FINANCIAL MECHANISM OF TOURIST SERVICES PROVIDING

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ABSTRACT

When conducting research, the purpose of this paper is to determine how to use the financial mechanism for regulating the effectiveness of the use of tourist services. The author suggested that the analysis of the conditions for the use of tourist services will allow tourist enterprises to make a choice of financial decisions in the implementation of their own activities reasonably, based on three interrelated elements: risk, efficiency and quality. The necessity of using a financial mechanism for determining the effectiveness of tourist services is also substantiated, and the structure for determining the cost of a tourist product is shown. The need for an analysis with the priority of dividing costs into variables and constants is noted. The method of calculating the effectiveness of tourist services is shown. Conclusions are made and recommendations for regulating the effectiveness of tourist services are developed.

KEYWORDS: *Efficiency Indicator of Tourism, Tourist Activity, Tourist Services, Efficiency Of Tourist Services, Financial Costs, Regulation Of Efficiency.*

INTRODUCTION

Before the coronavirus pandemic, tourism developed at a particularly accelerated pace, in almost all countries of the world. This was influenced by a variety of factors: an increase in the income of the population in many countries, a large number of tourist routes, a reduction in the cost of travel services, the opening of visa-free entry regimes, the development and dissemination of digital services, both in the economy as a whole, and in the provision of tourist services, the receipt of which has become require much less effort and time because of this. And now, despite the fact that the pandemic is not over, tourism is gaining momentum again, albeit with some restrictions and new requirements both for organizations providing travel services and consumers of these services.

Tourism is not only a tool for promoting world trade, developing the competitiveness of goods and services, but also a structural part of programs to reduce poverty in the regions, increase the gross domestic product of countries, and ensure the financial stability of countries.

This is not just a socio-economic phenomenon, characterized by the civilized development of the population of countries, their movement in space, but also an economic motive, both for business entities and for individuals. According to the experts of the World Tourism Organization (UNWTO), tourism is one of the most dynamically developing segments of the world economy. In order to consume tourist services, the population of the countries of the world is trying to increase their earnings, trying to more carefully distribute their financial resources, changing

their way of life. The governments of different countries pay special attention and respect to the architectural monuments of the country, improve the social and transport infrastructure of the territories, create new tourism products, new routes and services to expand the client base, remove visa restrictions, hold more cultural events and international negotiations.

Therefore, it is necessary to constantly search and update an effective financial mechanism aimed at using tourist services in the context of the developing digital economy. It is the digital economy that contributes to the formation, management and control of vast and reliable statistical databases. At the same time, in order to find an effective mechanism for managing tourist services based on statistical data, they must be fully reliable and adequate. It is in this that digitalization plays a special role, with the correct organization of which the data will be logically comparable and timely, while not requiring a lot of time and effort.

Research methodology

In the process of working on the study, the author based on current trends, legislative and regulatory support, development of the country, approved by legislative and regulatory acts, used a systematic approach, economic and mathematical modeling, grouping and synthesis.

LITERATURE REVIEW

The development of a high-quality management system for enterprises in all spheres of the economy, and, in particular, for tourism enterprises, is one of the main conditions for ensuring economic growth in a given territory, increasing competitiveness, efficiency of optimizing their financial costs and increasing the quality of life of the population. But such a qualitative change can be achieved through the development of innovative activities of enterprises, ensuring their interconnection.

Tourism activity is one of the priority directions of development of Uzbekistan. Therefore, research, both practical and theoretical, has been given a huge impact. Tourism continues to be considered from completely different aspects: social, financial, political, cultural, etc. In particular, the Strategy of Actions for the Further Development of the Republic of Uzbekistan in 2017-2021 "provides and improving the quality of tourist services, expanding the tourist infrastructure" **[1].** This is reflected in the implementation of measures aimed at the formation and development of tourism infrastructure, attracting private and public investment in the implementation of the cultural and historical aspect of the development of tourism activities **[2].** The formation of tourist products and objects, the preservation of cultural and historical heritage, including contributing to the creation of new jobs, is in line with the poverty reduction program in the Republic of Uzbekistan **[3].**

This is what testifies to the need to develop an effective financial mechanism aimed at the use of tourist services in the context of the developing digital economy is of direct and high importance for increasing the competitiveness of tourist enterprises and improving the quality of tourist services. The number of studies on this topic is constantly growing, in particular, a large number of scientists have shown a growing interest in this topic in recent years in terms of tourism management, social media, data set analysis, consumer behaviour and tourism development. Some researchers concluded that the analysis of large amounts of data to predict the demand and preferences of tourists using data from web traffic and social networks shows the need to develop strategies aimed, among other things, at smart tourism **[4].** Individual researchers have

concluded that the central government plays a leading role in directing rural tourism to desired destinations, while local government plays a supportive role by directly managing tourism practices and coordinating with businesses and residents to provide services and resolve problems. Synergistic interaction between central and local governments in China stimulates the rapid development of rural tourism **[5].**

The study of this issue showed the presence of unsolved problems in this area. In practice, measures aimed at effective regulation of tourist services are not sufficiently implemented, most of them are of a private nature, aimed at a short-term effect. Domestic scientists also agree with this **[6].**

A large number of scientists, implementing research in the field of assessing the financial mechanism for regulating tourism services, proceed from the dynamics of achieving high indicators of financial and economic efficiency of the tourism industry with an assessment of the degree of influence of some components on its development as a whole. These components can be analyzed by assessing the economic efficiency of the tourism industry using the available statistical data **[7, 8, 9].**

Some scientific works of domestic scientists note that behind the financial and resource problem, which occupies a central place in a wide range of problems of organizing the finances of tourism enterprises, it would be illegal to see only the surface question of attracting financial resources to ensure the financial and economic activities of tourism enterprises. The movement of financial resources, their mobilization as part of such a turnover is also a question of the direction and management of spending, of investments that are associated with the general economic and specific financial and credit conditions of the current stage of development of market relations in Uzbekistan **[10,11].**

Work on the definition of an effective financial mechanism for the management of tourism services is on-going in different countries. In particular, A.P. Gorbunov, L.Kh. Gazgireeva, L.A. Bumyasheva analysed the advantages of cluster policy as a key tool in solving problems necessary for the qualitative development of the tourism industry in the region, innovative potential and the level of economic development of the country as a whole. Having noted, at the same time, the need to determine a set of measures implemented by interested business entities and executive authorities aimed at combining the material, technical, financial, technological and innovative resources of potential participants, there was an increase in interaction between them and the creation of a favourable environment for development **[12].** Researchers at the International Institute for Tourism Research, George Washington University noted the need to use indicators that allow destinations to track their progress towards the goal, as well as demonstrate achievements and shortcomings. "The indicator is what helps you understand where you are, where you are going and how far you are from where you want to be." A good indicator proactively signals a problem, ideally before it goes away. Traditional indicators measure economic, social and environmental impacts. Indicators reflect the assumptions of program developers **[13].**

Thus, the formation of an effective financial mechanism aimed at the use of tourist services is of paramount importance, especially for use in regions with a tourist infrastructure, the development of tourist activities and acquires a special development, contributing to widespread use in the context of a developing digital economy.

Analysis and results

Conducting a practical analysis of the conditions for the use of tourist services will allow tourist enterprises to make a reasonable choice and avoid possible and negative consequences as a result of making random unmotivated financial decisions.

In this regard, we proceed from the following three interrelated main indicators that exist in the field of tourism services: risks, efficiency, quality (REQ). It is the coordination of all the listed elements and obtaining their optimal values that will determine the most probable strategy for financial regulation of financial decisions in favour of tourist services.

In this article, we will consider only the financial mechanism for regulating the effectiveness of these services within the framework of tourism enterprises. However, in order to regulate this process, you must first familiarize yourself with the methods of its determination. Nowadays, several methods are used to calculate the efficiency of tourist services depending on the size of the business (large or small). However, in the context of the current global economic development, when it is almost impossible to predict the change in the discount rate, as well as in order to save costs for calculations using "dynamic" methods, in our opinion, it is advisable to use the well-known traditional method of the rate of return:

$$\Delta PR = \sum NP / \sum E_x \, I_n S_{er} \; P_{ro} \qquad (1)$$

где: $\sum NP$– net profit;

$\sum E_x \, I_n S_{er} \; P_{ro}$–expenses for innovative service projects P_{ro}.

It should be noted that the value of the rate of return depends on the period that will be selected to calculate the value of net profit. Therefore, to determine it, it is recommended to choose the most optimal forecasting interval. In addition, we propose a comparative financial and economic assessment from the standpoint of the cost of a tourist product and the cost of travel services (see: Table 1).

TABLE 1 - INITIAL DATA FOR DETERMINING THE COST OF A TOURIST PRODUCT

No	Name of costs for a tourist product	Nature of costs	Assessment from the point of view of maximum load,%	Cost per travel contract period
A	B	C	1	2
1	Wages	Constant / variable	30,5	11000
2	Compensation (in% of the wage bill)	Constant / variable	6,9	2500
3	Social tax (in%)	Constant / variable	4,5	1620
4	Software	Constant	13,9	5000
5	Maintenance, software update	Constant	0,8	300
6	Depreciation	Constant	5,6	2000

7	Rent, utilities, security	Constant	16,7	6000
8	Management, administrative expenses (in% of the wage bill)	Constant	4,4	1590
9	Refresher courses (in% of the wage bill)	Constant	8,3	3000
10	Overheads (in% of the wage bill)	Constant	8,3	3000
11	Net costs of the tourist product (*NC*)	x	x	
12	Total cost of the tourist product (*TC*)	x	x	

Methods for evaluating tourism products and services help to assess costs, both direct and indirect. In addition, it is advisable to consider these costs from the perspective of fixed and variable costs. So, as part of the direct costs of travel companies are:

- Equipment and other means;

- Software and other intangible assets;

- Remuneration of personnel involved in serving tourists;

- Administration of the activities of travel companies;

- Other expenses (electricity, heat, office supplies, etc.).

Indirect costs include unplanned, incidental costs, downtime, extraordinary staff training, and so on. As an example, the main indicators for comparing the cost of maintaining a travel company and travel services are given in the table, which is a working option for comparing the costs of travel services and the consumer.

Efficiency of travel services (ETS)characterized by the following main parameters:

ETS – efficiency of travel services;

TC – total costs of the tourist product;

NC –net costs of the tourist product.

The efficiency of tourism services is proposed to be calculated as the ratio of the cost of travel services (*TC*) to the cost of maintaining a tourism product (*NC*), namely:

$$ETS = \frac{TC}{NC} \qquad (2)$$

This coefficient (ETS) can take the values:

$TC >$ 1. There is no economic benefit for the consumer of travel services, since the cost of tourism product services is higher than its own internal costs. The decisive moment in this case could be to ensure the quality of work and the operational time frame for their implementation. The latter require special financial relationships.

TC = 1. The cost components are equal. Again, the "preponderance" in favour of the travel services of a third-party travel company could be a qualitative component.

$TC < 1$. This option testifies to the clear economic benefits of using the travel services of an intermediary highly specialized tourism enterprise (firm). The motivation for the choice in this case is obvious.

The values of these coefficients, together with indicators of potential financial risks, are comprehensively taken into account when deciding the issue in favour of tourist services.

Efficiency regulation is a set of integrated cyclical processes and analysis of innovative technologies that relate to the financial and operational activities of a tourism enterprise. This allows consumers of tourism products and services to determine strategic goals, and subsequently analyse and evaluate the effectiveness of their activities in accordance with the established goals, as well as respond in a timely manner to the life processes of their enterprise. It should be noted that the business processes of the tourist product consumer are associated with the implementation of his strategy, which include not only financial and operational forecasting and reporting, but also the analysis and monitoring of key performance indicators of the tourist product. This is the most important aspect of studying the effectiveness of tourism services.

The first step towards developing the right key indicators for travel services (*KITC*), i.e. achieving the desired result is the definition of strategic objectives and tourism needs. Organizations can use a variety of ways to identify critical areas of work and metrics for those areas (see:Figure1).

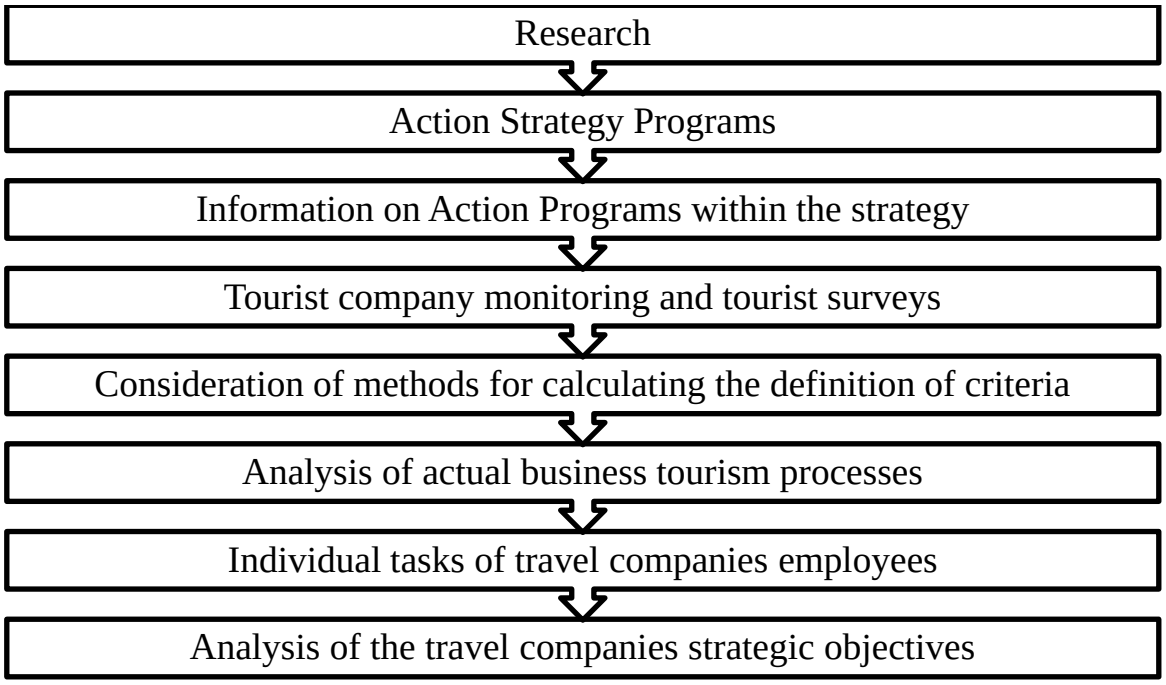

Figure1. Model for determining key performance indicatorstourist products

The *KITC* system is understood as a system of financial and non-financial indicators that affect the quantitative or qualitative change in results in relation to the strategic goal (or expected financial result). The balanced scorecard includes the *KITC* required for each control object and the methodology for their assessment. These systems or methods form the basis for making

financial decisions, are based on assessing the effectiveness of a travel company and are aimed at achieving strategic goals.

In tourism industries, performance indicators (*KITC*) must be based on reliable data. If data are not available or they are unreliable, then the management of the tour company must either create a data collection system or revise the developed financial performance indicators so that they are based on existing data.

The concept of key (balanced) indicators is that traditional financial and economic indicators are not always "adequate" for determining the strategic financial result of travel companies and providing feedback. In this regard, in order to solve such problems, it is necessary to have a more "balanced set" of indicators of the activity of tourist enterprises, which would allow in the future to control the factors affecting these parameters. To monitor the process of achieving strategic goals, one should not take into account the assessments of past tourism activities of enterprises. It is necessary to focus precisely on those indicators that will affect the financial results of travel companies in the future. In this regard, it is necessary to limit their number.

CONCLUSIONS

During the study, it was found that, on average, tourism enterprises can use more than 60 indicators, in fact, users work with only 16. At the same time, most travel companies use no more than 20 such indicators. There should be exactly as much information as it is necessary for analysis (assessment of the effectiveness of the activities of travel companies). It should be noted that for its implementation it is extremely important that the initial information is objective, accurate and arrives on time.

In modern conditions of the development of the digital economy, the most common way to calculate efficiency regulation should be to minimize financial costs. However, it should not be considered as the only way to improve the efficiency of travel services, since the achievement of the strategic goals of travel companies depends on many factors. From our point of view, the regulation of the efficiency of tourist services must be inextricably linked with the quality of the provision of tourist services. It is necessary for the consumer of the tourist product and the tourist company to find the best option for joint cooperation, when financial costs are minimized, but the travel services are in fact provided with the proper quality. Only in such a "tandem" is further promising cooperation between consumers of tourism services and tourism enterprises of host countries possible.

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