Strategic approaches to tourism development: Crafting competitive strategies for business growth in the tourism sector

Nataliia Sereda| Oleksii Albeschchenko | Iryna Krupitsa | Nataliia Biletska | Andrii Krasnik

Abstract The relevance of strategic management in tourism lies in the fact that the tourism industry is an important economic sector that affects the social and economic development of the country. Due to increasing competition, changes in consumerism, technological innovations, and external factors, strategic management is becoming key to the successful operation of tourism enterprises. The analysis of different strategic approaches helps to identify the most effective strategies for achieving competitive advantages. It ensures the sustainable development of the tourism business in a constantly changing environment. This article analyzes the current state of the Ukrainian tourism sector and identifies its main challenges. Particular attention was paid to the impact of the pandemic and Russia’s full-scale invasion of the Ukrainian tourism industry. The study notes that these crises have caused a significant reduction in revenues in the tourism business, as well as led to the decline of health facilities and a massive outflow of specialists. The authors also highlighted the current losses for the tourism sector, including the cessation of business travel, the transformation of internal and external tourism, the decline of resort and health hotels, and the staffing crisis. During the study, special attention was paid to key aspects of strategic management in tourism. Such aspects include the development of innovative approaches to services, ensuring the quality of service, and developing partnerships with other tourism market players. In addition, the authors have emphasized the need to cooperate with stakeholders to jointly promote the tourist region and develop tourist infrastructure. The application of these strategic approaches will contribute to the rapid recovery, preservation of competitiveness, and sustainable development of the tourism industry.

Keywords: strategic management, strategic decisions, tourism business, innovations, planning

1. Introduction

Tourism has become an essential element of modern society due to the development of globalization and the growth of human mobility. These factors affect economic, socio-cultural, and environmental aspects. In this context, strategic management is becoming increasingly crucial for the tourism sector. The consideration of strategic approaches in tourism management covers many issues. They vary from planning the development of specific tourist destinations to identifying methods of attracting and retaining customers. This study pays special attention to the analysis of the competitive environment, identification of key competitive advantages, and development of strategies aimed at improving the efficiency of tourism companies.

One of the crucial aspects is understanding and adapting to changes in customer demand and requirements. It requires constant updating and improvement of management strategies. In addition, the analysis of strategic management in tourism includes the assessment of international trends and standards, as well as the development of mechanisms for cooperation with public and governmental structures to support sustainable development and balanced tourism. Therefore, the analysis of strategic approaches toward tourism management will help to understand the complexity of this industry. It will also help to identify effective ways to develop and compete in the tourism business in the modern world (El-Haj et al., 2022).

The article aims to study and analyze strategic approaches in the field of tourism to achieve a competitive advantage and stimulate the development of the tourism business.

Kuz et al. (2021) identified essential aspects of Ukrainian tourism in modern conditions. They pointed out such issues as a low professional level of staff training, inappropriate management methods, insufficient quality of service, as well as environmental aspects, and the lack of a developed communication system. The authors also emphasized the importance of
considering tourism as a priority area of economic development in the context of key components of sustainable development of society, such as economic, social, and environmental components. In addition, the authors defined strategic management as a system of preparation, development, and organization of a set of strategic decisions based on the interaction between the state, business, science, and education.

In turn, El-Haj (2023) identified a steady trend of moving services for organizing the consumption of products and customer service from restaurant establishments to workplaces, places of recreation, places of celebration of various events, and home conditions. Such services, known in the international hospitality industry as "catering," are provided not only by cafes, bars, and restaurants but also by restaurant facilities at hotel facilities. The author notes that such a strategic step increases the competitiveness of the facility and meets the market demand. Besides, it reflects the importance of strategic management in modern hospitality.

In their study, Hamolko and Opalov (2023) identified the key aspects of strategy and strategic management of the hotel chain in the tourism industry. In addition, the study highlighted the need to align activities with customer needs, optimize resources, use technology, and create a positive work culture. The authors also emphasized the importance of taking into account the peculiarities of strategic management in the hotel industry. These include hospitality and the intangibility of hotel services, fluctuations in demand, and the high dynamics of the hotel and restaurant business. The research noted that the success of a hospitality business model depends on hotel industry development strategies such as innovation, human resources, market, customer loyalty, value proposition, and effective crisis management. The author notes that war conditions have a significant impact on strategic management. As a result, strategic management should be aimed at developing a strategy during crises and consider reactive, proactive, and contextual approaches. Therefore, the results of the study confirm the importance of intuition and anticipation towards new needs when developing a hotel management strategy.

2. Methods

The following methods were employed while conducting the study:

- literature analysis was used to consider the theoretical aspects of strategic management in the tourism industry, including the definition of the mission, goals, and strategic directions of development, as well as the analysis of the external and internal environment;
- the systematization method was used to develop a tourism development strategy, including analysis of the state of the tourism industry, definition of strategic goals and directions of development, planning strategies for achieving these goals, and monitoring their implementation;
- comparative analysis was used to determine the most effective characteristics of strategic management in tourism;
- analysis of statistical data was used to assess the extent of the impact of hostilities on the tourism business in Ukraine, as well as to determine the need for a reconstruction program to restore infrastructure after the war;
- the generalization method was used to analyze the key aspects of the strategic development of the tourism business and identify the principles and factors that affect its competitiveness and stability.

3. Results

At the current stage of economic development, strategic planning and management have become essential components for the successful operation of tourism enterprises. The travel industry is quite complex and dynamic. It requires a systematic approach to management and constant analysis of changes in the external environment. However, in the tourism industry, it is essential to pay attention to the strategic development of specific tourist destinations or locations. These management objects are special, as they include not only enterprises but also various institutional structures, natural and cultural resources, infrastructure, and other components that form the tourism product (Goblyk-Markovych and Haustov, 2023).

One of the advantages of strategic planning for tourism entities is the ability to identify the main directions and methods of achieving their goals. This allows companies to determine their competitive advantages, resources, and capabilities and ensure sustainable development in the long term. In addition, strategic planning is an effective tool for establishing interaction with the external environment. This includes various factors such as political, economic, socio-cultural, and technological spheres. By integrating strategic plans with changes in these sectors, tourism enterprises can adapt to new conditions and influence them in order to achieve their goals (Tyrina et al., 2023).

Strategic planning in tourism management is a key aspect of forming the perspective development of this industry. Strategic planning is defined as a process aimed at developing and implementing strategic decisions. It contributes to the effective functioning of the tourism industry and its adaptation to changes in the external environment. State, regional, and municipal tourism departments, together with the management structures of enterprises in this industry, are the subjects of strategic planning (Chercyk and Lazhnik, 2021). All tourism infrastructure is in focus, along with the socio-economic processes that take place within this sphere. The planning is based on the definition of goals and tasks that are developed during the strategy formation process and forecasting of various aspects of tourism activities and social development. Therefore, strategic planning in tourism is a process of modeling the effective operation of enterprises in this area, setting goals and their
adjustment in the face of uncertainty of the market environment. In addition, it is a choice of the ways to achieve their goals according to the resource capabilities of the region (Ohienko et al., 2020).

It should be noted that the strategy for the development of Ukrainian tourism has great importance, as this sector can improve the socio-economic situation in the country. Therefore, the state’s priority task is to support international cooperation, expand effective ties in the tourism sector, and create favorable conditions for the development of tourism as an important sector of the Ukrainian economy. The elaboration of a development strategy involves choosing a priority alternative: either to focus on foreign tourists or to develop domestic tourism potential. Both directions require the adaptation of the national tourism market to international standards and requirements (Kulinych, 2020; Shevchenko et al., 2023).

When developing a tourism development strategy, the key task involves the identification and achievement of the main goals aimed at improving and optimizing tourism activities in a particular region. Such goals include both general and specific tasks, such as attracting more tourists, enhance the quality of services, develop new tourist destinations, or increase regional tourism potential (Bezsmertniuk, 2023).

The first stage of strategic planning involves analyzing the situation of the tourism industry in a given region. This includes a study of external and internal factors that affect tourism development, a SWOT analysis (analysis of strengths, weaknesses, opportunities, and threats), and diagnostics of the region as a tourist destination. Further, the strategic goals and main directions of developing the tourism industry are determined. They include plans to attract investment, develop tourism infrastructure, improve marketing strategies, improve the quality of service, and other measures (Shamkina, 2022).

The next stage is planning strategies for achieving the set goals. Such planning includes the development of specific plans and action strategies for each of the development areas, as well as the identification of responsible persons and resources necessary to fulfill these plans. The last stage involves monitoring and control over the implementation of this strategy. During this stage, the implementation of strategic plans is systematically analyzed, problems are identified, and plans are adjusted per changes in the environment and achieved results. This approach to strategic management allows for the efficient and sustainable development of the tourism industry and the achievement of competitive advantage in the current market environment (Trokhymets and Shelemetyeva, 2018).

Although the modern tourism sector of Ukraine is not fully formed, it still shows a tendency toward progressive development and achievement of competitive advantages at the national and international levels. In this context, the successful adaptation of socially-oriented management becomes a key factor in achieving a competitive advantage for any organization. As a result, high-quality strategic management becomes a prerequisite for further promotion of the tourism business. Nowadays, it is necessary to adapt methodological principles and management approaches to the conditions of the Ukrainian tourism industry and develop strategic concepts for effective management in this area. Strategic management of the tourism sector involves an increase in state budget revenues, support for the development of environmentally friendly tourism, and identification of target segments of consumers of tourism services and their buyers (Zlatieva, 2023).

Strategic management of tourism involves effective coordination of all departments within a travel agency and rational management of resources to maximize the impact of strategic initiatives. Every time a tourism company analyzes a potential market or considers selling its own services, it should have a clear strategic plan that defines its approach to the market (Table 1). Unfortunately, tourism managers often prefer short-term planning, ignoring the potential consequences of their actions in the future (Kolodiy, 2023).

<table>
<thead>
<tr>
<th>Strategies</th>
<th>Description</th>
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<tr>
<td>Limitedness</td>
<td>Compared to tactics, travel companies follow only a limited number of strategies, as over-allocation of resources can diffuse their effectiveness</td>
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<tr>
<td>Involvement of many departments</td>
<td>Implementation of new travel product lines requires the cooperation of more departments than just marketing, so the strategies must have a broad support</td>
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<tr>
<td>Allocation of resources</td>
<td>Travel companies are constantly adapting to changes in the external environment, which requires constant modification of strategies and resources</td>
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<tr>
<td>Long-term strategic consequences</td>
<td>Changes in a strategy can affect the future company’s development for decades. Therefore, it is crucial to thoroughly investigate possible changes and adapt the strategy according to the circumstances</td>
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Source: Zadoya and Charkina (2022)

Therefore, strategic planning in tourism requires continuous improvement and adaptation to changes in the market and consumer needs. Travel companies should regularly review their strategies, evaluate their effectiveness, and make timely adjustments to ensure their competitiveness and meet market demands. This approach involves not only analyzing changes in travel trends and demand but also responding to economic, socio-cultural, and technological changes that may affect the industry. For example, understanding the impact of digitalization on the tourism industry will allow companies to adapt their marketing and service strategies to changing consumer preferences (Toropova, 2022; Bayev et al., 2022).
The pandemic period and the beginning of the full-scale invasion have practically brought the hotel, restaurant, and tourism sector to a halt. For safety reasons, the flow of tourists stopped, and people had to cancel their planned trips. In the central, southern, and eastern regions of Ukraine, booking cancellations rose to 85-98%. Only in the western part of the country hotels began to overcrowd as many people had to move. In other regions, the hospitality industry either lost revenue and became unprofitable or closed. Currently, the Ukrainian hotel market is operating at a maximum of 2-3% of the expected level (Luhova and Boyko, 2023). In the south, the figure is 3-5%; in Kyiv and the region, it is 10-15%. In the east, most hotels have suspended operations due to the hostilities and territorial occupation (Figure 1).

**Figure 1** Decrease in tourism business revenues in Ukrainian regions located in the combat zone, are temporarily occupied or were occupied previously. 
*Source:* SATD (2022)

Based on the statistical data, it is worth noting that military actions significantly deepen the crisis in the tourism industry and lead to severe losses in the tourism sector and other industries. Their consequences can be felt for many years after the cessation of hostilities. The impact of hostilities, such as security measures, reduced demand, infrastructure destruction, job losses, and a negative image, seriously affect Ukrainian tourism, slowing down its development (Prishchepa, 2023; Novak et al., 2022).

It should be noted that the Ukrainian hospitality industry has suffered multiple losses since the beginning of the war. First, business travel has stopped, as it has become extremely dangerous to hold business events for foreign visitors in Ukraine. In addition, many representatives of Ukrainian business have completely moved their capacities abroad (Motsa et al., 2022; Kortukova et al., 2023). Secondly, there has been a transformation of internal tourism and a practical absence of external tourism. Temporarily displaced persons who left forcibly often replaced internal tourists. However, traditional inbound tourism has almost ceased, and external tourism is completely absent (Dobrovolska, 2022). The third factor includes the decline of health and resort hotels, which was already occurring due to low liquidity and tourist flow. However, it is now affected by the destruction of many resort areas caused by the war (Bezugla, 2019). Finally, the fourth loss involves staff reductions. Almost all hotel facilities have reduced their staff, which has led to a massive outflow of Ukrainian specialists abroad (Chepurko, 2022; Niziaieva et al., 2022).

Therefore, the successful adaptation of the tourism industry to modern challenges requires effective strategic management. This means developing clear strategies aimed at achieving competitive advantages and ensuring sustainable development. Strategic management involves:

- Analyzing the current market situation.
- Defining short- and long-term goals.
- Implementing specific effective measures to achieve these goals.

The key aspects of strategic management in tourism involve:

- The development and implementation of innovative approaches to services.
- Ensuring the quality of service.
- Developing partnerships with other tourism market players.
Only by applying a high-quality approach to strategic management tourism companies can effectively adapt to the changing conditions of the business environment and maintain their competitiveness on the Ukrainian market (Khmurych, 2023).

Strategic management will play a key role in restoring the tourism business in post-war Ukraine. When the tourism industry recovers, it will be necessary to develop strategies to attract investment, improve services, and develop infrastructure. One of the key strategies now includes active marketing promotion of Ukraine as a safe tourist destination with a unique cultural and natural heritage, as well as the development of new tourist products and routes aimed at supporting local communities (Kryvko and Skvortsov, 2023). The strategic goals also include improving the quality and safety of tourism services. This requires the introduction of modern technologies, new solutions, and quality management standards. The involvement of the experience of international partners and experts also contributes to the effective implementation of such strategies. In addition, strategic management in tourism involves:

- the development and implementation of mechanisms for monitoring and evaluating the effectiveness of strategies to ensure continuous improvement;
- adaptation to changes in internal and external conditions (Puzyr'yo'va, 2022).

The competitive advantage of a tourist facility is determined not only by the quality but also by the variety and innovation of goods and services. At the same time, the ability of a facility to adapt to changing market demands is a key factor in its competitiveness. The development of the tourism business involves not only improving services but also investing in the creation and development of new products and services. Being successful in the tourism industry also requires the following measures:

- to develop an effective marketing strategy that focuses on market needs and demand;
- to use innovative methods of promotion and advertising;
- to actively leverage digital marketing and social media to attract new customers.

Particular attention should be paid to the ecological side of the tourism facility’s activities by implementing energy-efficient technologies and waste management practices. This will not only help to protect the environment but also positively affect the brand perception of such a facility and attract environmentally responsible guests. Another strategically important decision is to engage and cooperate with local authorities, international tourism organizations, and other stakeholders to co-promote the region. This includes promoting a particular tourist destination as a tourism destination, developing tourism infrastructure, and further investment.

In addition, it is necessary to implement a post-war reconstruction program in Ukraine to ensure sustainable development and recovery of the tourism business. According to the latest World Bank data, as of September 2022, various infrastructure sectors in Ukraine have been severely affected by the conflict. In particular, it is noted that 40% of the housing fund, more than 30% of power plants, and 33% of other vital infrastructure have also been damaged. Among the affected facilities were 305 bridges, 57 railway stations, more than 24 thousand kilometers of roads, and 19 airports. However, the government has limited opportunities at this time. Central and regional authorities lack the necessary tools for project evaluation, cost-benefit analysis, procurement, and project management. The government must establish partnerships with the public and private sectors to implement the required reconstruction measures. Various estimates show that Ukraine needs about USD 14 billion for priority renovations in 2023, while the budget of Ukraine is only USD 3 billion (Terebukh and Roik, 2023; Podolchak et al., 2022).

Therefore, in the context of the post-war recovery of the tourism business in Ukraine, strategic management appears to be a key factor for success. The development and implementation of effective strategies aimed at attracting investment, improving services, and developing infrastructure become crucial tasks in this process. However, successful strategic management also requires effective monitoring and evaluation of results to ensure continuous improvement and adaptation to any changes in the internal and external context (Kohut, 2023).

4. Discussion

We partially agree with Kuz et al. (2021), as their research points to the current issues of Ukrainian tourism and identifies the strategic potential of this sector for economic development. However, it should be borne in mind that there is a wide range of factors that can affect the successful implementation of strategic management in the tourism industry, including political, economic, and socio-cultural factors.

We also partly agree with the statement of El-Haj (2023) regarding the trend of moving services for organizing the consumption of products and customer service from restaurants to workplaces, as well as places of recreation and home. We believe that strategic hospitality management also requires the preservation of various formats of establishments and the search for new ways to attract customers. However, we believe this trend reflects the importance of strategic management in the hospitality industry. It is worth noting that the success of such formats as catering or Quick&Casual depends on the right choice of premises and rental rates, which emphasizes the need for strategic planning and resource management.
In this respect, we partially agree with Hamolko and Opalov (2023) since strategy and strategic management of a hotel facility are indeed crucial in the tourism industry. They allow hotels to align their activities with customer needs, optimize resources, introduce technology and innovation, create a positive work culture, and demonstrate social responsibility to the public. However, as far as intuition is involved in strategy formulation, we believe that this aspect may be less critical than reliable data, market analysis, and competitive environment. Strategy setting should be based on well-grounded data, research, and analysis rather than just intuition. This approach guarantees more impartial and feasible strategic decisions for the successful functioning of the hotel complex in today’s competitive environment.

5. Conclusion

In the modern world, strategic management in tourism is an integral part of the successful functioning of travel companies. Nowadays, the tourism industry, which is complex and dynamic, requires a systematic approach to management and constant analysis of changes in the external environment. Strategic planning in tourism is defined as the process of developing and implementing strategic decisions aimed at the effective functioning of this industry and its adaptation to changes occurring in the external environment.

As a tourist destination, Ukraine has the potential to develop tourism as an essential sector of its economy. The elaboration of a tourism development strategy in Ukraine has a strategic importance. This sector can play a vital role in improving the socio-economic situation in the country. The main tasks of the state include attracting international cooperation, developing tourism infrastructure, and promoting tourism at the national and global levels.

In this context, special attention should be paid to strategic management in the tourism industry. It involves effective coordination of all departments of tourism enterprises and rational management of resources to maximize the impact of strategic initiatives.

The Ukrainian tourism business currently faces various challenges, such as wars, conflicts, pandemics, and epidemics. All of these factors can negatively affect the development and competitiveness of the sector. There are also internal challenges, such as increased competition, changes in demand, and consumer preferences. These challenges require the application of the best strategic management approaches to ensure the continued effective operation of tourism businesses. However, despite the challenges faced by the tourism industry, strategic management can help to preserve and develop the country’s tourism potential. It will ensure the sustainable and efficient development of the tourism sector.

Ethical considerations

Not applicable.

Conflict of Interest

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