Directions of Improvement of Strategic Planning and Forecasting of Tourism Development at the Regional Level

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Abstract

The paper explores the main aspects of formulation and practical realisation of the theoretical and methodological components to improve efficiencies of regional tourism development strategies based on the enhancement of the method of situation analysis in tourism and the algorithm of forecasting of tourism potential considering territorial specifics. The authors' work helped to discover the core problems as follows. The inferior performance of modern tourism development strategies is caused by the absence of corrective measures to adapt to external economic transformations, by pandemic-related restrictions and by insufficient use of economic and mathematical toolkits in charting forecast trajectories. A solution to this problem would consist in developing and applying government support for adaptive development of the tourism industry to improve its efficiencies. An enhanced approach to setting up analytics and forecasting is proposed in this work with regard to domestic tourism development in the Stavropol Territory, which is based on the scientific and methodological toolkit for building up the efficiencies of strategic planning documents. The proposed algorithm integrates the main stages of strategic management, which, in contrast to existing algorithms, enables a more comprehensive identification of exogenous factors shaping the process of analysis of tourism clusters; it also allows an analysis of their dynamic variation in the macroeconomic environment. The paper presents methodological approaches to determining the capacity of territorial tourism potential based on the systematisation of both domestic and foreign advanced research. The novel contribution of this research consists in the systematisation of research methods and development of a methodology of situation analysis for the tourism sector based on the substantiation of the algorithm and forecasting the tourism potential of a territory.

Key-words: Development, Forecast, Strategy, Tourism, Region.

1. Introduction

The modern Russian economy, as well as other countries, is in a state of transformation caused by restrictions imposed to prevent the spread of coronavirus. Among the industries of the national economy, the sectors of catering, retail and entertainment industry and tourism were hit the hardest. One year after the adoption of restrictions, tourism has yet to adapt to new circumstances and it only relies on domestic tourism. The close interdependence of tourism with related industries creates the need to formulate modern strategic development programmes that will allow public authorities to administer their functions in more efficient ways when it comes to the socioeconomic development of territories.

An adjustment of existing strategy papers is required at the federal and regional level to bring them in correspondence with global economic realities and tools need to be developed to create improved forecast indicators. Given that current conditions create stronger dependence of national economies on external influences, the role of forecasting increases significantly in the formulation of development strategies both in terms of the content and methodological basis [1].

In the context of sanctions pressures, the strategic planning system puts principal emphasis on the priorities of national security, protection against internal and external threats, socioeconomic stability, fiscal and budget stability and employment measures. Addressing these priorities would mean an adjustment of government policies in all areas of social life, including the sector of tourism and recreation, which stimulates economic activity levels, budget revenue growth across the levels of the fiscal system, employment and personal financial stability.

Strategic planning and forecasting in tourism were addressed by many Russian and foreign researchers (O. V. Borisova, D. G. Mamraeva, E. O. Ushakova, Frank Agbola, Tarik Dogru and others) concentrating on the strategic potential of tourism development depending on changing external factors.

A significant contribution in this field was made by works focusing on behavioural theories of tourism companies in the context of sanctions and pandemic-related restrictions (Ercan Sirakaya-Turk, Serdar Ongan, I. V. Loguntsova, M. M. Romanova).

The hypothesis of this research concerns the improvement of strategic plans of tourism development in specific territories based on building up a methodology of the situation analysis of tourism and a forecasting algorithm to estimate tourist flows given the specifics of the territory.

2. Methods

The research relied on general scientific and special methods to draw conclusions and practical recommendations on the subject. The theoretical basis was built around the works of Russian and foreign researchers analysing the aspects of the development of tourism from the point of external integrational interaction. The main part of the research is based on a comparative empirical analysis of external interactions between the subjects of tourism amid the pandemic and sanctions. Based on a review of foreign papers on the analysed field in the context of a global pandemic, we found that the problems of tourism in different countries are rather similar as restrictions have caused significant damage to the global economy.

The main methods of research in this paper include systems and functional analysis, abstract logic, monograph, calculation and design, economic and mathematical methods, method of expert analysis, empirical and other methods of economic studies. Studies of analytical inputs were conducted using applied software for processing sets of statistical data, such as Excel, STATISTICA, SPSS. This use of statistical software helps to confirm the assumption that more precise forecast calculations based on the refined methodology of a situation analysis and the forecasting algorithm improves the efficiency of strategic programmes.

3. Results

The share of tourism in the global domestic product is rising steadily in nearly all countries across the globe. International tourism specifically went into development with improved access to air travel and infrastructure support in the countries of destination [2].

Since 2014, tourism in the Russian Federation has become one of the most affected industries in the context of sanctions, as global projects in the Russian Federation, specifically in tourism, became vulnerable to restrictions imposed by Western partners [7]. For that reason, special attention is given to the development of domestic tourism in the Russian Federation as the most promising cluster of the analysed industry.

The government of the Russian Federation exerts maximum efforts to develop local spots of tourism growth, specifically through the establishment of all-seasons clusters in different regions of the country with the potential to substitute foreign tourism alternatives to meet local demand from the Russian population [13].

This adds relevance to government support of tourism under the formulated strategic plans of development of the sector, which not only chart the projected trajectories but also characterise the level of competitiveness in the global arena going forward [11].

Even though there are numerous development strategies for tourism as standalone papers or as part of regional planning documents, there still exists the problem of low efficiency of forecast plans as they underutilise the potential of scientific and methodological toolkit [6].

The formulation of a development strategy for a tourism cluster at the regional level relies on building an effective methodology of situation analysis.

Situation analysis serves as an analogy of the methods of strategic management assuming that a specific situation or problem are analysed, which occur in the real economy and require a managerial decision to be made.

The first preparatory stage consists in engaging the most qualified talent and experts for whom the research object is familiar and who demonstrate sufficient competence levels to formulate its development strategy. The preparatory stage of situation analysis consists in building a clear understanding of the problem, proper setting of research objectives and a focus on identifying the most efficient solution. The practical stage of situation analysis comprises in-depth research on the object. With that, the basic requirements to the analysed information include its reliability, timeliness and relevance. The third stage involves the use of analytical tools to process information, which is done by summarising, grouping and calculating indicators describing the current situation around the analysed phenomenon or process. The fourth expert stage involves charting developmental scenarios for the analysed object depending on the level of influence of deterring and stimulating factors.

The output of a situation analysis is the development of expert-generated options of the analysed phenomenon depending on the current situation.

An enhanced approach to setting up analytics and forecasting is proposed in this work with regard to domestic tourism development in the Stavropol Territory, employing a scientific and methodological toolkit to build up the efficiencies of strategic planning documents (Figure 1).

An important role in forecasting the development of tourism belongs to the identification of major influencing factors. The influences need to be analysed in the form of charting an empirical base of developmental indicators of tourism [8].

The main factors characterising the positioning of tourism for strategic forecasting include exogenous and endogenous variables (Table 1).

Figure 1 - Algorithm of a situation analysis and forecasting tourism development at the regional level
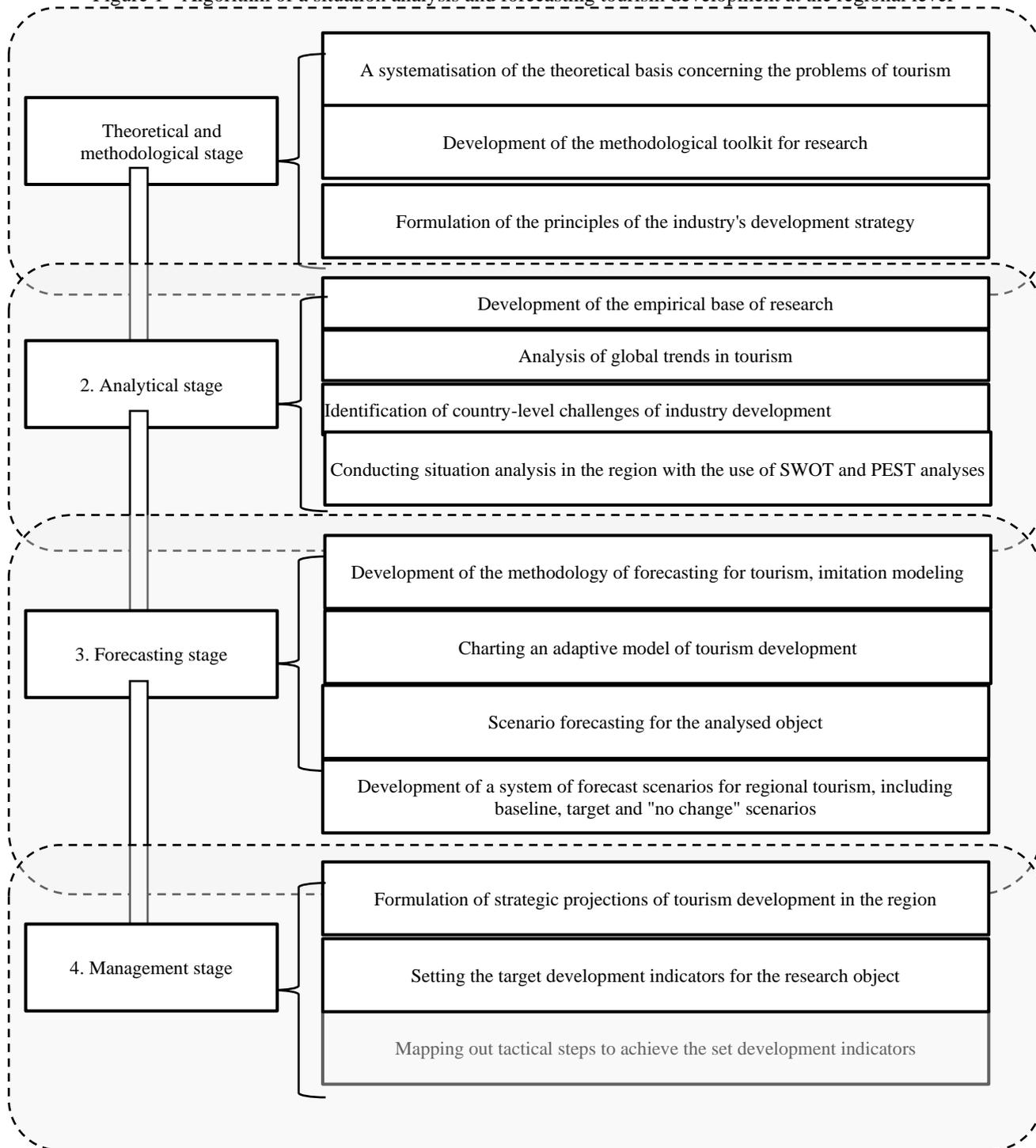
A systematisation of the above factors of tourism development at the regional level helps to identify the main problems faced by the writers of strategy papers [12].

First of all, they include the impossibility to fully identify all exogenous factors shaping the process of analysis of a tourism cluster and dynamic variability of external factors in the macroeconomic environment [10].

Today, all approaches and methods adopted in strategic planning can be divided into two major groups, i. e., quantitative and qualitative methods.

The main method employed in strategic planning is the method of extrapolation, meaning that retrospective trends are projected into future periods.

Table 1 - A systematisation of developmental factors of tourism in the Stavropol Territory

Exogenous factors	Endogenous factors
Country-level tourism indicators	Brand of the territory
Number of government support programmes in domestic tourism	Availability of regional support infrastructure of tourism
Legal and regulatory support framework in tourism	Rational transport logistics for tourists
National tourism infrastructure development	Competitiveness of tourism objects
Tax policy	Cost of tourism services
Financing levels of government programmes in the industry	Service level in the industry

All methods of forecasting are based on the use of retrospective analysis depending on the precision of collected underlying evidence. To address the problem of incorrect data collection, the method of exponential smoothing is used to neutralise the effects of individual random changes on the outcome.

Tourism is characterised by the seasonal factor [3]. By and large, this factor can be eliminated by the development of so-called all-seasons clusters. However, research and forecasting of tourism also rely on the method of decomposition for this purpose. This method helps to eliminate the seasonal factor, long-term trends and structural and cyclical negative effects.

In this case, it is practicable to use regression and imitation modelling, which help to determine the economic structure of the phenomenon based on causality between the outcomes and their underlying factors.

Qualitative methods play a special role in forecasting given that the multiplicity of factors driving the process of industrial development cannot be often expressed in quantitative terms or as a mathematical equation [14]. Such factors include consumer preferences, political stability forecasts in the region, financial constraints, etc.

Despite the diversity of the applied methods, the common problem is that the sphere of tourism is often made up of small and medium firms, which lack sufficient resources for quality forecasting [5]. There are systemic issues concerning both management and organisation of forecasting within an economic entity and the region in general. However, forecasting and quality analysis of the situation in the tourism sector requires dual-vector research, which would include plans of individual business subjects in the industry and regional challenges, thus helping to map out quality forecast trajectories.

The analysis of tourism and recreational potential of municipal entities is the basis for competitiveness analysis.

Currently, the optimal method to determine the potential capacity of regional tourism is by summing up the available clusters existing in the territory, such as natural resources, cultural and historical heritage, socioeconomic conditions and other negatively affecting factors.

The methodical approaches to determining tourism potential will include the following stages [9]:

Determining tourism and recreational clusters.

Formulation of criteria-based scoring for each cluster (e. g., 10-point scoring system)

Determining the subjects of tourism (government authorities managing tourism in the given territory)

Building an empirical base in line with certain criteria with the use of statistical methods

Processing of the input information with the use of applied software products

Determining evaluative expressions of the analysed indicators characterising the projected development of tourism

Calculation of integral indicators of tourism potential - synthetic and by the clusters.

Each block can be calculated according to the formula:

$$B_i = \sum k_i \times a_j, \quad (2)$$

where B is assessment blocks of tourism regional potential;

a is block components;

j is the number of components of the assessment block;

k_i is the coefficient of the significance of a given component in the structure of the assessment block;

$a_j = (f_1 + f_2 + f_3 + \ldots + f_n)$; f_n is the value of criteria of block components;

n is the number of criteria in the assessment component.

It was established in the research that the main clusters of the tourism sector include: "natural conditions and resources", "cultural and historical resources", "availability of tourism infrastructure", "information support of tourism", "limiting factors" [4]. Core indicators were identified within each of the clusters (Table 2).

Table 2. Collection of input data on tourism and recreational potential of a municipal entity

Group	Direct factors		Indirect factors	
	Item	Value	Item	Value
Natural conditions and resources	Average temperature in January, ºC		Average annual precipitation, mm	
			Persistence of seasonal snow cover, days	
	Average temperature in July, ºC		Absolute terrain height, m	
			Number of big ponds of more than 100 sq. km	
			Number of big rivers longer than 500 km	
	Number of natural heritage sites		Number of protected species of plants	
			Number of protected species of animals	
Cultural and historical resources	Number of historical and cultural heritage sites		Number of zoos	
	Number of archaeological sites		Number of concert organisations	
			Number of circuses	
	Number of museums		Number of libraries	
	Number of theatres		Number of amusement and leisure parks	
	Number of architectural and urban sites		Number of cinemas	
Availability of tourism infrastructure	Density of railway, km per 1000 sq. km		Number of retail chains of consumer goods	
	Number of airports			
	Public hard-surface road coverage, km		Number of sports and physical education facilities (including skiing, rowing bases, sports centres, etc.)	
	Room capacity			
	Number of primary wellness tourism facilities (including health resorts, specialist medical centres, etc.)		Number of travel companies and operators	
	Number of 5-star hotels		Number of marketplaces	
	Number of 4-star hotels		Tourism workforce, thousand people	
	Number of 3-star hotels		Number of facilities of tourism infrastructure covered by national and federal projects and programmes	
	Number of non-category accommodation facilities, 1-2-star hotels			
Information support of tourism	Number of information resources on tourism-related places		Number of articles in federal and regional media on tourism-related objects in the territory	
	Monthly views of official websites of tourism-related objects		Monthly readership of articles in federal and regional media on tourism-related objects in the territory	
	Number of signage items in a locality pointing at tourism-related sites		Number of symbols and images representing elements of the territory's tourism brand	

The proposed method of assessment of territorial tourism potential has the following advantages:

- the criteria base is expanded to provide for a complex multi-factor analysis of the tourism and recreational potential of the territory by major clusters;

- "limiting factors" are added to balance the resulting calculated model of tourism potential;
- more in-depth analysis is made possible by integrating a set of factors and grouping them by subpotentials, as well as engaging a broad group of experts to ensure representativity and objectivity of the analysis [15].

The practical application of the method helped to map out the main projected results for the industry until 2035: an increase of tourism-related travel to 3.4 m trips by 2035; wider geography of tourist inflows.

4. Discussion

The development of tourism in the Stavropol Territory has been mixed: the focused tourist inflow has been traditionally largely consolidated within the Mineralnye Vody agglomeration where the region's primary health resorts and tourism sites are concentrated. Caucasian Spas is one of the oldest Russian resorts with great historical heritage besides the balneological resources.

The development of the tourism sector in the territory should be focused on the following main directions: engaging new territories in tourism; development of new routes; creation of a new umbrella brand; obtaining the status of a UNESCO World Heritage Site for the health resort complex of Caucasian Spas.

The reviewed methodological aspects of a situation analysis and approaches to determining tourism potential would help to improve the efficiency of strategy papers in regional planning due to improved forecasting.

5. Conclusion

The implementation of the programme of domestic and inbound tourism is based on the development of tourist destinations and clusters. However, theoretical and methodological approaches to the establishment and development of tourist destinations are yet under-researched and there is no formalised toolkit for setting tourism clusters.

The current state of tourism is turbulent and influenced by multiple external and internal developmental factors. In this context, it is particularly important to formulate truly effective strategy

papers not only mapping out the directions of tourism development in the Russian Federation but also based on achievable forecast indicators [16].

The above analysis of the predictability of tourism development in the Stavropol Territory helped to identify several problems relating first of all to the methodological support of the process. In practice, multiple forecasting methods are used, but each of them alone fails to provide effective results, therefore, this paper proposes a complex approach with the use of methods of situation analysis, imitation modelling and forecasting.

The paper also substantiates the need to employ both quantitative and qualitative forecasting methods verifying the developed strategic programmes.

Based on the proposed methodological recommendations, an analysis of the current state of tourism in the Stavropol Territory is provided in this paper, which helped to determine some positive and deterring factors. The results of SWOT analysis of tourism in the Stavropol Territory were also outlined, which indicate the industry's strong developmental potential in the near future.

The following directions were determined for further development of the tourism sector:

- engaging new territories in tourism operations; development of new domestic routes;
- creation of a new brand for the territories; establishment of open-air recreational sites;
- competitive improvement of the existing tourism sectors;
- development of centres of business travel;
- implementation of new investment projects in the health resort sector;
- development of modern spa hotel chains;
- development of luxury infrastructure for attracting foreign tourists.

The above methodological recommendations and the outcomes of their practical implementation in the form of strategic forecasts of tourism development in the Stavropol Territory can be adopted by both the subjects of the tourism industry for determining their future trajectories and by regional authorities for adjustment of their existing strategies and formulation of new planning papers.

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