia would leave their current from work for better personal and professional growth opportunities (TNS, 2015). Therefore, if a new employee knows his/her opportunities at the beginning and they can develop themselves (training, improvement of the knowledge etc.) they would less likely look for a new job.

Table 7. Comparison between the First Day Folders

“AirBaltic” first day folder	The authors’ suggestions
1. Welcoming letter;	1. Welcoming letter;
2. “AirBaltic” presentation;	2. “AirBaltic” presentation;
3. The organizational structure;	3. The organizational structure;
4. Aviation glossary;	4. Aviation glossary;
5. Internal rules and guidelines;	5. Internal rules and guidelines;
6. “AirBaltic” destinations;	6. “AirBaltic” destinations;
7. Administrative procedures	7. Appropriate description of career opportunities for the exact job position;
	8. Employee handbook "I work at “AirBaltic”!"

What is more, it is important for the employee, during the probationary period, to get information on his /her potential growth. This helps the employee to assess their competence, strengths and weaknesses and to understand whether this job choice was correct.

Employee handbook will help the new employee to plan his activities, write job objectives, hinder important meetings, navigate the work assignment deadlines, not to forget the questions which arise in the process, write down information about the mentors, managers and so on.

Behaviour of the Manager

New employee adaptation depends not only on the personnel manager and business partner, but also the employee's line manager. The first impression of the new workplace is very important, since it can determine his/her attitude (positive or negative) for a long time. As practice shows, 90% of people who leave workplace in the first year, took this decision on their first working day (Базарова, Еремина, 2002).

In adaptation period a person must feel that he is expected and needed here. Therefore, in the first working day direct manager must fulfil certain tasks in order to create a favourable atmosphere to help the new employee understand his/her job responsibilities (see Table 8).

Information for the employee is offered throughout the day, because of the large amount of information, where excitement can interfere with him/her. During testing, the manager is negotiating with employees, solves conflicts and motivates to work efficiently, observes the new colleagues and evaluates performances.

Table 8. Suggestions for Managers

Direct managers duties in "AirBaltic"	The authors' suggestions
Greet the new employee, introduce to co-workers;	- All employees of the department meet in one room and a new employee is welcomed; - A gift from "AirBaltic" is given. The employee must feel that he is now part of the team;
Present the internal regulations/rules;	Present the internal regulations/rules;
To provide all the necessary information about the structure of the company, departments etc.;	- Inform about the seminar "Learn about "AirBaltic"", which all new employees must attend; - In the employees handbook, put down the seminar date;
Examine the introduction plan on using the new employee handbook and to plan meetings	- Explain to the employee who is responsible for each part of the adaptation; - Explain to the employee, to whom and what matters he/she could turn to for help except for the mentors and leaders;
Explain new employee's duties and responsibilities, describe in detail the specifics;	- During the first weeks offer the new employee tasks, which he can easily cope with. It allows him to feel safe; - Deadlines should be establish for tasks;
Put down the individual goals, plan regular meetings (once a week or more) with the employee to discuss topical issues and provide feedback;	- Line manager and mentor should not only give tasks, but also talk to employee as often as possible; - After two weeks plan the first meeting on working conditions, atmosphere, collective, on the progress and challenges; - At the end of each month a meeting with the manager should be planned;
	Introduction with a mentor (more details on the role of mentor are shown in section 3.1.4.);
	Lunch with the employee is a great practice, which helps the mentor and the employee come together.

Mentor and his Role in Adaptation

A mentor is an assistant, experienced worker who helps the new employee to adapt into the company in the shortest possible time. This practice is not used by "AirBaltic", though the mentor's role in the employee's inclusion is strongly undervalued.

Mentor works with the new employee for the first three months. Mentor is the main point of contact, which helps to get acquainted with the company and to answer questions on a variety of everyday things. Mentors are selected from the circle of experienced employees who have a desire to share their knowledge and skills to teach others (see Fig.9).

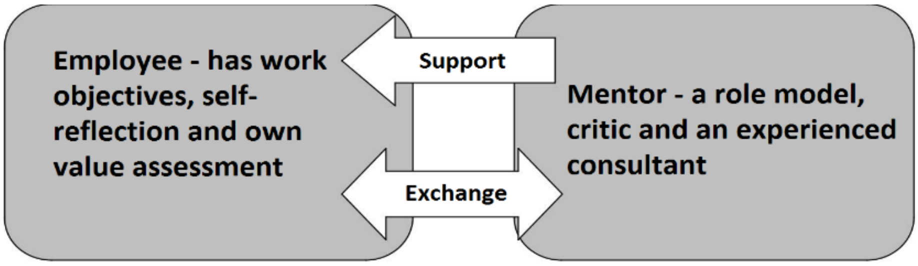

Fig. 9. Mentoring System

Training Process

During the probationary period employee has the opportunity to attend trainings and seminars organized by the company. However, the main role in the training process is given to the direct manager and mentor, who help employee to fulfil his duties. During the training employee acquires theoretical knowledge and practical skills.

In probationary period no time should be wasted on employee training, because it helps to understand and assess whether the employee will be able to do all his work. Training results should be marked in the new employees' handbook. It can help him/her to discuss the successes and shortcomings with his mentor or line manager. Knowledge and skills test are carried out at the end of the probationary period.

Evaluation of Probationary Period

When the probationary period ends, the manager has to answer a few questions:

- Whether the employee understands his role in the company;
- Whether he knows his duties,
- Whether he feels safe, etc. (see Fig. 10).

If the employee's adaptation in the first months was a success, he had mentor and peer support, he was provided feedback in various competence areas (communication, collaboration, time planning, support, analytical skills, etc.), it is likely that after the trial period expires the new employee will want to stay in the company (if the probationary period, an assessment will be positive), to improve and develop their skills and abilities.

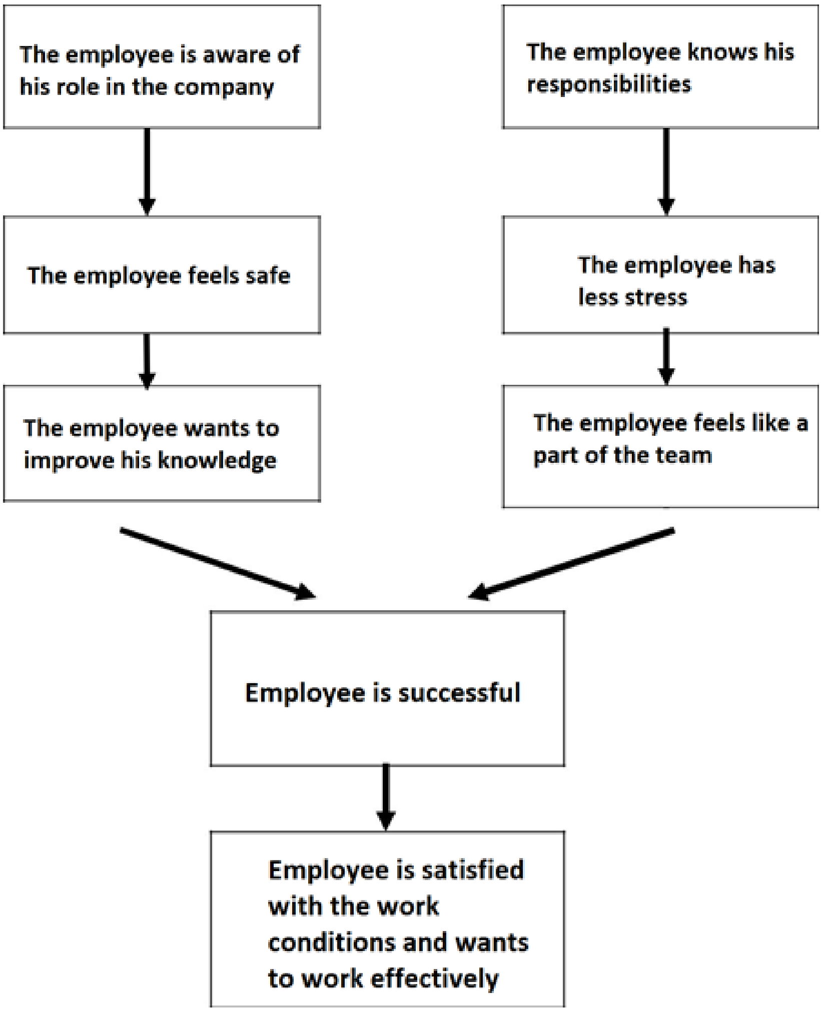

Fig. 10. The Result of Successful Adaptation Scheme

In the company "AirBaltic" probationary period assessment of the performance happens with manager, mentor and employee presence. Evaluation forms are filled and employee announces whether he will join the team of "AirBaltic".

Conclusion

Staff turnover research results show that staff turnover in "AirBaltic" is high. Partly this is due to the company's specifics. The largest age group in all researched working years are people from 25-35 years. The average age of employees is 33 years. This means that the company is sufficiently attractive to young people and middle-aged workers. 80.2% of employees in the "AirBaltic" have a working experience of 10 years, which implies, on the one hand, that the content of the staff is constantly renewed, and experienced employees leave the company, even though their experience is valuable to the company's development.

The disadvantages of selection and adaptation processes undoubtedly are affecting staff turnover. The fact that a lot of people have left the company in their first year shows, that both the selection and adaptation processes are flawed. The given article has analysed the process of selecting the company's biggest department - cabin crew, because this department shows the highest turnover rates.

The research showed that the selection process differs only for flight attendants and pilots. The rest of the candidates are filling the same tests etc. During the interview, no attention is payed to issues of internal motivation and the candidate's goals. Flight attendant selection takes place after the developed plan, but the selection procedure remains the same for many years. Adaptation process does not have a certain structure and often takes place formally. This process makes new employees fell scared and does not allow them to adjust.

The authors proposed for "AirBaltic" to use online testing. Since testing is mandatory for the company in the selection process, the candidate can test his/her skills without leaving the house. If the candidate is satisfied with the test results, he/she may apply for the vacancy and send the CV and application letter to the recruiter. This will be beneficial not only for the candidates, but also for the company.

Based on the authors' developed program for the implementation of the adaptation process, a clear plan has to be made for department, divisions and subdivisions managers, as well as adaptation mentoring should be implemented. This allows the new employee to adjust into the company in the shortest possible time.

To sum up, the successful implementation of the development proposal can help the company to decrease turnover rates and become even more successful. In 2017, "AirBaltic" still follows their old rules on selection process and this is why it is doing poorly. Turnover rates are high not only in cabin crew departments, but all over the company. Several solutions are offered to this problem, such as online testing, improved role-plays and different interview questions. Online testing, for example, can help potential candidates test their skills and really think through weather they want to apply or not. However, for the management this means finding the most appropriate candidates based on the test results.

Mentoring is another way around to improve work quality and make employees loyal. A more experienced person and adviser can help overcome the struggle of the first day and first weeks in a new company. Adaptation and adjustment play a crucial role in employee's life, because those first few days/weeks allow him/her to understand whether he/she has chosen the right company.

Shortly, "AirBaltic" should rethink their selection and adaptation process and use some advanced systems in this process. Changing this system will make for turnover rates decrease.

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Development of tourism in russia: problems and prospects

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Abstract

The development of tourism in the country depends on many factors: the availability of display objects, a developed transport infrastructure, a lot of accommodation facilities. However, the decisive factor is the readiness of the state to engage in the development of the tourism industry. Only due to the state is possible the sustainable development of the industry, the solution of the system problems of the tourism industry. This article describes the systemic problems of tourism in Russia, as well as offers possible solutions to their problems.

Keywords: sustainable development, tourism, eco-tourism, Russia, problems, prospects

Introduction

Nowadays the tourism industry is one of the fastest growing and dynamically developing sectors of the economy. For individual countries, tourism accounts for up to 10% of GDP (Thailand). Unfortunately, Russia practically does not use the tourist potential that it possesses. This is due to various factors, work on which will allow Russia not only to enter the leaders of the tourism industry, but also to improve its economic situation. In view of the foregoing, the relevance of the work is to identify the main problems, which clearly demonstrates in which areas it is necessary to develop for the most effective development of the industry.

Problems of tourism industry in Russia

The problems of tourism in Russia are connected both with the lack of proper control by the state, and with the imperfection of the legal system. The imperfection of the legal system is indicated by the state authority in charge of tourism. Tourism in Russia is managed by the Federal Agency for Tourism, which is a subdivision of the Ministry of Culture and does not have sufficient authority and resources to carry out full-scale control over the industry.

But this is only one of the problems. The law "On the Basics of Tourism in the Russian Federation" was adopted in 1996. During this time he underwent significant changes. But despite the amendments, there are shortcomings in it, for example, the changes concerning the mandatory state classification of hotels have not yet entered into force. This creates the prerequisites for providing poor-quality services on the part of accommodation facilities.

Due to the weak level of legal regulation of tourism, the economic effect of tourism is very small. Firstly, the lack of mandatory state classification of hotels does not allow the state to fully pay tax charges. Secondly, a significant number of people engaged in tourism work unofficially, which also leads to a lack of proper economic effect.

According to the rating of tourism competitiveness in the World Economic Forum 2017 (The Travel and Tourism Competitiveness Report 2017), Russia seriously lags behind in terms of marketing. The country is being promoted in very tight economic conditions. In this regard, it is impossible to fully demonstrate to foreign tourists the entire tourist potential of Russia. Also, due priority is not given to tourism.

Separately it is necessary to say about the development of ecotourism. According to the UNWTO report, ecotourism is one of the most promising areas of tourism development in the 21st century. Russia has the world's largest potential for the development of ecotourism, since the area of the resource base of ecotourism - specially protected natural areas - is about 140 million hectares. However, this kind of tourism is not given proper attention, which leads to insufficient funding, which in turn is the reason for the poor development of ecotourism in Russia. Unfortunately, very little research has been done on ecotourism. This is one of the reasons for the weak current level of its development.

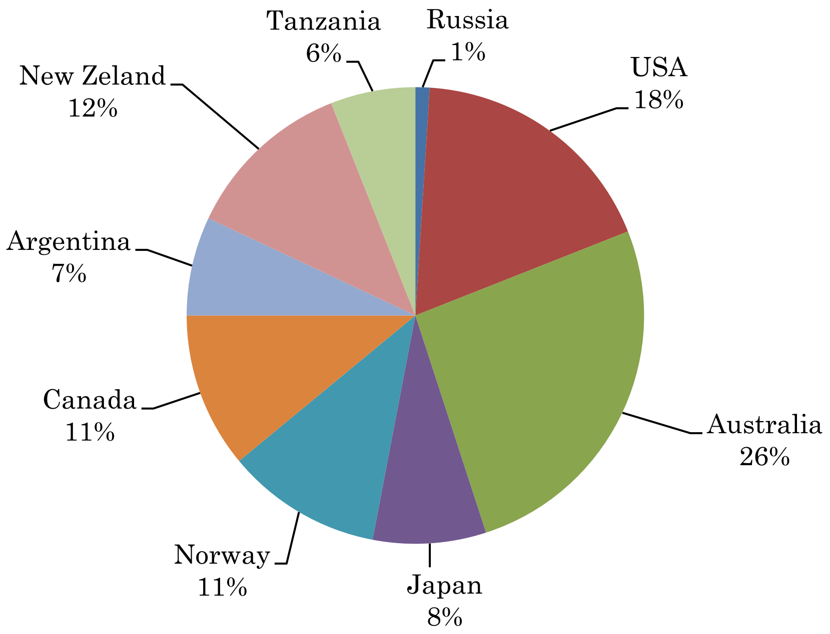

Fig. 1. Structure of attendance of national parks in Russia and other countries (2014)

There are other problems of the tourist industry. So, it is necessary to modernize the documentation support in tourism. It is noted that the level of conducting tourist documentation is quite low and does not meet modern requirements. There is no clear system of current and archive storage of documents. Thus, there is a need to create a national standard for the maintenance of official and commercial documentation. This will allow for more complete control over the activities of all subjects of the tourism industry.

An important aspect is the openness of Russia for foreign tourists. Getting a visa to Russia is quite difficult. This has objective reasons (first of all, the need to ensure the security of the country), but this has a very negative effect on the tourist flow. To date, agreements on the visa-free regime are concluded mainly with developing countries far from Russia, the tourist flow of which is small, and the amounts that tourists are willing to spend in our country are very limited. All these problems negatively affect the industry and require immediate solutions.

Dealing with problems in tourism industry in Russia

To solve the problems outlined above, a comprehensive impact on the industry is needed. Priority is given to legal and administrative methods. The main legal method is the creation of a new law on tourism, which will correspond to the current trends in tourism development. It is necessary to unite all by-laws and resolutions, and also legislatively introduce a unified management system throughout Russia. For today, subjects independently determine the status of organizations responsible for tourism at the level of the subjects. Thus, in some regions, the Ministry of Tourism and Sports has been formed, in other regions the Tourism and Sports Department is subordinated to other ministries. This has a negative impact on the coordination of actions between entities and prevents the even development of tourism in all regions of Russia. At the federal level, it is necessary to establish a Ministry of Tourism. This will allow to finance tourism directly, without an intermediary represented by the Ministry of Culture. Also, it will show the main players of the business the readiness of Russia to develop in the sphere of tourism.

Despite the unstable economic situation in the country, I consider it necessary to increase the amount of financing for the tourist sector. The industry is experiencing a huge shortage of funds, as a result of which our country is unable to carry out marketing campaigns of the appropriate scale. Tourists do not know about all natural, architectural and other sights, which in Russia are huge. In this connection, in most Western countries stereotypes about Russia prevail over reliable information. This, in turn, pushes away the most solvent tourists (tourists from developed countries).

To attract the most solvent tourists, it is necessary to develop ecotourism in the country through the participation of tourist resources in the marketing campaign, as well as the improvement of reserves, national parks, the creation of camping sites, and environmentally friendly hotels. This is justified by the growing popularity of ecotourism in developed countries. Arrival of even a relatively small number of tourists of this direction will bring a huge economic effect.

The establishment of the Ministry of Tourism will allow to settle other problems of the tourist sphere. Russia seriously lags behind in the level of rendering tourist services. In the presence of appropriate authorities, the Ministry of Tourism will be able to introduce uniform rules of service in hotels within the framework of a unified classification system for accommodation facilities that will comply with international standards. Violation of these rules will be punishable by administrative fines. The presence of such a system at the state level will significantly increase the level of service, which will attract both Russian tourists and foreigners.

It is also necessary to do everything possible to simplify the visa regime. Now there is an agreement with China on a special procedure for visiting Russia for groups for tourist purposes. If a citizen travels in a group as part of a trip organized by a travel company, he does not need to issue a visa. This greatly simplifies access to Russia and allows you to seriously increase the tourist flow from China. This example shows that it is necessary to conclude similar agreements with other countries around the world.

Another solution to this problem could be electronic visas. This is a visa, the registration of which takes place online. This greatly simplifies the process of issuing a visa and is an effective mechanism for attracting foreign tourists. As a rule, these are short-term visas (up to 30 days), which is convenient for the host country, and does not create serious problems for tourists. To date, negotiations are under way to introduce electronic tourist visas to Russia for citizens of India and other countries.

Conclusion

Today's tourism is a huge industry that is capable of providing economic growth only with a comprehensive impact on it. I am glad that the state has realized the necessity of development of the tourist industry. Recently, several laws have been passed at once (on Tax Free, on mandatory certification of hotels), which in the long run should have a positive effect. Large-scale events (World Cup, Universiade in Krasnoyarsk) also affect the tourist attractiveness of the country. It is important to use such opportunities, the entire tourist potential of Russia, as well as a set of legal and administrative measures for the establishment of our country as a strong tourist power.

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The Importance of Educational Trajectories in the Organizing of Educational Tourism

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Abstract

Educational tourism is considered as highly effective technology of training and at the same time a form of the organization of educational process. Designing a tourist-educational type of activity it is necessary to evaluate and effectively to use the tourist and resource potential of the concrete territory for the purposes of educational tourism. Creation of the centers of scientific and educational tourism on the basis of higher education institutions allows to coordinate efforts of various educational, tourist and administrative structures on implementation of new educational technologies.

Keywords: educational tourism, individual educational trajectories, network partnership, educational- tourist- administrative structures

Introduction

The modern notion of educational tourism can be considered as very actual and effective pedagogical technology on the one hand, and as one of forms of the organizing and realization of educational process on the other hand. Since 2004 the World Tourism Organization stressed the importance of the development of the educational tourism and the using "the benefits of a wide range of education and using available methods" (World Tourism Organization, 2004). In this connection it is necessary to reconside and significantly to expand the possibility of educational tourism backbone elements – students, teachers and educational programs – on the base of the building of individual educational trajectories.

Authors studied problems of concrete educational tourism applicable to areas, concerning their specific professional activity. Authors' experience is reflected in detail in the relevant article (Shamshina, Labeev and Koryuhina, 2017). The further research revealed the importance of construction and realization of educational trajectories in the course of teaching. These questions in concrete situations were considered by authors in publications (Labeev and Fedchuk, 2014), (Labeev and Shamshina, 2015) and (Shamshina and Labeev, 2018).

The offered article sums up the intermediate result of authors' research in comparison with the known results published earlier by other researchers.

The Importance of the Innovative Learning Methods

By tradition of the relationship between student and teacher are the following: the teacher is the "source" of knowledge and, therefore, acts as a "subject" of an educational minimum. For the interested and motivated trainees seminars taking into account various levels of knowledge of trainees are held. At the same time the listener, as a rule, passively perceives information, isn't able to use it and to apply it in a due way in practice. The archaism of this relationship generates educational conservatism and, therefore, the idea of introduction of other forms of education is obvious. The pedagogical experience acquired by the authorsus in the course of their professional activity allows to give some useful tips.

First of all, both subjects of educational process have to be its active participants. For this purpose it is necessary to remove partially, as far as possible, from the educational program retelling of paragraphs of standard and available textbooks and also known applications of the studied subject in applied interdisciplinary sciences.

This situation is most disadvantageous to the students who didn't get necessary basic knowledge and skills concerning methods of scientific knowledge. Besides, they are deprived of a possibility of creative independence in their future lfe (for example, self-education and career) and are forced to take passive positions in educational process.

Recently search of opportunities of introduction of new forms and methods of training is conducted. It means that the main objective of qualitatively new educational system is to attract steady interest of students in the studied subject, to motivate them to self-development and self-education, to interest in practical research and theoretical scientific search. In a progressive learning environment, students should constantly generate original ideas from multiple sources of information–and do so guided by teachers, mentors and communities, all in pursuit of self-knowledge and self-created meaning and creativity. A successful sheme of the concept of innovative progressive learning, reflecting the foregoing is shown in the following figure (see Fig. 1):

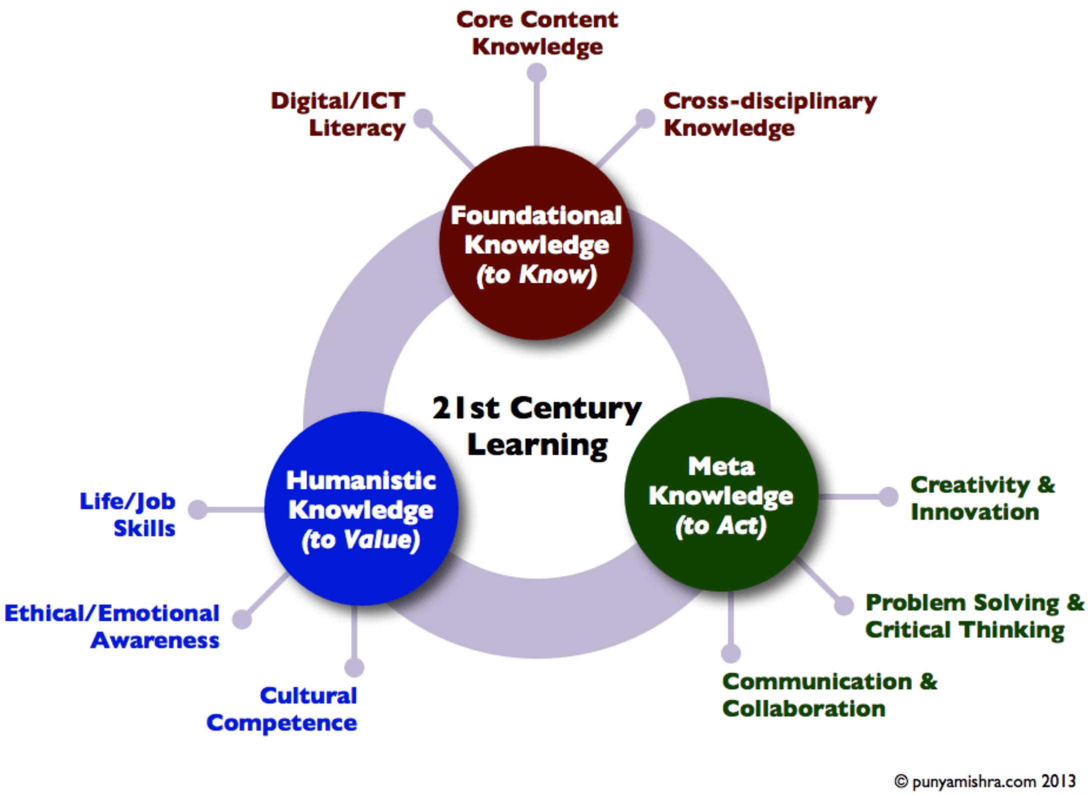

Fig. 1. Sheme of the concept of innovative progressive learning

The graduates have to understand and realize how they will be able to apply the competences they received during training, to realize them practice, to find interrelation between the gained theoretical knowledge and practical tasks. Therefore introduction of innovative methods and technologies in educational process is relevant (Trofimenko, 2015).

Educational Tourism as Effective Pedagogical Technology

In the authors' opinion one of such innovative methods could be innovative tourism. Taking into account its target orientation, target classification of types of modern educational tourism and the systematized approach, definition of the concept "educational tourism" was developed by the authors in the article published in the previous issue of this journal (Shamshina, Labeev and Koryuhina, 2017).

Unlike the standard understanding, under educational tourism we mean not only the informative and educational tours made for the purpose of realization of certain tasks of the agreed training programs offered by educational institutions or employers. Not less important is network partnership in education for the purpose of joint realization by participants outside their educational institutions of training, cultural and entertainment programs, holding various competitions, thematic seminars and scientific conferences (Riashchenko, Koryuhina and Shamshina, 2016). For all participants of this procedure time of holding the activities is selected in optimum way and has to be reasonably limited. In this regard educational tourism is more adapted and flexible technology of training, and, therefore, a guarantee of successful formation of competences put in educational standards of training of specialists of various profiles.

The idea of educational tourism has conceptually changed: history of scientific, informative and educational travel originates from the ancient times. For example, traditions of educational travel have existed since ancient times, in particular, in antique times, in the Middle Ages and were continued during the subsequent historical periods. Many graduates of educational institutions sponsored by government institutions or patrons studied further in other educational institutions, in particular, abroad to improve the got education and to receive additional certificates (Zeer and Symanyuk, 2014). As a rule, they were candidates for service in government: in scientific and diplomatic areas, military service, administrative and economic work, etc.

Today educational tourism is associated with training in college abroad or immersion in other culture through accommodation in the host family. However, educational tourism as an innovative method of educational process, assumes development in the student of competences to study in different educational and cultural environments, in various languages. It assumes not only a travel in space — to other cities and countries, but also in time — to various cultural and historic centers.

For example, Kovalyova T. M. and Rybalkina N. V. define educational tourism as follows: "All alleged participants of an educational travel become expedition team. The team itself develops a route and coordinates it with the purposes of all participants. The travel purpose is not just a geographical point on the map, but a chance to find there the answer to a question individually significant for every traveller. Each participant builds his/her own individual educational project as a way of the answer to one's own question" (Kovalyova of Rybalkin's and, 2002).

The authors of this article consider that the term "individual educational project" is unsuccessful and outdated, and suggest using the concept of "educational trajectory" instead. The idea of an educational trajectory which in essence is individual, both in relation to the subject (trainee), and in relation to an object (a subject or its subsection) becomes one of the most innovative models of educational activity in general and educational tourism in particular.

Educational Trajectory as an Effective Model of Coordinated Educational Activity

The educational trajectory represents model of the coordinated educational activity that gains the special importance in programs of the general and additional education (Labeev and Fedchuk, 2014). Though the term "individual educational trajectory" is quite often used in modern publications, its essence remains ambiguous. Sometimes it is identified with an individual educational route (project). It in essence contradicts the identity of the chosen trajectory.

Variable content of training and the sequence of the studied sections, variable forms and methods of training, for example, possession of material, variable control methods, time and speed of mastering material, formation of necessary competences to the level assumed by the program belong to additional methodical elements of structure of an educational trajectory.

The following postulate is declared in P.V. Sysoyev's work (Sysoyev, 2013): the choice and development of an educational trajectory, which are "the joint actions of the teacher and student aimed at the development of abilities of independent educational activity, statement of the adequate educational purposes and corresponding tasks, the choice of methods, forms, means and the content of training, a reflection, a self-assessment of personal achievements, an initiative and responsibility for decision-making and the solution of objectives". According to P.V. Sysoyev if the pupil learns to build an educational trajectory during educational activity by means of the teacher, subsequently he will be able independently to make and to use it the acquired skill all his life.

Thus, P.V. Sysoyev's concept underlines the following results of creation of an educational trajectory in the course of training:

- effective mastering the necessary material, development of target competences;
- formation of ideas of the student of his own role as the subject of educational activity;
- mastering ways of management of one’s cognitive activity and satisfaction of educational interests and requirements;
- development of computer and functional literacy (search, assessment,

selection, classification, synthesis of information);
- development of abilities of self-checking and a reflection which will allow to correct further independently the training in the chosen trajectory;
- development of abilities of cooperation with participants of projects.

Educational tourism plays also important role in successful socialization of participants of unique modern educational environment which allows to build variety of multilevel educational trajectories on the basis of various educational integration and manadgment forms. Such environment allows to increase the quality of education by means of synergy of education, tourism and educational trajectories, since the student's earliest age and to provide the principle of continuous education enshrined in final documents of the 13th International conference "Education through all life: continuous education for the benefit of sustainable development" which was carried out in May, 2015 in St. Petersburg under patronage of Intergovernmental organization of the UN concerning education and culture (UNESCO) and Inter-parliamentary assembly of the Euroasian economic community.

An effective model of coordinated educational activity providing high motivation to study the all-round and balanced development of the personality, positive multicultural and professional socialization, an opportunity to construct an individual trajectory of training through three educational levels is presented in the following figure (see Fig. 2):

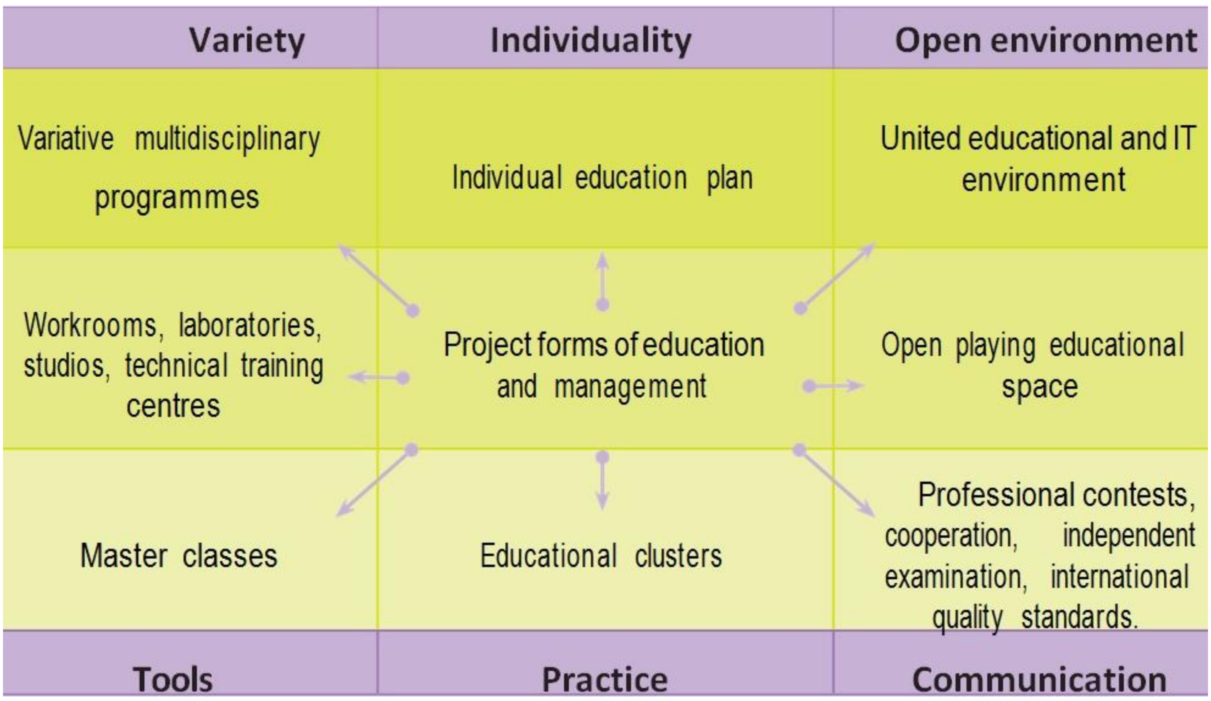

Fig. 2. An effective model of coordinated educational activity

Organization of Educational Tourism

Real examples of educational tourism approved by the authors as a possible scheme of the organization of educational tourism will be outlined below. According to the types of their activity they can be classified into:

1. School educational tourism.

1.1. Intra republican.

It implies educational activity with pupils of various schools either independently, or under the patronage of one or several related higher educational institutions. This includes classes on the most difficult aspects of the subject, mini-conferences and the mini-olympiads for preparation to certain state regulated diagnostic actions which importance defines the rating of school.

1.2. Interstate.

Colleagues from various states will organize educational trips in which the ideas of educational tourism are practically implemented. Financial security of these trips is carried out by organizers of trips from both parties with involvement of certain government institutions. These problems are solved generally by means of personal contacts of organizers with parental committees, school administration, consular structures.

2. Educational tourism in the framework of the program “School – Higher educational institution”

2.1. Intra republican.

It implies educational actions with pupils of various schools under patronage of a higher educational institution. It involves carrying out open conferences on the most difficult to students sections of the studied subject, realized, for example, by small universities or their analogs - small academies on the basis of the higher school. Besides, this is done by means of the open high school Olympiads which results give essential support for determination of the importance of level of knowledge of the person entering the university and defines the choice of the direction of his/her further education.

2.2. Interstate.

This is one of the forms of youth internationalization and their multiculturalism and mutual integration into various language and social environments. Organizers offer real, but not formal, comparison of appropriate educational programs in concrete subjects, offer the international cooperation in development and realization of specific practical objectives and projects. Graduates of secondary educational institutions are given an opportunity not of virtual, but visual acquaintance to reality of continuation of education in concrete foreign higher education institution.

3. Interuniversity international educational tourism.

Its organizers, as a rule, are customers of the experts having concrete skills and rather high qualification at the solution of the current problems of activity of the enterprise. The solution of this problem is reached, for example, by the contract between a private higher educational institution and the customer. In the global educational program this idea is implemented, in particular, by the ERASMUS program. The efficiency of this program is low because it is global and doesn't consider concrete educational trajectories.

Conclusion

As a result of the conducted research authors expanded and added to a concept of educational tourism within the uniform strategic concept of "Life-long learning" based on creation of continuous educational trajectories which active application in teaching gives the following effects:

1. The personality-oriented education is promoted.
26. The offered variability of the purposes of creation of educational trajectories personifies educational process.
27. International (not to confuse with interstate) contacts in joint educational activity are significantly expanded.
28. The value of educational needs for achievement of the final results, the importance of the acquired competences for the student is enhanced.

Thus, avoiding the theoretical shortcomings given above and proceeding from the general strategy of modern life-long education, the emphasis is placed on the main component of educational tourism, namely, educational.

Such approach to this problem allows authors to actualize a definition of educational tourism as follows. Educational tourism is a special type of educational service in the sphere of the educational and tourist activity (perhaps, with the help of network partnership instruments), providing realization of the principle of continuity of education through construction of multi-purpose (combined, multilevel) educational trajectories for a certain target audience (social, age, professional, religious and so forth).

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Group Work in the Process of University Training the Specialists for Tourism Industry

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Abstract

The paper deals with the problems of organization of group work at the university in the process of training the specialists for tourism industry. There given an overview of research on the topic of teamwork and its importance. The problem is considered from the point of view of supporters of group tasks at the university and its opponents, as well as from the position of students and faculty. The practical part of the study is based on interviews of students who personally have difficulties in the performance of such tasks. The main problems voiced by students during these interviews are presented. Certain variants of the solution of the main problems arising in the course of teamwork are offered. The article considers the first obtained results of the research, which will be continued in the future.

Keywords: organization of teamwork, university, training of tourism specialists, motivation, goal setting

Introduction

The professional world today belongs to team players and to those individuals who are able to become team leaders, and it has special importance for tourism industry, which is the area of team players from the very beginning of its existence.

Teams have become an integral part of our lives. Teams are largely responsible for the social environment in the workplace or school, contribute to the effective work of the whole team (McEwan et al. 2017). This fully applies to the tourist area. Moreover, given the transition to a post-industrial environment, the tourism business cannot exist without a cohesive strong team, it does not matter whether this business is running on a digital platform or providing traditional customer service.

Thus, the creation of the team becomes the main goal of preliminary work for managers in tourism. Therefore, managers should realise what procedures they must implement for organizing the real team.

Many studies prove that bringing a group of highly qualified people together is not enough to make their team work effective. People should be able to work together in a coherent way to ensure that the team can successfully achieve its goals (Lepine et al. 2008, Parker 1990).

Team work skills need to be trained, and such training continues throughout the life of the specialist. Leading companies spare no time and money to develop team skills, and this training is highly appreciated in almost all leading areas of activity, as demonstrated by many studies (Brannick et al 2005, Morey et al. 2002, Padmo Putri 2012, Smith-Jentsch et al. 2008). It is true for numerous tourism companies which pay great attention to creation of necessary environment within company and training necessary skills for employees to achieve the goal of team work. For example, the International Animation Agency Celebrate Communication works with people who eager to perform in tourism, and provide the complete preparation to them, paying special attention to team work. They provide special tasks for elaborating the team work skills, using the contemporary conventional and non-conventional methods. Being not educational but business entity they can apply numerous methods for achieving their goals (Celebrate Communication). Certainly, team work skills are the subject of consideration for the universities dealing with training the specialists for the tourism industry.

The purpose of this paper is to identify some problems of the organization of team work in higher education, especially dealing with training the specialists for tourism industry. The study includes a review of the literature on the problem, as well as consideration of the results of interviews with university students. The article also suggests the ways to overcome some problems in working with groups.

Team Work as One of the Types of Work in Higher Education

The development of a new paradigm of education involves the inclusion of strategies and methods focused on the student and based on team work in the educational process (Oliver 2001). Teamwork helps to immerse into the environment of real learning through interaction, problem solving, dialogue, collaboration and teamwork (Johnson & Johnson 1995). Participating in teamwork, students gain social experience obtained via the real context of teamwork (Vygotsky 1978). The task of the academic staff of the higher school is to create an environment that could provide a synergetic effect through the use of students' knowledge, skills and competencies in team work.

Team work is defined by Scarnati (Scarnati 2001) as a process of collaboration, which allows the ordinary people to achieve extraordinary results. Harris & Harris (1996) note that the team has a common goal or task for which the team members can develop effective relationships aimed at achieving the team common goals and include the exchange of knowledge and skills. At the same time, almost all researchers emphasize the need for all team members to focus on ways to achieve a common, but not individual, goal (Fisher et al.1997, Harris & Harris 1996, Johnson & Johnson 1995, Johnson & Johnson 1999, Parker 1990).

If all the players of the team demonstrate teamwork in achieving the set goal, then the ideas of synergy are implemented in practice and there achieved a positive, effective team environment. It requires the certain level of flexibility from all team members to adapt to working together and to be able to solve problems and perform tasks through cooperation and social interdependence, rather than focusing on achieving the individual goals (McEwan et al. 2017).

Thus, almost all researchers talk about the correct goal setting for team work.

Undoubtedly, there are a number of attributes necessary for the organization of successful teamwork.

Pina Tarricone and Luca J. (Tarricone, Luca 2002) define them as follows: common goals, interaction, interpersonal skills, openness, personal responsibility, effective leadership.

What exactly do these items include?

1. Common goals: all team members are considering common goals and ways to achieve these common goals; they are motivated at the highest level; here it should be noted that the personal goals of team members, such as, for example, to achieve leadership, to obtain a certain status, should not contradict the team goals; if such contradiction arises, they should go by the wayside and only and exclusively team goals should be achieved in team work;

29. Collaboration/interaction: team members need to create an environment where they can do much more together than individually. Positive interdependence allows everyone to bring to the common cause all the best that he can, and the whole team, using the achievements of each, achieves its goals at a much higher level (synergy effect) (Johnson & Johnson 1995,

Johnson & Johnson 1999). At the same time, all team members receive a common impetus and are encouraged to achieve their goals, to contribute to the common cause, to study;

30. Interpersonal skills: these include the ability to openly discuss issues with team members, be honest, to trust and to be trustworthy, to support and show respect for all opinions and all team members, to be attentive to absolutely all ideas which have been put forward;
31. Openness of all team members: interest in all team members, their needs, interests, ideas; this allows everyone to speak out without fear of ridicule or misunderstanding, and does not allow valuable ideas to be lost because of fear of being misunderstood; the ability to evaluate everyone's contribution and to express the personal attitude will motivate everyone to speak; creating such atmosphere makes all team members ready to give and receive constructive criticism and real feedback;
32. All team members should clearly understand not only the overall objectives of the team work, but also their role in the team and be aware of what specific contribution is expected from each team member; this creates a responsibility for personal contribution to the common cause;
33. Team work should always be conducted under effective leadership. The type of leadership is not so important - it can be both formal and informal leader, only its effectiveness in decision-making, problem solving, determining the order of accountability of team members is important.

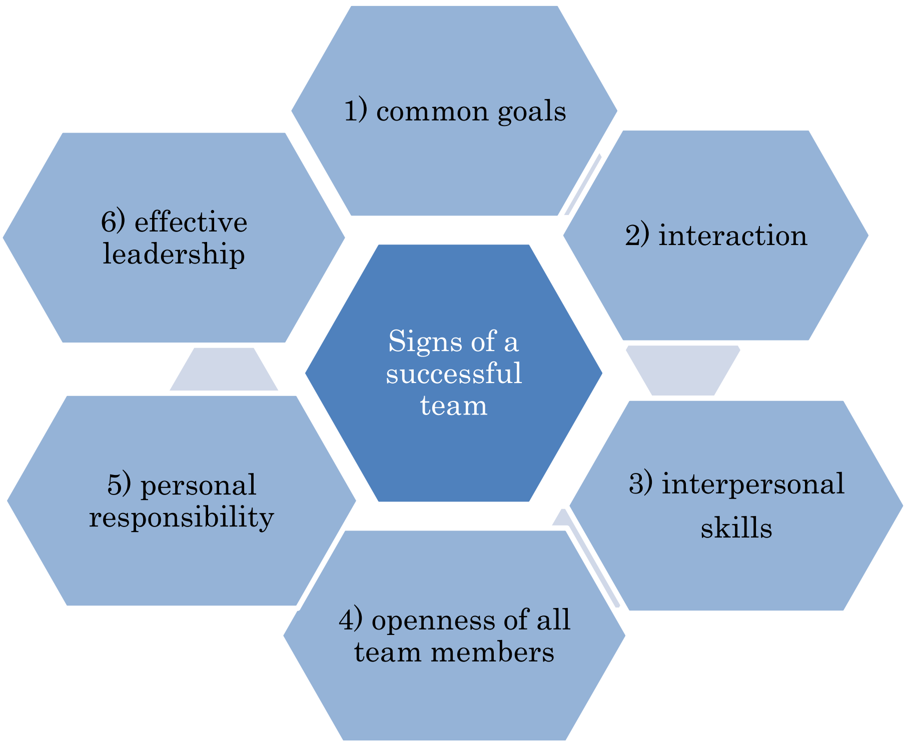

Fig.1. Signs of a successful team

Thus, while preparing to organisation of the teamwork at teaching procedure, the lecturer of higher school has certain guidelines to be based on at the preparatory stage of work.

It is important to turn a group of people into an effective working team to determine the roles that should be represented in the team. Raymond Meredith Belbin (Belbin 2010) identifies 9 roles to be distributed in the team. Some roles can be combined; others do not tolerate combinations.

1. Plant - generator of ideas
34. Resource Investigator
35. Coordinator
36. Shaper - motivates
37. Monitor Evaluator - analyst, strategist
38. Team Worker - inspirer, architect, guiding hand
39. Implementer - working person, working bee
40. Completer Finisher - controller
41. Specialist

The preparatory phase for team work at the university study process has a huge, if not decisive, role.

The organization of group work is complex. Often, poorly organized work in a team leads to the fact that the result of group work is not a synergy effect, not an amount greater than the individual contributions of individual team members, but on the contrary, a smaller effect than with individual work.

Eberly centre of excellence (Eberly Centre for Teaching Excellence) believes that the organization of group work has its costs for both: the students - team members, and for the academic staff. These costs represent the additional work that is needed both as a basis for the effective work of the group and the additional time that is spent on the organization of work.

For students, additional costs may include the following:

The cost of coordination is the time and energy required to organize group work compared to individual work. This time for coordination of work, meetings, correspondence (if the team work is carried out in extracurricular time), and classroom time for organizing groups, moving students in the classroom (if the work is carried out during the class). Any decisions on a collective basis also always require additional time. It also takes time to listen to each member of the team, to think about his idea, and then integrate this idea into the overall command scheme. The time spent on each of these tasks may not be great, but together these time costs are significant. Coordination costs cannot be avoided; moreover, coordinating the efforts of several team members is an important skill that must be developed during the execution of team tasks, especially in the process of training the specialists for tourism industry. However, if coordination costs become excessive or are not taken into account in the structure of group tasks, groups, as a rule, are inefficient, do not fit in the time frame; the integration within the group suffers, motivation also suffers, while the creativity is reduced. At the same time, the size of the group, the interdependence of tasks, the uniformity of the group have a significant impact on the coordination costs.

The costs of motivation are reduced beneficial effect of motivation on students, and reduced motivation to efficient work itself. These will include the attempts of some team members to shift most of the work to more diligent students, which undermines the long-term motivation of diligent students to such work, and the fact that the lack of tools to verify the contribution of each individual makes many work not in full force, and the inevitable friction within the group, which often turn into conflicts, and many other factors. Motivation for group work is a serious issue for research, and many outstanding scientists are working on this problem.

Intellectual costs are related to the characteristics of group behaviour that can reduce creativity and productivity. According to the author, this type of costs is especially, particularly dangerous, as productivity, no matter in the workplace or in the university audience, becomes one of the evidence of the development of human capital and the ability of the business unit (firm or specialist) to fit into the post-industrial economy. Such costs include, for example, the tendency of groups to conformism - the perception of the opinion of majority, when non-standard ideas, unsupported by the majority of the group, no longer exist; this process is very dangerous, and, if we talk about the production environment, is one of the most dangerous and undesirable consequences of group work; that is why the business structures often conduct trainings aimed at teaching respect for any idea, even if it at first glance seems unpromising. Another intellectual cost of group work is the desire of groups to follow the chosen strategy, even if it becomes obvious to individual team members that the group is moving in the wrong direction. There are many intellectual losses associated with group work. These consequences of teamwork are obviously among the most dangerous, and practices, as well as researchers, try to find ways to solve these problems.

Academic staff also have some difficulties in organising team work.

One of these problems is the distribution of time. It is obvious that the distribution of time for the task is different when working in a team, and this fact must be taken into account in the process of preparing for classes. Team work allows reducing time required to perform one operation and simultaneously increasing time for another operation. The lecturers should take this into account in their plans.

Another important point is the necessary skills. Effective teamwork requires students to develop strong communication, coordination and conflict resolution skills. Accordingly, the lecturer needs to make efforts to enable students to acquire these skills; and while the lecturer pays more attention to one, he/she often has to pay less attention to other skills. If to speak about higher school, which is an institution that prepares future specialists for the labour market, such a switch of the academic staff is fraught with the fact that the training of necessary professional skills will be weakened. In addition, the resolution of interpersonal conflicts within the group is also an additional burden for the lecturer, who does not necessarily have the skills to resolve such conflicts. Thus, skills are a serious stumbling block for the academic staff when working with team tasks.

The evaluation of the working process, as well as the resulting product (result) also causes certain difficulties. Assessing team skills and group dynamics (i.e. process) can be much more difficult than evaluating the team performance (i.e. product, or result). Effective process evaluation requires a thoughtful consideration of learning objectives and a combination of assessment approaches. This is a complex task that places serious demands on the academic staff, and not all lecturers are willing to sacrifice the goals of teaching their own subject for the sake of switching to the development of a strategy for assessing the dynamics and product of group work.

Separately, it is necessary to note that the evaluation of the individual contribution of each team member is even more difficult, the validity of assessments in this type of work is very problematic.

Thus, the team tasks present significant difficulties for the work of academic staff.

Moreover, there are researchers who consistently oppose group assignments, at least at the bachelor's study level. For example, Paul Heller (Heller 2010) is of this opinion. He believes that in group work even strong students do not have the opportunity to express themselves, or, on the contrary, are forced to take the lion's share of the work. However, coming into the real business environment, even those students who do not have the skills of group work, very quickly acquire them and work well in teams. Teams in the workplace are fundamentally different from the student group working on a common task, and, therefore, many problems and shortcomings inherent in team tasks at the university, disappear in real business environment. This is because in the workplace, all team members involved in the project must work with people who have roughly equal intellectual ability, people who are career-minded, who want to achieve everything, and this cannot be done if a person works in a team without full commitment; since the working environment is significantly different from the student's one, and the result of the work is getting not a high grade, but career growth, the assessment of the individual contribution of each team member will be carried out by the management very carefully.

In addition, group work at the university is not productive in terms of time. Spending valuable minutes of class time on organizational moments is too much of a luxury for a lecturer who is squeezed into the rigid framework of the syllabus; giving a group assignment as homework means to condemn in advance the most responsible students to do all the work, because in conditions when students do not live on campus, that is, not in the within walking distance from each other, when many of the students work, you can with a high degree of confidence assume that many will express the desire to work remotely from the group, and as a result will perform a minimum amount of work, for example, on the design of the results only, but not in the process of obtaining these results. In the end, such work will completely devalue the task - instead of group discussion, exchange of views and ideas, it turns into poorly planned individual work - with an unequal load both on the content of the work and on the time costs, with an ill-conceived structure, but with the same final evaluation for all members of the group, regardless of their contribution to the overall work.

Thus, when making a decision in favour of group work and the refusal of individual work of students, the lecturer must take into account the pros and cons of such work.

Among the advantages of team work at the university are the following ones:

- students have the opportunity to learn skills and knowledge from each other, especially if they have different previous experience, or studies, or have certain competencies;
- students get acquainted with the effective skills of the project team;
- acquire skills of socialization and professional communication;
- weaker students can learn from stronger students;
- in addition, the time for the presentation of the results of the work is reduced to presentations by the number of groups, not students, which allows a much more rational use of classroom time and compensates for the loss of time for the organization of this group work.
- However, there are quite a few arguments against team work at the university:
- learning is inconsistent as stronger students do most of the work and learn

a lot, but weaker / unmotivated students do little in the work process and therefore learn little;
- conflicts during execution of common tasks outside of the classroom (and even often during classroom lessons) lead to the fact that consumed precious time;
- lecturers are involved in "police" investigations in conflict situations (Heller 2010);
- lecturer must spend valuable time on a survey or study of how students evaluate each other, and the judgement of students is not always adequate to the situation and often highly controversial.

It is difficult to say that the advantages significantly outweigh the disadvantages. However, this does not make team work less relevant in today's world, and academic staff must find a reasonable balance between group and individual tasks.

Methods

The attitude of students to team tasks is also very different, as demonstrated by this study.

The research of students' attitude to group work was started due to rather unexpected results obtained by the author during the research of students' attitude to complex non-standard tasks. In the study, students were asked to choose the tasks that they consider to be difficult in principle, and only 0.1% noted group tasks as difficult ones. The next point of the study was the question of what tasks are difficult to perform by the student, and here there was a completely unexpected result: 27% of students said that the team types of work cause significant difficulties for them in performing. Basing on these results, it became necessary to investigate the problems encountered by students in the performance of such tasks.

The main method of collecting information (initially the question was about complex non-standard tasks) was a survey, with some of the students were interviewed (the choice of respondents and participants of the interview was based only and exclusively on the time factor, which had students, because for the interview they had to be at the university, do not have lectures, have free time, while the questionnaire could be completed at home, in electronic or paper format). 176 students from 8 countries (Latvia, India, Pakistan, Russia, Belarus, Turkey, Czech Republic, Slovakia) participated in the survey. After the survey showed that quite a large proportion of students (27%) perceive group work as difficult for them personally, and they do not perceive group work as difficult in principle, but believe that they are not very successful in its implementation personally, additional interviews were conducted with some of these students. It is interesting that the group experiencing difficulties in team work comprised both students with high academic performance in the subjects, and those whose academic performance leaves much to be desired.

Research Results and Discussion

In a personal interview with the students there were identified the main "painful points" of group work in the perception of students. The answers can be divided into groups – the students with different levels of performance have identified different points as problematic in team tasks.

As a rule, well-performing students have a sense of responsibility, and they "stretch" this responsibility not only for a personal role in team work, but also for the entire task, and for those students who play other roles in the performance of a team task. Since traditionally groups are formed spontaneously by the students themselves (typical beginning of team work: please split into groups by... (number)), students with low academic performance are trying to team up with more successful students. In their own words, it guarantees them a good rating; as a rule, the lecturer evaluates the group as a whole and all students receive the same points, because it is impossible to assess the personal contribution of each participant. In addition, students with low academic performance consider this as a certain guarantee that they will not have to work too hard – stronger students do not want to wait for the second part of the group to do their share of work, and not only perform their own part of the task, but also work for other team members; moreover, they want to get a great result, because their part of the task they have done well, but they are not sure that the rest of the task will be done as well as they have performed their own part. As a result, strong students do the work completely, while being nervous and worrying in the process of work (because weak students can perform the task not perfectly), and after the job (realizing that they and their work were "used" by others). "Social injustice" (the words of one of the respondents in determining their feelings about group tasks), manifested in the same assessment for different contributions to the work, also serves as a reason for frustration.

Weak students love group assignments, and above all for the points listed above. However, in personal interviews they also expressed dissatisfaction with team work. In their opinion, what is an incentive to start a team work (guaranteed high score, the opportunity to relax while others are working) becomes a factor causing a sense of dissatisfaction. They suddenly realise that their opinion was neglected, they were not given the opportunity to speak and use their potential, and all just because "others want to do everything themselves".

The result, frankly speaking, is sad. The work, which was conceived as stimulating intellectual activity and training to work in a team, in practice turns out to be a real failure. The lecturer achieves the goals only partially and only for some part of the audience, students are dissatisfied, teamwork skills are not mastered. The only plus for the lecturer – he can easily and quickly put a large number of students to assess, and these estimates are likely to be higher than the average for individual work.

Organisation of Group Work in the Classroom

What can be done to avoid such disappointing result? Certainly, there are many recipes, but hardly any of them can be considered as an ideal one.

One of the options is to divide the audience by the lecturer on the principle of strong-medium-weak students. A practice that is highly questionable. First of all, how to estimate the level of performance? What indicators to use? Then, this principle is impossible to separate freshmen, because their intellectual level is still impossible to determine, and to rely on school performance is not the best idea for many reasons, the description of which is not the task of this paper. Another significant disadvantage – the determination of the complexity of tasks. Task of what level to give? Average? The strong will not work at full capacity, the weak will not cope with the task without the help of the tutor.

To give the tasks of different complexity? But such a division will cause a sense of "social injustice" among strong students who remain students and want to receive high marks, and such differentiation of tasks requires much more work from them with the same result (assessment) as other students who have completed an easier task.

One way to solve this problem is to have a hint system for groups of weaker students. Students can optionally use a different number of hints that the teacher gives to the group in a certain order. Using hints automatically reduces the final grade of the group. Thus, one of the problems of group work – the injustice of evaluation – is overcome. Moreover, it is known from experience that, quite often, getting the first clue makes the group to be actively involved in the work, and they can really get a very good result. Cases where the group uses all possible tips, and, accordingly, a low estimate for the work, are quite rare.

Nevertheless, there arisen other problems. One of them, expressed by students in a personal interview, is often due to the fact that people tend to evaluate themselves not as they are estimated by others. Some students, being in the group of the weak, believe that they are underestimated. Of course, the lecturer does not announce that he has divided the group exactly on the basis of academic/intellectual potential, but students usually feel it very well, because they are able to assess the level of others. And the treatment of themselves as a group of weak students causes them a sense of resentment and dissatisfaction; an aggrieved student will not work effectively.

One more problem appears in the process of using the hint system when the students (team members) decide whether to use these tips or to try to do everything themselves and get a higher score. If the students are given the choice – whether to use a hint system or not – very often the disagreements appear in the group. Actually, one of the goals of team work is the joint choice of a strategy to achieve the goal, and such a decision will work to achieve the goal, but at first will cause obvious discontent with some part of the team.

Therefore, one of the solutions to the problems of group work organisation is the division of students into groups directly by the lecturer on the basis of the students' academic/intellectual potential, and the subsequent inclusion of a system of tips that will both develop the teamwork skills, and evaluate students more adequately, and to involve in the work all or almost all students, not only the students with good academic performance. Undoubtedly, this method causes a lot of complaints and does not solve all the problems of the organisation of students' work in teams, but it gives an opportunity to overcome some of the disadvantages of this work.

Conclusions

The importance of acquiring the skills of team work by students during their studies at the higher educational institution is not in doubt. Numerous articles are devoted to the synergetic effect of team work, many researchers consider various aspects of team work and develop strategies for its organization and implementation.

This article discusses the theoretical studies, representing the controversial views – the opinion for implementing the team tasks, and against these types of work at the university level of bachelor programs.

The practical part of the work is devoted to the survey of students. The necessity of the research became obvious after obtained results of another study in which it was reported that students perceive team tasks as causing difficulty when performing for them personally, although in general they do not consider such tasks to be difficult. The interview revealed that strong diligent students are not satisfied with the fact that they perform the lion's share of tasks, because they cannot rely on the rest of the group, and then everyone gets equal grades – thus, "social injustice" is put forward by them in the first place. Weaker students generally like team tasks, but love them for the fact that they give the opportunity to get good grades without special efforts. However, these students also have a feeling of dissatisfaction, because they feel undervalued, believe that their opinion is neglected.

The result is that group tasks are difficult to plan and implement for the academic staff, they require additional efforts and distraction from the main goals and objectives of the learning process, and at the same time, are rather negatively perceived by students.

Certainly, this is not a reason to abandon such tasks, but more time should be devoted to their planning and organization. One of the ways to solve this problem can be the division into groups by the lecturer on the basis of academic performance or intellectual potential of the students and the existence of a system of tips. This method does not solve all the problems of organising the group tasks, but does solve some of the significant problems that arise in this type of work.

These tasks have special significance for the training of specialists working in the sphere of tourism.

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Actual problems of entrepreneurial activity in Russia and its development forecast

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Abstract

This study considers actual problems of entrepreneurship implementation in Russia, as well as the forecast of its development. It describes the role and place of entrepreneurial activity in the socio-economic development of the country. Also there is an analysis of the main problems of small and medium business development in Russia, with suggestions of their solution.

Key words: entrepreneurship, small and medium business, tax burden, state procurement

Introduction

The role and importance of the business sector in the country's economy is great. It's even worth saying that entrepreneurial sector is a platform for socio-economic development as entrepreneurs create new jobs, increase population incomes, provide government with the possibility of paying pensions and other social benefits due to its contribution to the non-budgetary funds. Social support of the population is provided due to the tax payments of business subjects. The state thus has a great influence on the development of entrepreneurship in Russia. Small business is a particular sector of market economy which provides basic needs of the national economy.

To assess objectively the circumstances of small businesses' functioning it's firstly necessary to analyse the barriers that impede the entrance of new companies into the market. It is also requires to study the barriers for improving the work of business structures existing in the market and formation of healthy competition.

As mentioned above business sector is an integral part of the country's economy. Despite the lengthy discussions and attempts of authorities to accelerate the development of small and medium business, still there are a number of administrative, legislative, fiscal and corruptive barriers. In addition, the participation of small entrepreneurs in state or even commercial procurements is of big interest now, because usually they cannot compete with the major market participants due to absence of necessary network. The relevance of research is the need for identification and elimination of such factors, impeding active development of entrepreneurship in Russia.

Study area

Questions of small and medium business development are actively discussed in scientific and publicist literature; there are a lot of discussions and projects made by government authorities and special organizations (ISRAS, 2018; NISSE, 2018). The methodological bases of the study are legislative and normative acts of Russian Federation, strategic documents on support and development of small and medium business. The paper used methods of system, factor and comparative analysis, as well as the method of statistical processing of empirical data.

Discussion

Obstacles and barriers on the company's way to the market can occur due to distinctive features of the market such as: production technology, costs (startup and operating), supply and demand level, etc. They are also can be formed by companies operating in the market, as well as by the criteria of governmental settlement of national economy. Some of business activities are not popular among starting entrepreneurs; the reasons can be the following: low profitability, high competition, and high level of investment risk.

The lack of initial financial capital can be the problem for the new company while entering the market. Its deficiency makes penetration of new entrepreneurs in certain industries impossible. The reason is that new companies at the starting stage have substantially higher unit production costs, what causes their lower competitiveness. New producers have limited access to raw materials, modern technologies, loans - all these factors create unequal conditions.

Unfair competition forms negative background for the development of entrepreneurship in Russia. It is unfair that there are conditions that make it impossible to conduct business for some entrepreneurs, while at the same time there are "special relations" system, which allows another one's to develop business. Often such situations are created with the direct participation of government structures (corruption). There is a wide range of tools - from unjustified inspections by law enforcement authorities which usually result in tightened control and directions about elimination of non-existent problems; delay of licensing and permission's issue till initiating criminal proceedings against business owners and top managers.

The practice of so-called "designer cases" is widespread in particular due to relatively low cost of this "service" - criminal proceeding is estimated in 10 thousand US dollars. According to information from the website of the Entrepreneur's Rights Commissioner for the Russian Federation President, practice shows, if the entrepreneur was in jail before the court it is usually a "designer case" (almost every second case). The consequences of such proceedings are: only 6% of entrepreneurs were able to save their business, and 24% - kept their business partially.

Market entry of new firms are also limited by the authorities in such areas as taxation, licensing, quotas, the procedures for registration of organizations, industrial buildings and land. All of these factors can be grouped into administrative barriers, i.e. obstacles due to the obligations between entrepreneurs and the government - the entrepreneur should strictly comply with the rules and procedures, which are determined by certain laws, rules, and regulations. Important factors of small business development are conditions, when the resources required to start a business are owned by the state (subjects of the Federation or municipal ownership) (NISSE, 2018).

The subjects of small and medium enterprises face a wide range of problems, some of which occurs at the stage of official registration: the majority of the population have a lack of financial and legal literacy, which leads to possible fines due to mistakes, for example while choosing a system of taxation, registration of a limited liability company, or registration as an individual entrepreneur - the choice of system of taxation is determined by the specifics of the activity; duration of official registration according to art. 8 Federal law No. 129-FL "about the official registration of legal entities and individual entrepreneurs" (Federal Law N 129-FL, 2001) should take 5 days, but in practice it may last anywhere from a week to a month. Another challenging legislation faced by entrepreneurs, is the Federal Law No. 128-FL "about licensing of separate kinds of activity" (Federal Law N 99-FL, 2011). In particular, a real time frame for licensing application and their average price is actually much higher than declared in the law. Often business faces the fact that the officials interpret existing legislation in their own way. So, building business involves from 200 to 350 permitting procedures, and in different regions the list of requirements for the same procedures are different. However, legislators today actively underline the need to reduce and simplify procedures for business.

Today, in most regions of Russia there is a situation which can be described as follows:

- There is no available information about resources, their availability, the terms and conditions of access to them - this is particularly true for start-ups. The lack of information reduces and limits competition and may cause making shadow agreements between entrepreneurs and general government.
- The complexity of the procedure of access to resources results in significant loss of time and money.
- Unwillingness of executive authorities to engage such assets as estate property in the economic turnover. Primary short term rental of premises and equipment is available.

Techniques and methods that government authorities use to influence market formation and the behavior of the small entrepreneurs often create new barriers to entry. Generally, we are talking about the decision of local authorities about providing various types of assistance: benefits, promotions, as well as exclusive rights to individual businesses. These measures escalates the state of competition and corrupt healthy look on business - attention is directed to the receipt of advantages due to adaptation to market conditions, personalisation of relations with the authorities occurs, which generates favourable conditions for abuses and corruption (ISRAS, 2018).

It is also worth noting that so far the bribe to officials (for example, in the building industry) is common practice and often the entrepreneur cannot receive the order, without returning from 10% to 50% of the amount to the official. Make a difference for the better is possible only by control and tough anti-corruption measures.

The project for regulation the activities of small and medium-sized businesses was approved by the Ministry of Economic Development. The project has the following objectives:

- To increase the turnover of entrepreneurial sector by 2.5 times since 2018 to 2030.
- To increase labor efficiency of small and medium business.

- To increase the share of employees in small and medium business up to 35%.

It is expected that this project allows raising the share of small and medium business in GDP at least by 1.5 times. At the moment, the number of small and medium enterprises in Russia is more than 5.5 million. The share of small and medium enterprises in the country's GDP - less than 20%, and the number of people employed by individual entrepreneurs - about 18 million.

To gain government support, it is necessary to prepare special documents, to understand which it is required to hire specialist. Such expenses can be too costly for entrepreneurs, and attempts to deal with all the documents for gaining state support independently can fail or be delayed indefinitely. This makes the receipt of subsidies and grants inaccessible for ordinary entrepreneurs. In addition, it is important to note the tax burden on small companies, especially after the introduction of additional taxes and trading fees. This innovation has led to the fact that many companies have suffered losses, but was still obliged to pay the turnover tax, which is not so significant when the year is profitable, but really significant when a company incurs losses. For comparison, in the United States there is more gentle tax regime, which allows company not to pay tax if it has no profits.

Speaking about the problems of entrepreneurial activity, it is worth noting that small companies lost the opportunity to take loans because banks stopped to disburse it without bail or on security of goods. Now it requires pledging a security of liquid assets (for example, apartment or car).

Government developed the strategy for small business planned to be implemented by 2030. Strategy-2030 is divided into three stages:

- The first stage (2016-2018) - during this period, government plans to remove restrictions and barriers restraining small business development. As for nearest changes, entrepreneurs will have preferential right to purchase leased property, which belongs to the government since July of 2018. Also, it is planned to introduce 3-year moratorium on scheduled inspections by regulatory authorities.

  However, despite these innovations, still there are factors that scare people away from entrepreneurship. Experts say that government on the one hand introduces incentives, but on the other hand - new types of encumbrances. So, simultaneously with the introduction of tax holidays, tax breaks on the property were abolished. If consider the statistics of court practices during this year, the result will be unfavourable. Now entrepreneurs have to pay tax arrears both from the company property, and from their personal assets.

  Reduction of the burden for small firms by expanding the number of industries eligible for incentives for contributions to non-budgetary funds would be a good measure. Now there are such benefits for companies that work in the IT or Research & Development sphere. Some producing units pay to these funds about 10-14%, while others - 30%. If this benefit will be available to all businesses, it is fair to assume that enterprises will come out of the shadow and the tax collection rate will increase. It is interesting to note that government developed legal framework, which allows regions to decrease the rate for companies using simplified tax system (ISRAS, 2018).

- The second stage of the strategy (2019-2025) - in this period growth of indicators of small and medium enterprises is expected. The third stage is planned for 2026-2030, the aim is to ensure and raise competitiveness of small businesses and allow its to lead in the world market, especially in high-tech industries. Corporation for development of small and medium-sized businesses is responsible for financing of this work.

The objectives of the development strategy for small and medium enterprises (SMEs) by 2030:

- turnover of SMEs: 2018 - 118%; 2030 - 250%;
- the share of employment in SMEs in total employment: 2018 - 27.3%; 2030 - 35%;
- the number of mobile outlets: 2018 - 200 thousand units; 2030 - 286 thousand units;
- the minimum share of SMEs participation in state procurement: 2018 - 25%; 2030 - 25%;
- the share of SME export in the total Russian export: 2018 - 7%; 2030 - 12%;
- the share of SME loans in total loan portfolio of legal entities: 2018 - 19%; 2030 - 23%;
- number of SMEs (including individual entrepreneurs) per 1000 of population: 2018 - 40 people; 2030 - 46 people;
- the share of citizens who plan to establish business in the next three years: 2018 - 7%; 2030 - 12.5%.

The need to support entrepreneurship in Russia identified a need for the mandatory provision of access for small and medium business to state procurement. Despite the overall economic slowdown, the number of bidders in state procurements is increasing. There are certain directives about the necessity of legal compliance on acquisition of goods and services of small and medium businesses. It is assumed that the mandatory quota of participation in state procurements will grow from 18% to 25% in two years.

Conclusion

Thus, it is necessary to improve state regulation and support the development of small and medium business in Russia. There is a need to reduce the time and cost of the various administrative procedures, develop business subsidies, adjust and improve the system of taxation, introduce a system of preferential rates, and also optimize the legislation in the field of entrepreneurial activity. These actions can help to improve the status of small and medium-sized businesses, as well as minimize the negative changes in the economy and stabilize business sector in Russia.

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Smart-tourism in the context of the public transport system development in places for interests

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Abstract

The Smart concept is used to describe modern processes in society and in many areas of activity. Smart tourism is a new approach, which is applied the relationship between tourists, their interests to the places of destinations, and all the elements of infrastructure with the help of ICT, which is targeted to collect and analyze big amount of data in order to develop the new level of value proposition for the tourists. Infrastructure of the big cities includes the system of public transportation, communality services, health and education, retail and integration of these systems for the improvement of quality of life for the city inhabitants, and visitors of different kinds. One of the main goals for the tourism development

Key words: Transport, Transport Infrastructure, Tourism, Smart Cities, Smart Tourism, Urban Development.

Tourism should become an important economic activity for local and regional development, which also allows for more effective interaction with and stimulation of various production sectors.This is due to the fact that tourism has a high ability to create and distribute the income in all the institutions that involved in the tourist business (Leiper, 1995). In recent years the concept "Smart" was expanded and even become the foundation for tourism, because it describes technological, economic and social developments fuelled by technologies that rely on big data, open data, new ways of connectivity and exchange of information, which is so important for the touristic flows, and for the promotion the attractiveness of placed of destinations.

To stimulate the development of tourism in a territory, there should be several elements such as appropriate infrastructure for visitors, different attractions, natural resources, local original products, branding of territories and so on. In this context, tourism, as well as other forms of economic, social and cultural activities, exists in an environment, composed by different players. One of the most important forces manifests itself through a complex network of policies, laws, regulations and other government actions (Kanitz et al., 2010).

Tourism might be a crutual in the development of the national and regional economy but it can put pressure also on more than 50 related industries, and on development of transport services and transport infrastructure.

Cities and regions have been facing the absoption of seasonal tourist flows while ensuring adequate transport network performance, and this situation is creatend the problem for the work and management of all the public institutions, and for city citizens as well. It impact on the decrease of the quality of live of the local residence, and because of that this problem should be solved at the level of country and/or city government. The fig.1 is illustrated the conflict between local residents and tourists, who are living or who are just visiting city.

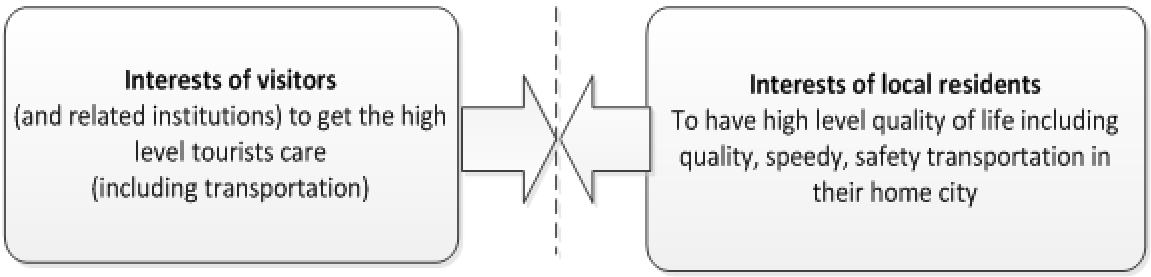

Fig. 1. Reasons for conflict between tourists and local residents in the city (Composed by authors)

From the tourists' point of view, transportation serves as a means of achieving the goal, therefore, the demand for transport is conditioned by the demand for tourist service. Local people at the same time want transport system and transport infrastructure, which give them satisfaction with it, because the growing number of tourists creates serious challenges in terms of transport infrastructure and capacity, border crossing, intermodality, information for travelers and inter-operability of technologies with tourism service providers.

The location, capacity, efficiency and connectivity of transport can therefore play a significant role in how a touristic destination develops.

Touristic journey is an experience, which consists of series impressions of the individual tourist. In conditions, where there is an increasing competition in the tourism market, and dissatisfaction with one part of the tourist experience may distract buyer (tourists) from the repurchase of the same products. Transportation might become a critical element of the overall satisfaction or dissatisfaction. If having in mind the fact that the time spent in vehicles often accounts for a significant portion of the total time spent on traveling, it can be easier to look at the role that transportation has in today's tourism. When it comes to city tourism, the factor of the convenience and accessibility of the transport system for moving around the city or the suburb could have the profound impact on the making decision about the desirable destination.

The transport infrastructure is a prerequisite for the development of transport and it impact on the development of tourism traffic, as well as satisfaction of both target audience of transport: visitors, and locals. Transport infrastructure in itself does not always mean the availability of adequate traffic directions, as it depends on the availability or organization of transport (Master Plan and Development Strategy of the Croatian Tourism, 2011).

The transport infrastructure are built for the needs of the whole economy and the population of a country, and as part of the tourism economic system, the development of transport infrastructure and transport as a whole should be taken into consideration needs of tourism. In areas where tourism is one of a header or the main economic activity, construction of transport infrastructure for the purposes of tourism, if it is economically and socially justified. (Horak, 2014). Moreover, in other regions where tourism is one of the economic activities, the developed transport infrastructure allows creating conditions for attracting and increasing the flow of tourists, preserving the quality of life of local residents.

There are several criteria that affect the choice of transport vehicle: (Bakan, R.)

- Destination type,
- Length of the journey,
- Mode of travel agencies,
- The level of available information,
- Access to Information,
- Existing opportunities in transport,
- The availability other modes of transport and information about them,
- Buying power of individuals,
- Price / cost of transport.

It is evident that approximately half of the criteria connected with the information about transport, that information can help individuals make the reasonable choice.

Vast amount of information is stored in the Internet and search engines are able to extract information from the Web based on the keywords issued by the users. Existing search engines are not able to provide a customized solution for the visitors or tourists, who wish to know the information related to transport facility, places of visit in a city, items for purchase, lodging and restaurant details, etc. in a city. Hence, an intelligent transport and tourism information system is essential for facilitating the tourists or visitors. This statement leads to the concept of smart cities and smart cities tourism.

The term has been added to cities (i.e., smart city) to describe efforts aimed at using technologies innovatively to achieve resource optimization, effective and fair governance, sustainability and quality of life (Gretzel et al., 2015). In connection with the physical infrastructure (for example, a smart house, an intelligent factory, an intelligent network, intelligent transportation), the emphasis is on blurring the lines between physical and digital technologies and integrating technologies (Hunter et al., 2015). Smart city initiatives are appearing around the world, focusing efforts on building smart infrastructure. Saunders and Baeck (2015) describe the pillars of smart cities as: (1) the collaborative economy (i.e., smarter ways of using city resources; (2) crowdsourcing (i.e., smarter ways to collect data); and, (3) collective intelligence (i.e., smarter ways to make decisions).

Google Trends shows a steep increase in searches for the terms “smart city” and “smart tourism” since 2014, indicating that there is growing interest in the phenomenon. Indeed, governments around the world are investing heavily in smart city projects and there is increasing interest in harnessing such investments for tourism purposes (Gretzel, Zhong, Koo, 2017). The development of smart-technology usage in public transport is one of the key aspects of the formation of smart-cities focused on attracting residents with substantial innovative and entrepreneurial potential.

Population growth, increase in the area of urban development will a priori create inconvenience for current residents. The only way to maintain comfort for the citizens, as well as attracting new residents of the highest innovative and entrepreneurial potential, including representatives of the creative class, is the development of a new type of facilities based on the use of smart-technologies that negate the problem of the high population size (Musatova et al., 2016).

In the context of tourism, smart technologies are changing consumer experiences and are generating creative tourism business models. Cloud computing, big data, mobile apps, location based services, geo-tag services, beacon technology, virtual reality, augmented reality, and SNSs (Social Networking Services) are all cutting-edge examples of smart technologies enhancing the tourism experiences and services (Wang et al., 2012).

From the business side, smart tourism allows us to use new ways of managing tourist flows, the best tourist services, new advertising models and new joint ventures, to which private companies and state organizations become participants. However, cities and their administrations should be prepared to take advantage of smart tourism and invest in infrastructure development.

On one hand, smart tourism refers to smart destinations (Buhalis and Amaranggana, 2014), which are special cases of smart cities: they apply smart city principles and infrastructure to urban or rural areas and not only harness big data from residents but also tourists in their efforts to support mobility, resource availability and allocation, sustainability and quality of life/visits.

On the other hand, smart tourism involves smart tourism experiences. Smart tourism allows tourists to better communicate and interact with and in cities to establish closer relationships with not only residents but also local businesses, local government and city attractions (Gretzel, Zhong, Koo, 2017). The flow of innovations associated with mobile applications, software and the development of the availability of new products means that the smart community can respond quickly and effectively to the needs of tourism, and to anticipate the expectations of tourists.

The application of smart tourism specifically to big cities makes a lot of sense requiring the needs for infrastructure and high concentration of other resources. The density in urban business environments facilitates the extensive coordination and collaborations needed across different industry and government players described by Gretzel et al. (2015).

For example, free Wi-Fi offered by many cities for tourists and local residents might serve as a clear sign of popular tourism precincts. Most importantly, cities can serve as testbeds for smart tourism efforts before rolling them out on a larger scale. City tourism itself is experiencing unprecedented highs and continuing growth potential.

Taking into consideration the tendency towards shorter trips and event tourism (cultural, sports, political) cities emerge as the ideal destinations that can offer great experiences to the increasingly demanding travelers with many information, transportation and other kind of needs.

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The Co-Relation of Rapidly Developing Hotel Technologies, Customer Satisfaction and Employee Retention as the Main Dilemma of the Experience Economy and the Hotel Business in 2018

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Abstract

The approach taken in this study was to conduct a preliminary analysis of the development of new technologies in hotel and travel industry as well as to find the co-relation of technologies with the hotel external image on the market, expectations and changing consumer behavior of clients as well as employee retention, loyalty and motivation. As an impending result of the study, a dilemma was discovered stressing the importance of new technologies and their positive and negative impacts on the services triangle model. In summary, further cross-country multi-step research is planned.

Key words: gamification, practice, focus-group, motivation, game, gamification experience.

Introduction

The hotel industry is often accused of being outdated and not following the technology pace of other business such as banking. This is not so. In fact, the development of the hotel business is following the same pace of development of our society and the change of the consumer behavior and in many ways, it outperforms the other industries that were originally more prone to the development of new technologies leaving aside so-called "traditional" lodging facilities. Hence, the main challenge and the object of further academic research that will be undertaken by the Plekhanov University's Hospitality, Tourism and Sports Department in the nearest future is the dynamic context of the hotel business in which high demand of hi tech motivated and knowledgeable clients meets the supply of the newly designed hotels, and where employees are trained excessively in order to make their routine tasks more easier and less time consuming contributing to the increased levels of customer satisfaction.

Information Sources Review

We shall begin our article with a brief of consideration of recent trends that hotel industry faces nowadays, and other important questions such as the co-relation of technologies, customer satisfaction, and, occasionally, employee retention will be elucidated below.

It is our persuasion based on our studies in the past [4; 7; 8] that the hotels have to develop so fast in terms of their physical facilities and technologies just to remain competitive. The analysis of modern economic development has shown that the competition in the sphere of hotel business is severe, the demand for hotel services of high quality becomes even higher, and under these conditions, the management of hotel facilities plays an important role in maintaining its high efficiency, competitiveness and a good reputation on the market of hotel services. In the current situation, the hotel management should make strategic and tactical decisions which are science-based and implementable. The market conditions in the sphere of hotel business are becoming more challenging [6]. These conditions determine the relevancy and significance of scientific research directed at elaborating the theory and methodology of efficient hotel management and marketing.

Just to contrast the standards of 10 years ago when WiFi was considered as an value added benefit at the hotel, with "Smart hotel room", connected through the interface with Fidelio front office, integrated with Cisco Systems technologies based on Nevotek VIP Suite and Cisco BBSM that totally manages the registration of guests, mini-bar, telephone communication, Internet access etc. Indeed using Cisco network solutions, the hospitality industry can meet the personal preferences of each customer, greatly simplifying operational processes.

At the Phocuswright Conference [13], a travel industry meeting recently held in Fort Lauderdale, Florida, USA, block chain and artificial intelligence were touted as the flying cars and robot maids of the future. However, the present looked alluring, too, with attention heaped on alternative lodging, and tourism industry. The annual event, now in its 24th year, explored the innovations and interests helping to expand the travel universe. Among the forward-thinkers there were some of the biggest names in travel (Priceline, Kayak, Google and TripAdvisor, among others), as well as many start-ups (Beachy, TWIP, Luxtripper) wishing upon a star to become the next Airbnb or Uber.

We can sum up the new trends as follows:

1. Online booking sites are expanding into tours and excursions. Now all of the big players – Airbnb, Expedia, TripAdvisor, Booking.com and others – are investing heavily in the space proving the hypothesis that the clients are not satisfied with simple booking of hotel room, they are looking for new experience and for a complete package comprising the intangible emotions that they would like to get out of their unique travel. The clients possess scarce time resources, and go online not only not to merely save time, or the only true luxury asset of our consumer society but they look for adapted web sites of hotel groups and also go online to book a full range of intangible services using the online booking platforms for their user-friendly extended content and flexible pricing strategies.
2. Major hotel booking sites are adding alternative lodgings, such as private accommodations, hostels and B&Bs, to their traditional properties. "More and more travelers are less concerned with hotels vs. homes vs. hostels and more concerned with location, price and quality," Quinby said. Searches on Expedia, Booking.com and Tripping.com result in a grab bag of possibilities, and Trivago recently started featuring HomeAway vacation rentals.
3. The hotel groups and travel companies are looking at China as the key feeder market for many hotel groups. However, the travel companies don't want to just penetrate this emerging market; they want to adopt the country's progressive mobile practices. "China is far ahead of the rest of the world in mobile travel trends," Quinby said. Chinese travelers research and book trips on their phones, he said, and "the apps, payment services and other features are more advanced and widely accepted".
4. Therefore, the next to follow is the hi tech loyalty programs the hotel groups aim to adopt worldwide in order to meet the demand of their new technology experts, the highly demanding clients, let them be the clients from the new geographical markets such as China or younger generation with a different attitude towards consumption of goods and services alike [10].

For example, the luxury hotel groups have to maintain the high RevPar and ADR as well as occupancy levels keeping in line with the younger clients as their target markets, the children and grandchildren of the completely different elder generation the luxury groups used to work with before. The elder generation was far more conservative, followed the traditional booking patterns of hotels, paid a lot of attention to many details and did not jump at the choice of the hotel brand. However, once the choice was made it was a choice of a certain hotel group that lasted a lifetime, the Four Seasons or Ritz Carlton did not steal a lot of business from each other in fact. Thus, keeping the brand loyalty and raising up your new clients is not such an easy task, as it might seem nowadays [9].

At this stress level, millennials born between 1980 and 2000 is one of the largest generation in history of marketing that is about to move into its prime spending years. Millennials are poised to reshape the economy; their unique experience will change the ways the customers buy and sell, as well as in the hotel business. Millennials' affinity for technologies is reshaping the retail space for goods and services alike [2; 5]. With product information, reviews, and price and hotel rate comparisons at their fingertips, millennials are turning to those brands including the hotel ones that can offer maximum convenience.

Hotels are trying to woo travelers away from online travel agencies and toward loyalty programs. To entice guests, they are dangling discounted rates and such benefits as free WiFi. The courting must be working: the number of U.S. hotel guests who belong to a frequent-stay program jumped from 37 percent two years ago to 63 percent, according to Phocuswright. However since millennials are playing a crucial role now in defining the global hotel business development strategies, the managers of loyalty programs of all hotel groups including marketing associations and soft brands are paying tribute to new technologies.

Research Methods

The research objective is people, the traditional hotel service model of a perfect equilateral triangle where all sides no matter if it is a "hotel to customer", "employee to the customer", or "hotel relating to its employees" are of the equal length and importance in order to achieve the excellent business performance results.

With a view to fulfill the research objective, the authors consistently resolve the following main tasks in the course of research:

- examination of existing theoretical framework in the field of hotel services competitiveness;
- study of modern hotel technologies;
- analysis of factors impacting perception and assessment of hotel services by the consumer;
- elaboration of proposals on resolving a latent contradiction between rapidly

developing hotel technologies, customer satisfaction and employee retention.

In the research process, the authors used the following methods: general theoretic (analysis and synthesis, comparison, complex approach), specific scientific (collection and analysis of primary and secondary information, observation, comparative analysis) methods.

Results and Discussion

To look at the loyalty program with regards to the technology development with the standpoint of the hotel company, we touch on Preferred Hotels & Resorts in this article.

Preferred Hotels & Resorts is the world's largest independent hotel brand, sometimes referred to as "soft brand" as opposed to hard brands like Marriott, Hilton, IHG etc. representing more than 650 distinctive hotels, resorts, residences, and unique hotel groups across 85 countries. Through its five global collections, Preferred Hotels & Resorts connects discerning travelers to the singular luxury hospitality experience that meets their life and style preferences for each occasion.

Every property within the portfolio maintains the high quality standards and unparalleled service levels required by the Preferred Hotels & Resorts Integrated Quality Assurance Program. The iPrefer™ hotel rewards program, Preferred Residences?, Preferred Family?, Preferred Pride, and Preferred Golf™ offer valuable benefits for travelers seeking a unique experience. The iPrefer offers the benefits of a robust points-based loyalty program with access to endless authentic travel experiences that suit every travel need or desire.

Complimentary to join, iPrefer rewards loyal travelers with points that can be exchanged for Reward Certificates redeemable towards free nights and other on-property expenditures. In addition to receiving 10 points for every US$1 spent on net room reservations booked through eligible channels, members receive additional benefits based on their tier status - Insider and Elite - such as priority early check-in/late check-out, room upgrade based on availability, and complimentary Internet. To date, more than 1.8 million travelers have enrolled in iPrefer.

In response to consumers' increasing desires to manage travel plans directly from their smartphones and take the advantage of technologies appealing to the millennials and make sure they are getting the best deal while doing so - Preferred Hotels & Resorts launched a mobile app and member rate program as early as in April 2017 as major enhancements to its points-based hotel rewards program, iPrefer. In celebration of iPrefer and the pursuit of independent travel, Preferred Hotels & Resorts gifted 25,000 bonus points to iPrefer members who made a booking within the app by April 21, 2017.

"The new mobile app and member rate program are designed to better connect today's travelers with the unique appeal of the independent hotel experience through a seamless loyalty program that delivers exclusive, on-the-go access to an attractive rate, points, and valuable on-property perks," said Casey Ueberroth, Chief Marketing Officer, Preferred Hotels & Resorts. "These enhancements are a testament to our continuous commitment to making iPrefer the most compelling loyalty program for independent-minded travelers" [11].

According to a 2016 study conducted by Google in regards to how people use their phones for travel, 60% of smartphone users stated they prefer using a mobile app versus a desktop to manage their loyalty program activities, and 41% prefer using an app to book their hotel accommodations. Catering directly to this growing preference for on-the-go travel planning, the iPrefer mobile app is designed to provide time-saving, value-rich functionality that will enhance the overall iPrefer experience - before, during, and after every stay.

Through the app, which was built in collaboration with American Express, members can search and book stays at more than 600 iPrefer participating hotels worldwide, access exclusive offers such as member rates and the iPrefer Last-Minute Escapes, update their profiles, view past/upcoming stay history and related points earnings, and immediately access and redeem Reward Certificates. iPrefer members using the app will also receive push notifications regarding special offers, and American Express cardholders will have the ability to enjoy an expedited process through American Express Checkout. Preferred Hotels & Resorts also introduced enhanced features for the application such as a concierge chat service that allows guests to communicate directly with the hotel or the ability for travelers to reserve services such as spa treatments that can be purchased using Reward Certificates.

The iPrefer app is available for iOS and Android devices in the Apple App Store and Google Play.

The Simplexity travel company, which is one of the leading travel management companies in the UK, made the travel trends in 2018 as the focal point of their research. From the very start, it is necessary to point out that the technological development is in the core essence of all novelties concerning the tourism industry starting from sustainable to immersive travel which is impacting the hotel business in its turn [12].

Surprisingly enough, the luxury hotel brands and companies were a way behind the business class hotels following the technological development of the industry. However nowadays they are more like pioneers and market and product developers launching the new technologies matching the changing needs of their affluent customers as well as those from different countries and of younger generation. We, thus, arrive at the following observation of the published Simplexity research.

The United Nations declared 2017 the Year of Sustainable Tourism and finally seeing the concept go from theoretical to legitimate practice, especially luxury properties and operators around the world adopt interesting ways to implement its recommendations based on the three pillars of sustainable tourism and environmentally friendly operations - reduce, reuse and recycle; and support for the protection of natural and cultural heritage and social and economic benefits to local communities.

With 2017 being the year of experiential travel, connecting closely with the country or destination, 2018 will see this taken a step further with many pushing to achieve a lifelong goal or travelling to find themselves as the achievement travel, and new Internet technologies and applications connecting the hotel and travel partners alike technologies will help to discover new routes and destinations including those which previously were not considered safe for individual travel.

Immersive experiences not found in a guidebook or brochure, opportunities to meet locals, wandering neighborhoods and making spontaneous discoveries are the best ways to experience a destination. The immersive experience is not complete with full set of technologies and hand on devises that will make a life of the traveler full of emotions and new experiences. Years ago Baglioni hotels were the first ones to offer a multilingual speaking tablet as the wine sommelier at their hotel restaurants in Europe, nowadays it is widely employed by different hotel and restaurant groups and is considered rather as a must have.

Some suggestive points emerge from an analysis of the hotel reports of employee retention and satisfaction. At one hand, the employees need to undergo through ongoing trainings to cope with new elaborated technologies. At another hand the employees experience a certain degree of stress since technologies in the end might potentially reduce the number of hotel staff required for day-to-day operations.

It enables us to draw a conclusion that what the hotel business is undergoing now in terms of new technologies developing very fast, dates back to the Industrial Revolution, in modern history, or to the process of change from an agrarian and handicraft economy to one dominated by industry and machine manufacturing.

This process began in Britain in the 18th century and from there spread to other parts of the world. Although used earlier by French writers, the term Industrial Revolution was first popularized by the English economic historian

Arnold Toynbee (1852-83) to describe Britain's economic development from 1760 to 1840.

In fact the hotel employees might show the same resentment and absenteeism in the similar way with the Luddites, a group of English textile workers and weavers in the 19th century who destroyed weaving machinery as a form of protest and eared that the time spent learning the skills of their craft would go to waste as machines would replace their role in the industry.

Therefore, the hotel leaders and managers are always under pressure having the employees and peers on one side and the owners of business and investors on the other. They have to make business-like decisions quite fast and should become real agents of change implementing new technologies, motivating the staff and keeping on the hotel board those who learn a lot and are open to the rapidly changing hotel environment and customer demands.

Back in 1990s Lee Cockerell, the former Vice President of Operations of Walt Disney Resorts wrote in his book on the leadership that one has to value him/herself as well as the competences of the subordinates and peers based on the following criteria [1]:

- Technical competence (are you refining and expanding your skill base?)
- Management competence (are you regularly upgrading your ability to control and organize the environment for maximum efficiency?)
- Technological competence (are you keeping up-to-date on ways to adapt technology to do your job faster and cheaper or to improve customer and employee satisfaction?)
- Leadership competence (are you continuing to learn more about the fine art of leading others?).

It is taken for granted that a company that identifies, develops, or acquires unique assets with which to build valuable products may create a long lasting competitive advantage. As early as in 1990 long before the boom of technologies in the hotel and travel industry Prahalad and Hamel wrote an award-winning article on the core competence of any business for the Harvard Business Review and on how industries will develop in the future. The authors encouraged all managers to ask fundamental questions such as [3]:

- What value we deliver to our customers in, say, 10 years?
- What new "competences" (a combination of skills and technologies), will need to develop or obtain to provide that value?
- What are the implications with regard to how we interact with our customers?

Conclusion

And overall, the role of the leaders and employees in the hotel business become more crucial than ever – they are in charge of customer satisfaction, hence if the employees are not motivated and leaders do not possess strategic vision on core competences and technologies it will lead to the failure of the service triangle model (fig. 1).

Fig. 1. The Service Marketing Triangle (composed by authors)

To conclude at this stage, we hope that some aspects of this present analytical study will help to better understand the co-relation of technologies and hotel business development strategies in all fields of hotel business. We insist on going into a more detailed study making the cross-country research analyzing the impact of the new trends and technologies in the hotel business and its drastic influence on the consumer behavior, employee retention and training as well as image and perception of hotel groups by different target markets worldwide.

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Journal
Cultural Heritage
&
Tourist Territory

The role of inbound tourism as export-capable sector

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Abstract

The Latvian economy is characterized by a small number of export-capable sectors. The improvement of people's well-being can be ensured by raising capital investment in export-capable manufacturing and service sectors. The promotion of inbound tourism can enhance one nation's visibility or profile worldwide, and bring foreign exchange and economic growth to the local economy. Tourism directly contributes 4,1% to Latvia's total GDP at present, compared to the average world's level that equal to 10.2% of the world's GDP. The task of the research is to analyze tourism as an export category in the context of Latvian economy, to work out the conceptual research framework for future investigation of promotion activities to develop the inbound tourism in Latvia.

Keywords: Competitive advantage, comparative advantage, export-capable sector, inbound tourism

Introduction

The Latvian economy is characterised by a small number of export-capable sectors. This renders the Latvian economy particularly sensitive to any changes in the external environment, does not provide the necessary stability and sustainability, and prevents the maximum potential of the national economy from being reached. The improvement of people's well-being can be ensured by raising capital investment in export-capable manufacturing and service sectors

(NDP 2014-2020).

Due to the tourism sector as part of the national economy, judging in macro-economic terms, expenditure by international visitors counts as exports for the destination country, and as imports for the country of residence of the visitor. For many countries inbound tourism is an important contributor to the economy (UNWTO, 2017).

Latvian Tourism Development Guidelines 2014-2020 highlight: "To ensure sustainable growth of the Latvian tourism sector by increasing the international competitiveness of tourism services in export markets in ways which:

- meet the criteria for sustainable tourism product development;
- increase international tourist arrivals;
- reduce seasonal imbalance in tourism flows;
- extend the average length of stay" (Silovs, 2017).

The task of the research is to analyze tourism as an export category in the context of the Latvian economy, to work out the conceptual research framework for future investigation of promotion activities to develop the inbound tourism in Latvia. The research methodology is based on the systematic review of different literature sources (overview, rapid review), case studies and identification and analysis of main elements of economic and business environment. Here introduce the paper, and put a list of abbreviations if necessary.

The World tourism statistics

Over the past decades international tourism has experienced continued expansion, becoming one of the largest and fastest-growing economic sectors worldwide. Despite the uncertain global economic outlook and terrorism risks, the number of international tourists has shown a virtually uninterrupted growth from 25 million arrivals in 1950 to 528 million in 1995, reaching a total of 1,235 million in 2016 (UNWTO, 2017). The Report of World Travel and Tourism Council highlights Travel & Tourism as a key sector for economic development and job creation throughout the world. For example, in 2016, Travel & Tourism directly contributed US$2.3 trillion and 109 million jobs worldwide. This was equal to 10.2% of the world's GDP, and approximately 1 in 10 of all jobs. Travel & Tourism's impact includes people travelling for both leisure and business, domestically and internationally (World Travel and Tourism Council, 2017). Travel & Tourism's direct contribution to GDP grew by 3.1% in 2016. This was faster than the global economy as a whole (grew at 2.5%). The direct contribution of Travel & Tourism to employment grew by 1.8% in 2016 meaning almost 2 million net additional jobs were generated directly by the sector, and a total of around 6 million new jobs created as a result of total direct, indirect and induced activity (World Travel and Tourism Council, 2017). Travel & Tourism's direct contribution to GDP is expected to grow at an average of 3.9% per year over the next ten years. By 2027, Travel & Tourism is expected to support more than 380 million jobs globally, which equates to 1 in 9 of all jobs in the world and the sector is expected to contribute around 23% of total global net job creation over the next decade. Meanwhile, total Travel & Tourism GDP is expected to account for 11.4% of global GDP and global visitor exports are expected to account for 7.1% of total global exports. (World Travel and Tourism Council, 2017).

According to Tourism Towards 2030, the number of international tourist arrivals worldwide is expected to increase by an average of 3.3% a year over the period to 2030. In absolute numbers, international tourist arrivals will increase by some 43 million a year, compared with an average increase of 28 million a year during the period 1995 to 2010. At the projected rate of growth, international tourist arrivals worldwide are expected to reach 1.4 billion by 2020, and 1.8 billion by the year 2030. International tourist arrivals in the emerging economy destinations of Asia, Latin America, Central and Eastern Europe, Eastern Mediterranean Europe, the Middle East and Africa will grow at double the rate (+4.4% a year) of that in advanced economy destinations (+2.2% a year). As a result, the number of arrivals in emerging economies is expected to exceed those in advanced economies before 2020. By 2030, 57% of international arrivals will be in emerging economy destinations (versus 30% in 1980) and 43% in advanced economy destinations (versus 70% in 1980) (UNWTO, 2017).

Travel and Tourism Sector of Latvia

The Travel & Tourism Competitiveness Report 2017 contains detailed profiles for each of the 136 economies featured in the study, Travel & Tourism Competitiveness Index ranks Latvia into 54 place, with rank score 3.97 and -1 change since 2015. The some of the pillar rankings:

Tourist Service Infrastructure - the 48th place with score 4.64; Cultural Resources and Business Travel - the 98th place with score 1.41 (World Economic Forum, 2017).

Tourism in terms of export:

- tourism directly contributes 4,1% to Latvia's total GDP;
- tourism exports generated EUR 783 million in 2016, representing 6% of total exports and 18% of services export
- tourism employment with induced industries of Latvia contributes 9% to total employment, providing 79 thousand jobs in tourism;

- largest tourism markets for Latvia are Russia (208 800), Germany (187 800), Lithuania (158 800) and Estonia (145 300) together constituting 45% of foreign tourists 90% of tourist expenditure in Latvia constitutes accommodation, dining and shopping;
- highest spenders are the Scandinavians (Silovs, 2017).

As an important tool for illustration of the current situation in tourism industry of Latvia could be Collection of Statistics 2017 of Central Statistical bureau of Latvia. Number of persons crossing the country's border in 2016, data on the hotels activities, other tourist accommodation establishments, tourism companies are presented in this article.

Table 1. Operations of tourism companies of Latvia (thsd)

Year	Number of travelers served	of which	
		Incoming travelers	Outgoing travelers
2014	683 609	144 985	433 549
2015	518 764	103 827	343 634
2016	464 584	122 987	290 987

Table 1 presents data about operations of tourism companies of Latvia. Number of outgoing travelers exceeds more than twice the number of incoming travelers in 2016 this circumstance could be the purpose of further research.

Central Statistical bureau of Latvia has obtained information on non-resident travelers touring Latvia by surveying persons crossing the border. Table 2, Table 3, Table 4 analyses the following indicators: during the survey: age and sex of the travelers; country of residence of the international visitors; purpose of the trip; length of the stay.

Table 2. Overnight travelers by country of residence (thsd)

	2014	2015	2016
Total	1843,4	2023,5	1793,3
United Kingdom	65,1	112,4	117,9
Belgium	26,2	39,2	25,7
Czech Republic	16,4	21,6	16,5
Estonia	180,7	283,3	263,4
Ireland	23,6	17,9	29,1
Russia	347,6	279,1	222,4
Lithuania	265,5	345,6	374,8
Poland	45,7	50,3	54,6
Germany	168,3	181,6	193,7
Sweden	161,8	116,4	73,3

According the data of Table 2 largest tourism markets for Latvia are Russia, Germany, Lithuania and Estonia together constituting 45% of foreign tourists.

Table 3. Travelers by purpose of trip 2016 (thsd)

	Number of border crossings	Of which	
		Same-day travelers	Overnight travelers
Total	6797,0	5003,7	1793,3
Tourism	3530,8	1962,9	1567,9
recreation	1827,1	1072,0	755,1
visiting friends or relatives	1020,1	551,5	468,6
business	683,6	339,4	344,2
Other purpose	3266,2	3040,8	225,4
Transit	2107,6	2107,6	---

Main purpose of travelers in Latvia is recreation (Table 3). Business tourism is in the 3rd place, it is the opportunity for tourism companies to develop this sector.

Table 4. Overnight travelers by age group (%)

	2014	2015	2016
Total	100	100	100
15-24	9,9	10,0	13,5
25-44	52,4	53,2	52,6
45-64	33,5	32,6	29,2
65+	4,2	4,2	4,7

Table 4 provides information about travelers by age group. It is necessary to further develop tourism for young visitors as well as to investigate the interests of 45-65 age group searching for suitable tourism products in Latvia for them.

Table 5. Overnight travelers average length of stay by tape of accommodation (nights)

	2014	2015	2016
Total	4,2	4,0	4,8
Hotel, motel	2,9	2,9	3,2
Camping ground, tourist center	3,2	3,2	3,4
Private	6,7	6,2	7,4
Other type of accommodation	2,5	2,6	4,1

Table 6 presents data on accommodation establishments that are obtained by surveying provided by Central Statistical bureau of Latvia of economically active individual merchants and commercial companies that provide accommodation services of hotels.

Table 6. Hotels occupancy rates (%)

	Room occupancy rate		Bed occupancy rate	
	in Latvia	in Riga	in Latvia	in Riga
2014	46,5	55,6	40,9	49,8
2015	44,1	55,4	37,7	48,4
2016	44,0	55,0	38,4	49,4

According the data of Table 5 and Table 6 it would be worth to look for qualitative criteria that are consistent with quantitative calculations reflected in the mentioned tables.

Literature Review

Over the last decades of the 20th century, Michael Porter, one of the most important management theorists, put forward the concept of competitive advantage (Porter, 1990), he combined the main theories of competitive strategy and international economics in order to analyze the factors of the global performances of nations and the international patterns of competitive advantages, he identified four determinants of national competitive advantages:

- factor conditions (the nation's position in factors of production, in particular, skilled labor and infrastructures);
- home demand conditions (domestic demand for different products);
- related and supporting industries (he presence or absence in the nation of industries that facilitate innovation);
- company strategy, structure and rivalry (the conditions governing how companies are created, organized and managed, as well as the nature of domestic rivalry).

In connection with Porter's theory, a country has a competitive advantage in tourism services when it is able to produce them at a lower opportunity cost than other countries. This advantage can be due to the relative abundance of a destination's factor endowments (natural, historical and cultural resources), different countries' technologies and productivities, or other factors. The presence of a competitive advantage gives a country the ability to sell tourism services on international markets at a lower price than its competitors and realize stronger revenues. When countries specialize according to their competitive advantages they can compete successfully in international export markets, raise profits and support job creation (Algieri et.al. 2018). Therefore, "... a destination is competitive if it can attract and satisfy potential tourists and this competitiveness is determined both by tourism-specific factors and by a much wider range of factors that influence the tourism service providers"

(Enright & Newton, 2004, p. 778). Here it is necessary to mention comparative advantage - is a potential advantage, i.e. a country is potentially better suited for production of one good or service than another good or service, but it should exploit its advantage to become competitive. If countries specialize according to their competitive advantages, then they grow in competitiveness and gain from trade. Comparative and competitive advantages hence coincide only when competitive advantages are fully exploited (Algieri et.al. 2018). Conversely, it is possible that a country has a potential comparative advantage, but it is not exploited because either infrastructure deficiencies or skill shortages or other policy choices make the sector overlooked. Similarly, competitive advantages can be created or, at the very least, raised significantly without having comparative advantages. This is the case of Las Vegas that overcame the natural and environmental obstacles of desert and has ranked among the top tourist destinations (Algieri et.al. 2018).

From the terminological view point:

- comparative advantage can be viewed as a relative concept, i.e. a country is relatively better suited for the production of certain goods than others, comparative advantage depends on relative inter-country differences in real production costs;
- competitive advantage is an absolute concept related to the absolute inter-country differences in the prices of factors of production (e.g. the price of labor) and the real exchange rates (Algieri et.al. 2018).

To investigate competitive advantages in tourism sector of EU-28 countries, Algieri et.al. 2018 develop an extended version of the Balassa index to account for tourism specificities. The Balassa index is a traditional measure of comparative or competitive advantages computed using export flows. The research results are reflected in the Table7. Countries can be grouped divided according to these coefficients as:

Class a: 0 < EByi ? 1 competitive disadvantage;

Class b: 1 < EByi ? 2 weak competitive advantage;

Class c: 2 < EByi ? 4 medium competitive advantage;

Class d: …EByi > 4 strong competitive advantage.

In order to analyze the sources of competitive advantages in tourism, authors of research estimated a dynamic panel data model for the EU-28 countries over the period 2000-2013 using both the original and the extended Balassa indices as dependent variables. It is formally expressed as formula (1):

$lnEB_{it} = \alpha_i + \delta lneb_{i,t-1} + \beta' lnx_{it} + \gamma lnY_{it} + e_{it}$, where:

ln denotes natural logarithms,

EB_{it} stands for the values of the extended Balassa index computed for country i during the period of analysis t.

α is the specific intercept,

X_{it} vector includes the traditional explanatory variables regarding a country's competitive advantage,

Y_{it} vector comprises additional control variables,

e_{it} is the error term

In accordance with the theory of competitive advantages, the X vector includes the overall efficiency of countries and a number of explanatory variables related to the theory.

The UNESCO rate as an indicator of cultural and historical attractiveness of travel destinations is used in the research (Algieri et.al. 2018).

The following other indicators have been taken into account:

- a dummy variable for ancient historical heritage
- a dummy variable for Eastern Europe
- the market integration - given by FDI intensity as percentage of GDP - to mirror the multinational component;
- the average hotel size - given by the ratio between the total number of bed-places and the total number of hotels and other holiday accommodations to account for firm-level scale-economies.
- the robbery rate - expressed as the number of robbery crimes per 100,000 inhabitants - as a proxy of social order;
- the airport rate - expressed as the number of airports (with more than 15,000 passenger movements per year) per total land area in squared kilometers- as a proxy of infrastructures (Algieri et.al. 2018).

Table 7. Competitive advantages according to the extended Balassa Index - EB. Mean values, 2000-2013 (Source: Algieri et.al. 2018).

Austria 1.516	Estonia 1.868	Italy 1.462	Portugal 3.011 Romania
Belgium 0.594	Finland 0.612	Latvia 0.881	1.013 Slovakia 1.246
Bulgaria 2.240	France 1.356	Lithuania 1.314	Slovenia 1.931
Croatia 8.854	Germany 0.340	Luxembourg 0.862	Spain 3.743
Cyprus 2.652	Greece 5.305	Malta 3.170	Sweden 0 .546
Czech Rep. 1.704	Hungary 1.940	Netherlands 0.533	UK 0.586
Denmark 0.604	Ireland 0.582	Poland 1.27	

According to the extended Balassa Index mean values, 2000–2013, the score of Latvia 0.881 is ranking the country into class a: $0 < EByi \leq 1$, that means competitive disadvantage.

The next source of literature provided by Shi in 2012 shows in detail case of a non-tourism-oriented country like Australia, inbound tourism directly accounted for 3.6% of total GDP, 10.1% of total exports, and 4.7% of total employment. As international tourism has a positive effect on long-run economic growth (Brida et al., 2010; Kim et al., 2006), the Federal Government of Australia has been directly involved in the marketing of tourism, providing 70% of the funding for the promotion activities of the Australian National Travel Association. Government intervention, however, can overcome market failure and has been proven to be an effective way to highlight the main attractions of a location and draw more tourists. Some special events, such as athletic, cultural, or festive gatherings, may play an important role in attracting visitors to a destination. Many such events may be initially regarded as a one-time endeavor, but then subsequently evolve into annual events and become a famous brand (Shi, 2012).

The relationship between tourism and the rest of the economy is analyzed in the article of Shi in 2012, the efficiency of tax-funded promotion of inbound tourism is in a general equilibrium framework. The results of the research show that promotion of inbound tourism is not welfare-improving unless the degree of increasing returns in the tourism production is high enough and the national income of the foreign country multiplied by the parameter of marketing effectiveness is larger than the national income of the home country. If the tourism industry is successful in lobbying the government to fund international marketing campaign, foreigners' preference for tourism goods and services will change. Due to an increasing demand brought by the tourism promotion, individual firms may earn profit in the short run (Shi, 2012).

The basics of conceptual framework for future research

Fig. 1. presents the basics of conceptual framework for future research of the ways for development of Latvian tourism as export-capable sector according the Guidelines of tourism industry development 2014-2020, which predicts to ensure sustainable growth of the Latvian tourism sector by increasing the international competitiveness of tourism services in export markets in ways which:

- meet the criteria for sustainable tourism product development;
- increase international tourist arrivals ;
- reduce seasonal imbalance in tourism flows;
- extend the average length of stay;

- high added value;
- cooperation within competition.

1. An analysis of competitors and comparative advantages of the tourism market of Latvia
2. Market analysis with the purpose of finding competitive advantages in the form of competitive market segments
3. Reasearch on opportunities of creation sustainable, innovative, export oriented, high quality, high level of tourist involvement, high added value inbound tourism products
4. The research of necessary governmrnt intervention and support to promote development of inbound tourism as export-capable sector

Fig. 1. Basics of the conceptual framework for future research

The study could be a starting point for further research and marketing activities.

Conclusions

As the Latvian economy is characterised by a small number of export-capable sectors and this renders the Latvian economy particularly sensitive to any changes in the external environment, and does not provide the necessary stability and sustainability, it would be important to study the perspective of Latvian tourism as the export-capable sector. Although the research results of Algieri et.al. 2018 shows that the score of the extended Balassa Index ranked Latvia into class a, that means competitive disadvantage, it is possible that a country has a potential comparative advantage, but it is not exploited because either infrastructure deficiencies or skill shortages or other policy choices make the sector overlooked. Further research and promotion of marketing activities is needed.

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The improvement of hotel sales in the modern conditions of the growing competition

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Abstract

This work is devoted to the study of modern ways to improve sales of hotel services. The relevance of the topic of research is determined by the importance of improving the work of hotel enterprises, which play a significant role in the formation of GDP from the tourism industry of the country as a whole. In this regard, there is a need for continuous development of methods of sales of hotel services to meet the needs of guests, improve professionalism and efficiency and the growth of profitability of the hotel business. This paper describes modern ways of stimulation the sales with a client-oriented attitude.

Keywords: sales promotion, personalized service, chat-bot, loyalty program, website optimization, pricing, crypto currency.

Introduction

The hotel business plays a significant role in the tourism market. Promotion of sales of hotel services affects both the economic development of the individual country and the improvement of the quality of life. The development of strategic sales planning in the hotel segment leads to a quantitative and qualitative growth of profits and customer loyalty.

The creation of an effective scheme for promoting the hotel product depends on the range of services provided, methods of promotion, level of service, modern presentation of the services offered and ways of communication with the guest.

Organization of promotion of hotel services should be based on a specific individual strategy which meets modern requirements in customer service and the latest trends in the tourism business.

The object of future research is a hotel enterprise, Hotel Sretenskaya, with all the complexity of logistics management processes, being inherently a service enterprise. Respectively, the subject of the research is the methods of sales of hotel services.

The goal of this research paper is to develop recommendations for the improvement of hotel sales with the help of modern digital technologies.

Statistical and comparative research method, method of system and logical analysis, synthesis will be used to create relevant recommendations that are appropriate to apply in practice.

The practical significance of the study is to develop a set of recommendations to improve the sales of the hotel's internal product and the level of service, which will allow the hotels to run business more cost-effectively.

Modern methods of hotel product promotion in the tourist market

In the modern conditions of the growing competition, the main aim of each hotel is to attract customers.

The most effective way to increase the audience, promote sales is advertising. Advertising of hotel services acts as a communication tool that tries to assure the consumer about the need for this product or service, and advertising tools help to facilitate this process. The means of advertising should provide 5 stages of advertising impact on the consumer: attention, interest, awareness of the need , desire to buy a product/service, making a purchase.

Today the hotel promotion options should include print, television and Internet advertising. The most popular online services for the promotion of hotels and their services are Tripadvisor and Tophotels.ru .With the help of these sites it is possible to change the strategy of hotel promotion and attract new clients according to changing preferences of guests and trends in tourism. By the way, according to Tripadvisor website Analytics, 79% of guests claim that they trust online reviews as their own recommendations, and 46% of travelers read reviews before booking a hotel.

It is also important to take into account that additional SEO-promotion of the hotel website will increase its position in search queries. Site optimization will allow to attract more targeted visitors. When searching for the desired hotel option, the user pays attention to the first 10 search results. That is why it is crucial to adjust the optimization of the site to the most popular requests of potential customers and the content of the site should correspond to the results of the issuance that the user wants to see.

In addition to advertising channels to stimulate sales of hotel services, there are also modern channels of sales and promotion of hotels such as OTA, GDS Systems , chatbots , which give synergetic effects: sell and advertise the hotel product .It makes sense to connect several marketing methods to increase the overall effect of the two activities by using their positive impact on each other.

All in all, success in sales depends on an effective marketing mix, which should be organized both offline and online. The main rules of successful sales promotion: it should meet the needs the interests of the guests and follow market trends.

Digital technologies for optimization promotion processes as a tool to increase the hotel sales

At present stage, there is a big the influence of the information society which reflects on the development in digital technology and automation of the service .

For example, chat-bots can be an example of an automated process of providing service , organizing sales and convenient coordination of the hotel staff. Basically, all orders from the guests are made through the Concierge, who often receives a significant part of the cost of the service itself and sometimes concierge does not convey to the cashier the money received. In order to receive 100% income, as well as see the real picture of demand and sales, the hotel must consider the service that will work properly and bring direct income. In this case, automation of all orders with HotelChat will be extremely useful.

What is more, according to Pareto's principle 20/80 it is extremely important to keep the client, rather than spend all efforts to find the new ones . Today, according to the statistics, the expenses of a regular guest are on 67% more than the expenses of the guests who visit hotel for the first time. Therefore, all efforts should be directed to retain customers and stimulate loyal guests to repeat the orders. The ultimate goals of the hotel from the implementation of loyalty programs should be: increasing the frequency of orders of regular guests, finding new customers and stimulating direct sales.

The main recommendation to the hotel is to choose a modern type of loyalty program which is presented in electronic form. The relevance of the electronic version of the loyalty program is the population of smart phones as a means of communication, working process, travel planning, payment resource. In addition, a significant advantage of creating an electronic customer loyalty program is a simplified process of tracking each customer's step before making a purchase. This will help hotels to improve the service and promotions, based on the primary data .

It is necessary to analyze 3 modern types of loyalty programs that will distinguish the hotel from competitors and meet the latest trends in sales.

The first type of the loyalty program can be a cashback service. Cashback service is a sales tool which plays a motivational role in making a purchase for a guest. The next type of the modern loyalty program is a mobile application. This method of customer retention is particularly relevant because according to the statistics , the total volume of sold tourism products amounted to 2.3 trillion in 2017 from which $ 935 billion were spent on the Internet, $ 280 billion was spent on mobile devices, including smart phones.

The mobile application of the hotel will present the hotel in the customer's phone. This type of loyalty program will allow the guest to contact the hotel easily, and organize the next trip directly through the hotel. The application will display the current balance of bonus points / rubles, and inform client about current promotions and special offers. By the way, the system will select the target audience by means of targeting, i.e. according to the specified features (sex, age, date of the last order, preferences).It is important to encourage the guest to fill in the customer profile, as this will depend on the content of the special offers .

The third type of the loyalty program is the partner loyalty program. Here the main task is to find partners whose customers are hotel guests. Basically it can be a tour agency, taxi service, restaurants, car rental service. After making a purchase, the customer receives points that he can spend with any of the partners included in the program. The loyalty program is based on a strategic partnership that creates conditions for business development and increase of the customer base. At the same time, for customers it is an indication that the hotel is well aware of the needs of the guest and does everything possible for his maximum comfort .

The next recommendation for the improvement of the hotel sales is SEO - optimization of the official website of a hotel. The common feature of modern tourists is more than 45% of people make a hotel reservation from a smartphone or tablet. In this regard, it is advisable to consider the adaptation of the official website of the hotel for mobile devices. It is an important opportunity to order a room through a mobile device with the same convenience as through a laptop. The webpage should include visible steps for booking a room, picturesque views of rooms and services and online chat to consult with the manager. What is more, the hotel can create the "Wall of inspiration", which will present the extra services that hotel provide to their clients. The main idea is to inform clients and redirect them to the landing pages, which will be dedicated to the topics that choose the guest of the website. Thus, the hotel will expand the audience and offer clients services that meet their needs and preferences.

Then, the next step for hotel marketing upgrade may be the implementation of payment in crypto currency. Nowadays, those hotels that consider to be client-oriented start cooperation with the companies that can provide the payment of hotel services in crypto currency. This innovation will distinguish the hotel and attract new clients. By the way, it is economically beneficial to the hotel to provide this facility because the percentage to the partner from all payments are lower than payments through bank terminal.

Conclusions

All in all, taking everything recommended into account, we can conclude that modern technologies lead to success of the hotel promotion and sales. IT-trends and innovations in tourism determine the direction of marketing strategy which reflects in the growth of sales and client loyalty. The key results of implementing all ideas in life will be: attraction off new clients, optimization of direct sales, increasing brand awareness, service improvement and dedicated to success team.

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Mice tourism infrastructure development: world experience and russian activities

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Abstract

MICE tourism is a unique sphere, affecting both the development of the tourism industry, the increase of tourist flow, and improving the attendance of tourist facilities, as well as the economic development of the country. MICE tourism is a source of business environment development, it promotes establishment of international and internal business relations, increase of business representatives qualification. The aim of the article is to reveal the essence and integral elements of MICE infrastructure, as well as the comparison of Russian facilities with the indicators of foreign countries.

Keywords: quality; service; assessment of quality; customer; service market

Introduction

Active business development and establishment of international contacts are the main trends of the modern world. Through MICE events companies can find new partners, meet foreign colleagues, exchange experience and knowledge, see new opportunities, get some trainings, encourage employees, motivate and unite the company team. One of the features of the MICE market is its complex connection with other branches of economy, such as hotel sphere, market of renting facilities, support travel services, provision of recreational and entertaining services for participants of event and so on. The unique feature of this sphere is absence of seasonality factor that with proper organization can become the solution of eternal problem of low attendance of hotel complex and decrease of economic activity of resort regions during low season. This study provides the assessment of infrastructure equipment of Russian market, its demand and development in comparison with foreign countries.

Study Area

In the specialized literature special attention pays to the study of business tourism and MICE tourism in particular. Many Russian and foreign scientists devote their works to research of special features and ways of further development of business travel Industry (Medlik, 1995; Getz, 2007; Sylla, 2015; Kuznetsova, 2013; Vasilieva, 2016).

Discussion

Business tourism is a global concept involving any movement of people "for purposes which are related to their work" (Davidson, 2003). And MICE-is the part of business tourism. The majority of researchers support this approach. A different point of view is presented in the work of Donald Getz, he highlights MICE as a direction of event tourism (Getz, 2008). Traditionally word MICE is considered as abbreviation of Meetings, Incentives, Conferences and Exhibitions. Three of the four components of this concept (Meetings, Conferences and Exhibitions) are elements of event industry, so the approach suggested by Getz has the right to exist. The most important element of business event tourism, according to this approach, is "dominance of extrinsic motivators" in explaining travel, for example it is necessary for doing business or for one's promotion. Davidson in opposite underlines close connection between business events and pleasure travel (Davidson, 2003).

Definition of business trips of Medlik S. to a certain extent reflects the essence of MICE tourism. To his opinion, such trips are performed by "employees and others in the course of their work, including attending meetings, conferences and exhibitions" (Medlik, 1995). The only element of MICE abbreviation , not included in this statement, is incentives. John Swarbrook and Susan Horner in addition to the elements listed above, include in the business travel concept a great number of categories such as product launches; short-term migration for employment; student and teacher exchanges; taking goods to markets and others (Swarbrrok, 2001).

Russian authors Kuznetsova O.I., Silcheva L.V., Maslennikov E.G. and Makeeva D.R. consider MICE as a sphere of activities serving business tourism (Kuznetsova, 2017). Vasilyeva E.V. understand terms "business tourism" and "MICE" as synonyms and generalizes them in the term "meeting industry". In this case, the author points to the derivative nature of the meeting of MICE tourism-"modern political and economic changes have led to the need for qualitative reconstruction and diversification of the economy, which in turn leads to MICE tourism transformations into business Meeting industry "(Vasileva, 2016). According to Vassilieva, the meeting industry is a set of actions to organize and accompany private business visits, as well as the work of thousands of international congresses, symposiums, conferences, exhibitions, fairs and other events (Vasileva, 2016). Thus, the analysis of author's interpretations allows to define MICE tourism as an industry of business events of different level and scale. The main purpose of such events is to consolidate the business community, develop industrial and inter-sectoral cooperation at various levels from urban to international, getting of new knowledges and exchanging of experience.

The main tasks of the MICE are:

- Expansion of business communicative environment;
- Motivation of personnel and business in general;
- Professional development, exchange of experience or information;
- Presentation, exposition, realization of concrete goods and services.

Development of any direction of tourist activity depends on the availability of destination potential. For successful formation of MICE sphere natural potential is not enough, an integral part of this area is infrastructure. E. Nawrocka and other scientists underline that infrastructure is the basic element and main requirement for planning and development of MICE tourism (Nawrocka, 2013). Marta Sylla, Jakub Chruscinski and others in their collective study underline the following elements forming the competitive advantage of destination to attract business guests: transport accessibility, quality of hotel services and capacity of congress facilities (Sylla, 2015). John Swarbrook and Susan Horner divide the elements of business travel & tourism into 3 sectors: infrastructure used only by the business travelers or tourists; infrastructure primarily used for business activities but also can be used by others; infrastructure, which is shared with leisure tourists (Swarbrook, 2001). The availability of modern places for meetings, negotiations and other ways of doing business is very important. So, convention centers, conference rooms and halls, trade fairs and exhibition centers are the most necessary elements of MICE infrastructure.

In the scientific literature MICE infrastructure consists of two groups of objects: Service and ideological-informative (Vasileva, 2016). The service providers include transport companies, accommodation facilities, catering organizations, tourist companies, as well as congress and exhibition complexes and halls. The second group consists of consulting agencies, developers of events programs. The most detailed structure of MICE process is presented in Figure 1.

To participate in the event or to organize it business representatives apply to specialized MICE agencies, or directly to the organizers of a particular event. In certain cases, Russian companies may obtain support from the Russian Export Center to participate in international conferences and exhibitions. Subsidizing a significant part of the participation cost allows small and medium-sized enterprises to take part in major foreign events, expand markets, and adopt the experience of the world business community.

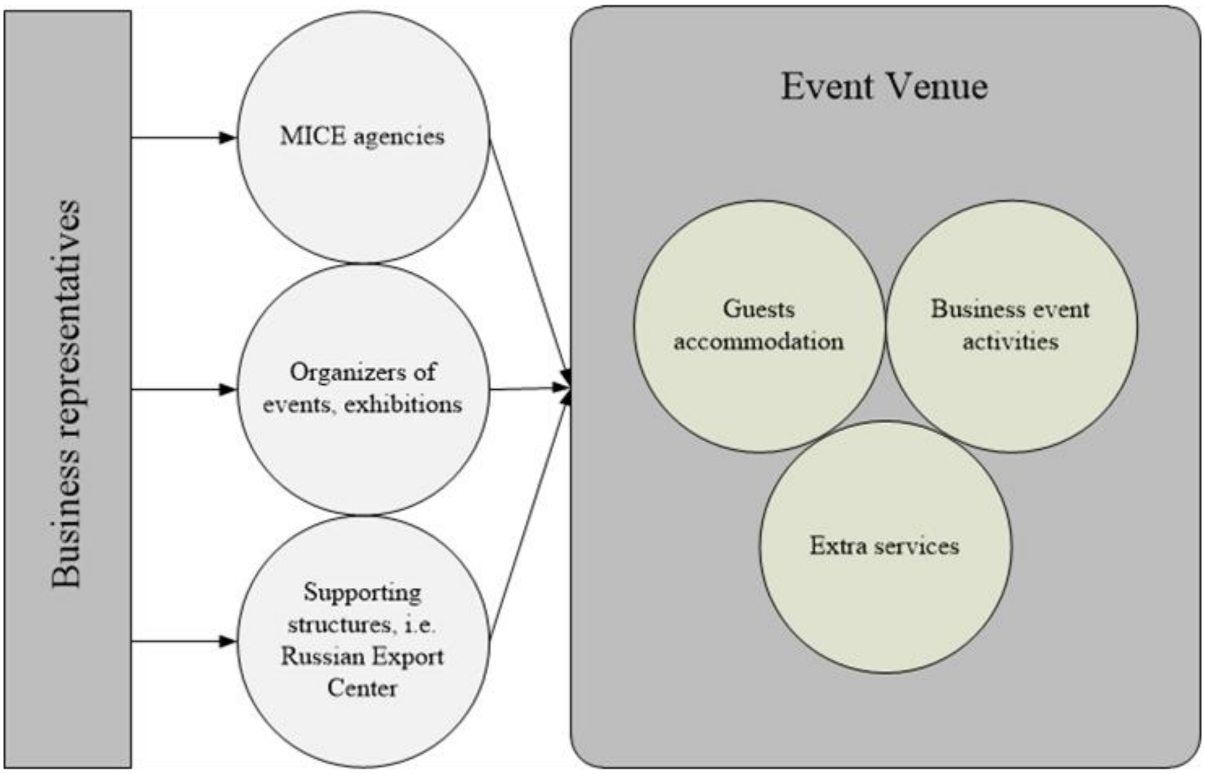

Fig. 1. Organizational chart of MICE tourism process

Directly at the venue of the event participants use the infrastructure facilities of congress and exhibition complex, accommodation, transportation and other tourist and recreational services. Various objects can be used as event venues, for example:

1. Conference centers: multipurpose function centers, providing different services such as political, cultural and sport events;
2. Hotels: depend on the aim and size of event it can be business, airport or resort hotels;
3. Academic venues: universities;
4. Civic venues: town halls, committee rooms;
5. Unusual venues: museums, sport venues.

World market are represented more than 40 industrial organizations representing interests of employees and structures engaged in the sphere of organization and service of business meetings industry. The largest international organizations are: International Association of Congresses and meetings (ICCA), International Association of Meeting Professionals (MPI), International Associations of professional Congress organizers (IAPCO) and others. Such associations are the main driver and accelerator of the business communication mechanism development. The Russian market is represented by several organizations, including: Association of Business Tourism Agencies (BTAA), Russian union of exhibitions and fairs (RUEF).

Business travel spending generated about 23% of world travel & tourism GDP in 2016, in natural terms its contribution to world GDP amounted to $1 153,6 bn.., according to preliminary data the growth in 2017 was about 4% (WTTC, 2017). Business and professional trips are 13% of overall tourist's arrivals (UNWTO, 2017). These indicators demonstrate the seriousness of the sector's contribution to the world and regional economic systems. Which in turn confirms the importance of creating optimal conditions for the formation and development of the MICE industry, in particular the building of modern infrastructure.

The largest share in the total volume of MICE travel belongs to individual business trips or meetings (Figure 2).

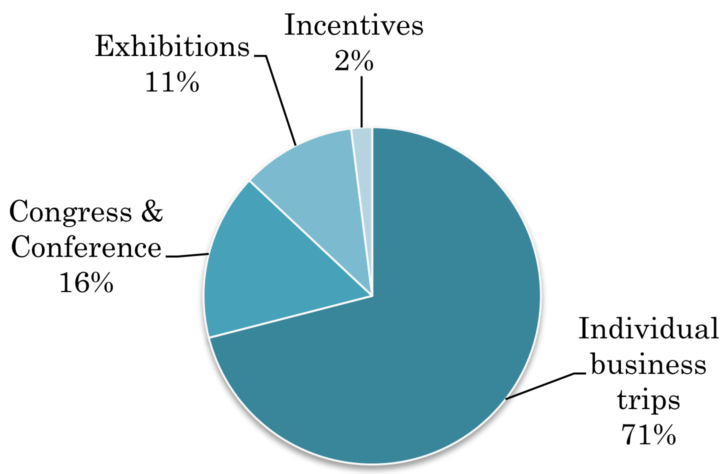

Fig 2. Structure of world MICE industry (Sarapkin, 2015)

As mentioned above, business trips are often combined with rest, so the places of MICE activities are usually chosen in resort regions with a developed tourist and recreational infrastructure. The rating of cities according to the number of events held in 2016 confirms this theory. The five leaders are Paris, Vienna, Barcelona, Berlin and London (UNWTO, 2017). Based on the above, the infrastructure equipment of the MICE sector should be assessed as a set of tourist-recreational and specialized business objects. Thus, MICE infrastructure can be divided into accompanying, targeted and recreational. The first group includes all objects contributing to the arrival and favorable arrangement of the subject (participant of MICE activity) in the region of the event: organizational structures, electronic and other booking systems, transport, accommodation sector and others. The targeted group of infrastructure objects consistes of the key objects of events: Conference halls, discussion rooms, exhibition complexes, hotels. Recreational infrastructure besides the objects of entertainment character, which is an integral part of the business meetings industry, partially includes the elements of the first two groups.

The development of tourist and recreational infrastructure in Russia is given great attention, the federal and regional strategic documents are being developed and constantly updated. But active development of business event infrastructure takes place exclusively in large metropolitan areas. And often the emergence of new sites for the meeting industry is the result of previous holding of major sporting events, the heritage of which is later used as a place for business meetings, summits and other business events.

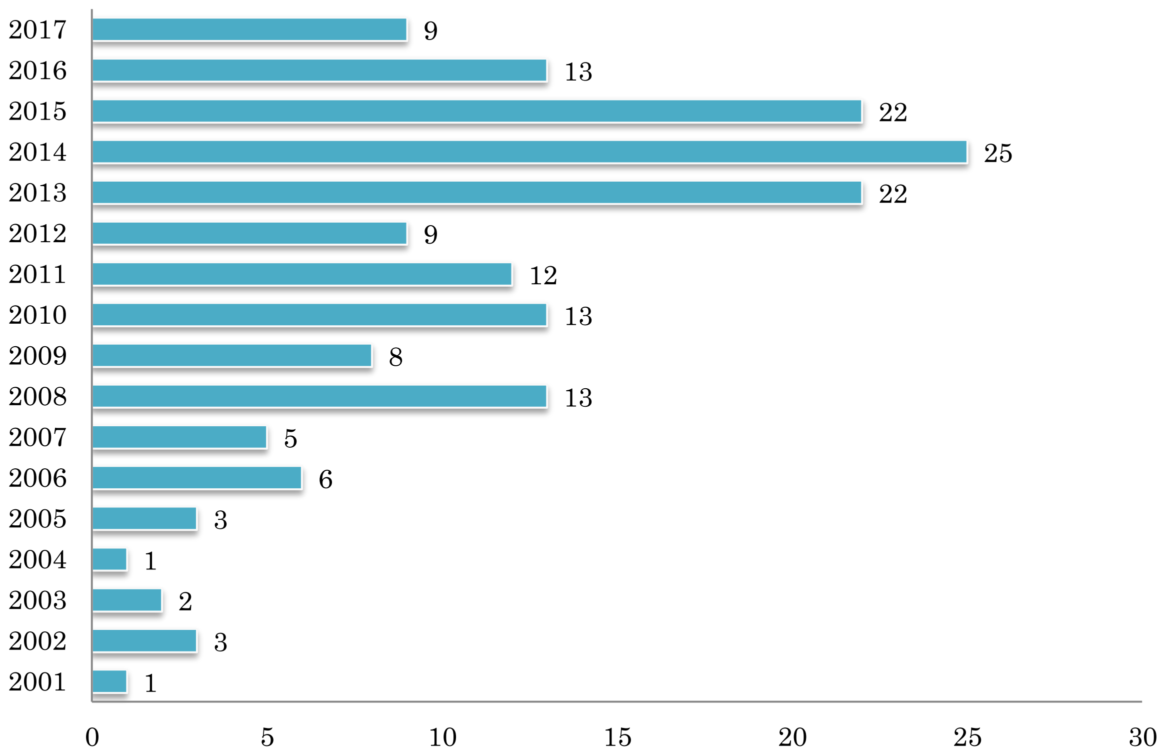

Fig. 3. The number of new international hotels in Russia a year, 2001-2017 (Roscongress, 2018)

The majority of business meetings (70%) occurs in hotels. Meetings of high and international level require certain conditions, and the most suitable place for such events are 5 star hotels and international hotels. The Russian hotel sector shows positive dynamics. From 2011 to 2016 the number of hotel-type facilities in the country has increased by 2 times (Roscongress, 2018). The number of international hotels according to the data for October 2017 was 179, Figure 3 shows the dynamics of the opening of new international brand hotels in Russia.

The total number fund of hotels under the international brand located on the territory of the Russian Federation is about 39 thousand of rooms. More than a half of the existing number fund belongs to hotels in Moscow and St. Petersburg (52%), Sochi (11%), Moscow Region (6%), Yekaterinburg (3%). Today 22 international hotel operators are represented in 37 cities of Russia. The largest share of the market is distributed among such companies as: Accor Hotels, Hilton Worldwide, Marriott International and Carlson Rezidor Hotel Group (Roscongress, 2016).

By the way, the cities leading in the number of international hotels-Moscow and St. Petersburg-hosts the largest number of events a year: More than 5000-in Moscow and 2000-3000 business events in St. Petersburg. The total number of events taking place on the territory of the country is 12 000 – 13 000 per year.

The next largest part of the MICE market is congresses & conferences. The largest convention centers worldwide - approximately five million square feet – are in Germany. In the USA there are 255 convention centers, covering just short of 75 million square feet. California is the state with the largest number of convention centers, followed by Florida and Nevada. Las Vegas as most populous USA city is also one of the leading cities for conventions, meetings and business in the U.S. In 2015, more than 21 thousand conventions were held in Las Vegas (UNWTO, 2017).On a global scale, America's largest convention center placed ninth. In Russia, there are 165 cities to hold major events, congresses and conferences. 50% of all events take place in Moscow, 14% in St. Petersburg, 36% of events and conferences are held in other Russian cities. Nowadays there are about 7 thousand International professional associations in the world, which organize about 20 thousand activities in different countries and regions per year. However, only no more than 600 of them held events in Russia.

Despite the fact that in the total volume of MICE exhibition activity occupies only 11%, the development of exhibition infrastructure in the world is given considerable attention. Some of the largest exhibition halls in the world are found in Germany and UK. The Hannover Fair in Britain is one of the largest industrial fairs in the world with almost 7,000 exhibitors and 250,000 visitors annually. In the United States, International CES is the largest trade show in the nation, totalling 1.9 million square feet (approximately 580 thousand square meters). Exhibitions are very popular means of business development in USA. Among exhibitors and marketers in the United States, 44 percent claimed optimism in the effectiveness of trade shows as a marketing medium in 2016. Thirty-five percent listed building new relationships and 33.5 percent listed increasing revenue and leads as important factors for U.S. companies to exhibit their company in international trade shows. In Russia, the largest exhibition platform are located in Moscow: IEC "Crocus Expo"-548 thousand square meters, CEC "Expocentre"-165 thousand square meters; and St. Petersburg: EC "Lenexpo"-150 thousand square meters, EC "Expoforum"-140 thousand square meters (Roscongress, 2016).

Russia is gradually entering the world market of business meetings. In 2016 the share of the country in the world market of international congress events, according to official estimates, was less than 1%. In comparison of Russian existing infrastructure and organizational capacities with the developed countries there is a noticeable lag. As mentioned above, out of 7000 international professional associations, no more than 600 held events in Russia. Today major events, congresses and conferences can be held in 165 cities of Russia. However, so far only Moscow and St. Petersburg are among the most popular congress destinations in the world. St. Petersburg, by the way, leads the rating of the event potential of the Russian regions. In 2017, the city was recognized as the best destination for business tourism by the Buying Business Travel Awards Russia & CIS (Roscongress, 2016). In the ranking of the city by the number of business events, St. Petersburg has the 90th position in the world and 46 - in Europe, ahead of Moscow (95 - in the world, 51-in Europe). The success of the northern capital of Russia is largely due to the active policy of the federal and regional authorities. Active development of tourist infrastructure, attracts not only private tourists, but also corporate consumers of tourist product to the city. In 2014 directly for the development of international level of MICE sphere Congress and Exhibition Bureau was created in St. Petersburg, it is active in promoting city on the international market, represents the city on International tourism exhibitions and exhibitions of business tourism. Together with the Committee on Development of Tourism of St. Petersburg the Bureau is engaged in attraction of significant business events. Before the establishment of this institute (until 2014) St. Petersburg had indicators significantly lower than Moscow. Most of the destinations with the potential of business tourism development have a lack of such structural elements.

The economic impact to the country's economy is a direct indicator of the development of the infrastructure. Table 1 presents a comparison of the meetings industry indicators of Russia and leaders of the international rating by the number of MICE events in 2016.

In general, the Russian market shows positive dynamics. In 2017, large corporations operating in Russia held 17% more business events than in 2016. More than half of them were organized inside the country (75%), other 25% were abroad. Overall, in 2017, the number of requests for events abroad increased by

40% compared to last year. The interest to the countries of the near abroad-Georgia, Kazakhstan, Uzbekistan is especially actively growing. These countries suggest high level of service for the relatively low cost, according to expectations of corporate consumers. The desire of the Russian business for the development of international relations is certainly a positive phenomenon. However, the choice in favor of foreign destination instead of Russian sites, based on the factor of insufficient level and high cost of services of the domestic market is a confirmation of insufficient development of infrastructure and organizational process.

Table 1. Indicators of the business meetings contribution to the economies of the countries (WTTC, 2017)

Country	Number of meetings	Share in GDP, %	Absolute value, $
USA	934	2.2	393 bn.
Germany	689	1.7	52.6 bn.
United Kingdom	582	2.9	71.7 bn.
Russia	76	0.02	250 million

The Russian MICE market is in the initial stage of formation and development. Experts assess the potential of Russia in holding more than 8000 congress events of international level. Today, however, a major role in this market is played by the political environment, which limits Russia's organizational capabilities. Thus, it is possible to highlight a number of special features of MICE infrastructure development in the country. The disadvantages are:

- Relatively low participation in international events compared to developed countries;
- Lack of governmental policy and statistical accounting of the industry and its dynamics;
- Location of the main sites are in several cities-uneven distribution of infrastructure equipment.

The advantages and stimulating factors include:

- The young unsaturated market is a big potential for growth;
- Active development of individual regions-St. Petersburg;
- The growth of tourist infrastructure, including the hotel complex, which is an important element for MICE activities.

Conclusion

In general, the infrastructure equipment of the industry is growing. World practice shows that the organization of business meetings can bring to cities four times more funds than the organization of other mass events. According to average, each participant of the congress spends more than $700 a day, and in the future these costs will continue to grow. By 2020, global spending on business travel can reach $1.6 trillion. (WTTC, 2017). Successful development of the infrastructure of the leading countries is based on large financial investments, public-private partnership and active promotion and organization of events of international level. And as mentioned earlier, Russia has great potential for the development of this sphere and the possibility of achieving the indicators of foreign countries and more in the future.

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The modern view of the problem of service quality

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Abstract

The article is dedicated to research in the development of service quality, exactly the current view of the problem of service quality.

Keywords: quality; service; assessment of quality; customer; service market

The development of a service market is characterized by an increase in its transparency, the appearance of new players and the intensification of competition. The conditions of the market environment require the enterprises to continuously improve the service quality and attractiveness for customers. There is a direct relationship between the service quality and the demand, as the determining criterion for choosing a service organization for a potential customer is, as a rule, the service quality. The degree of customer satisfaction and loyalty is the most important competitive advantage for any company and first of all in the service sector.

Fluctuations in demand, a steady increase of the expectations of the consumers and the volatility of the service quality form an objective basis for a comprehensive and in-depth study of the categories of «service quality» and «quality of customer service» and for a determination of the quality factors. And in this, the goals of improving service quality may be different for various market actors (Fig. 1).

Studying the service quality modern researchers proceed from the assumption that the service quality is defined as the totality of characteristics of the service allowing to meet the identified and potential needs. However, scientific publications emphasize that service quality assessment is one of the most difficult problems of modern science, as only a small part of the characteristics of service quality can be quantified.

Modern researchers in the study of the quality of services proceed from the fact that the quality is determined by a set of characteristics of the service that will meet the established and potential needs.[4] However, researchers emphasize that assessment of service quality is one of the most difficult problems of modern science, as only a small part of the characteristics of service quality can be quantified.

The features of services, in particular their intangibility, cause the complexity of assessment of service quality.

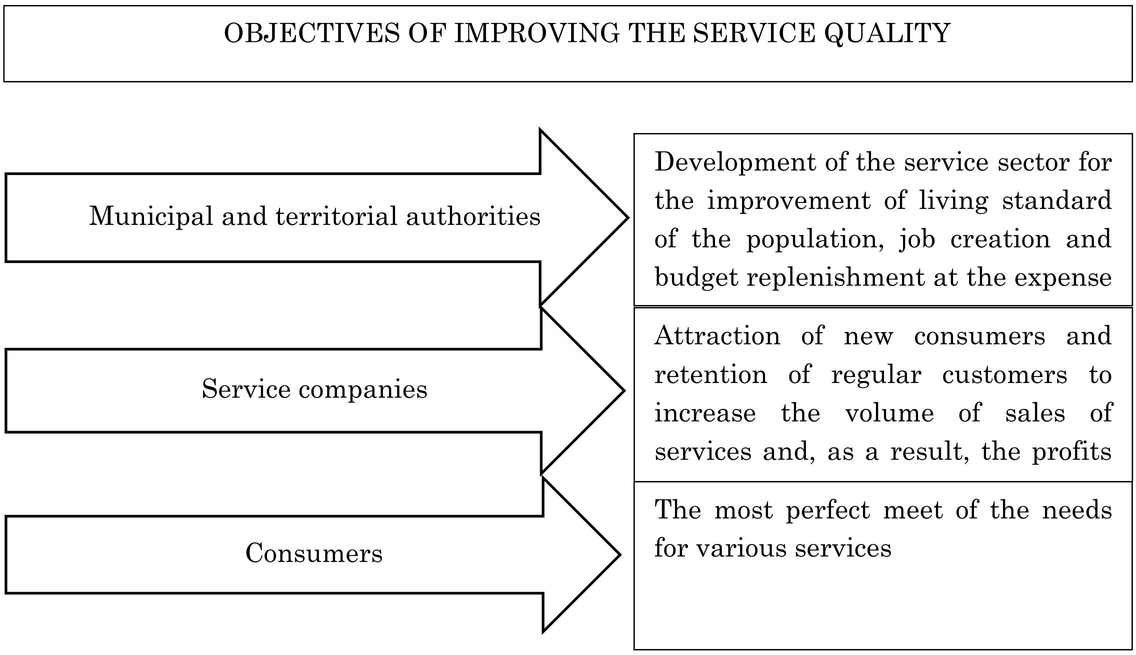

Fig. 1. Objectives of improving the service quality
Source: by author on materials: Kovaleva N. Nikolskaya E., 2015. Improving the quality of hotel services at the enterprises of the hospitality industry. Scientific Bulletin of MGIIT. - № 3. – P. 6-14.

The main features of services that are taken into account in determining their quality are as follows:

– the service quality is difficult to quantify;

[4] Ismael D. K., 2015. Marketing and quality management in hotel services: Manual for universities and colleges. - Moscow. - P. 9.

- the possibility of reliable certification of the service quality is extremely limited until its provision;
- the services are not subject to accumulation and storing, and are quickly consumed by the client;
- the services is not reality;
- the service quality can be assessed comprehensively, i.e. by a specially developed system of quality indicators.[5]

There are a number of approaches to determining the service quality. Scientific approaches are based on the fact that the concept «quality» is very multifaceted. It covers aspects related to the quality of the economic calculations, the level of technological equipment and production technology, ethical rules, psychological, legal and other relations. All components of quality provide a certain contribution to the overall quality of services provided.[6]

Table 2. Components of service quality

Name of components	Parameters of service quality
Quality result	
Technical parameters of the service provision process	– compliance of the provided service with the current standards; – availability of the necessary equipment in the service company; – availability of necessary information about the method and technology of the service provision process, the range of services.
Technology of service provision	– use of modern computer and communication technologies; – automation of the service provision process.
Ecological properties of service provision and of result	– use of environmentally friendly materials in the service provision process
Quality of customer service	
Qualification of service staff	– having of specialized higher education; – number of complaints per 1 employee; – readiness to provide full information on the service for a consumer; – communication skills, goodwill of staff; – availability of uniforms for staff
Time and convenience of service provision	– respect the deadlines of provision of the service; – convenient operating mode of the service company; – availability of comfortable conditions for the consumer while waiting for the order

Source: by author on materials: Pogorelova E. I., 2017. The Quality of tourist services in hotels as a factor in attracting tourists. Interactive science. - № 1 (11). - P. 193-196.

The problem of determining the service quality is that service companies are as a rule small and midsize businesses. And often their financial capabilities are

[5] Arifullin M. V., 2014. How to ensure the quality of hotel services? Standards and quality. - № 6 (924). - P. 84
[6] The Protection of Consumer Rights Act, 1992, № 2300-1.

limited. Therefore, approaches to determining the service quality should be available in terms of their practical application and time-consuming. This condition is important so that the staff responsible for quality of service can assess the service quality without external specialists.

It should be noted that the methodological framework for service quality assessment is not completely elaborated, in particular, on obtaining objective quantitative characteristics of the service quality. Russian state system of standardization provides for the requirements for the service quality in the state standards, but they are not binding and are mainly limited to the definition of the level of service security.[7] Modern researchers formed a system of components of service quality. (Table 2).

In addition to the proposed components, the service quality depends on the indicators of its purpose (social and functional). The purpose of the service characterizes its features, which determine its social significance and key functions.

Social indicators of service quality characterize its compliance with customer needs and determine the feasibility of its provision and consumption. Functional indicators of service quality show the compliance of the service to its intended purpose and the ability to satisfy a certain needs of consumers – physical, spiritual, etc. Ethical indicators reflect the properties of the service arising from the direct communication of the consumer and the contractor (these include professional ethics of employees, their courtesy and tact, etc.).[8]

Equally important elements of service quality should be recognized as those that provide grounds for conclusions about the culture of communication between staff of service company and customers. The reporting of service companies by the proportion of only good ratings can improve the culture of customer service, because the service provided at a satisfactory level indicates its low quality. On this basis, the requirements for the service provision process should take into account the whole system of factors. This confirms the need to develop and adopt approaches that consider the specific features of the services provided by service companies for different categories of customers.

Foreign researchers have substantiated three fundamental theses of the nature and formation of the quality system in the service sector:

1. It is generally more difficult for the consumer to assess the received service quality, because it is an intangible act unlike the goods quality.
6. Evaluation of the service quality provides for a comparison of the expectations of the consumers with the level of individual perception of the

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[7] GOST 52113-2003 Public services. Nomenclature of quality indicators.

[8] Filatova T. A. Criteria for the evaluation of service quality in service organizations // Russian entrepreneurship. - 2013. - Volume 14. - № 6. - P. 82.

service quality.

7. When the customer assesses the service quality, he is not limited to the result of the service. The quality assessment affects the service process.[9] The last point is that the result of the service is inextricably linked to the service process and is integral elements of service quality as well as customer satisfaction.[10]

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Arifullin M. V., 2014. How to ensure the quality of hotel services? Standards and quality. - № 6 (924). - P. 84

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Filatova T. A., 2013. Criteria for the evaluation of service quality in service organizations. Russian entrepreneurship. - Volume 14. - № 6. - P. 82.

[9] Weinstein A., 2014. Impeccable service. To make every customer feel like a king. - Moscow. - P. 44.

[10] Ismael D. K., 2015. Marketing and quality management in hotel services: Manual for universities and colleges. - Moscow. - P. 17