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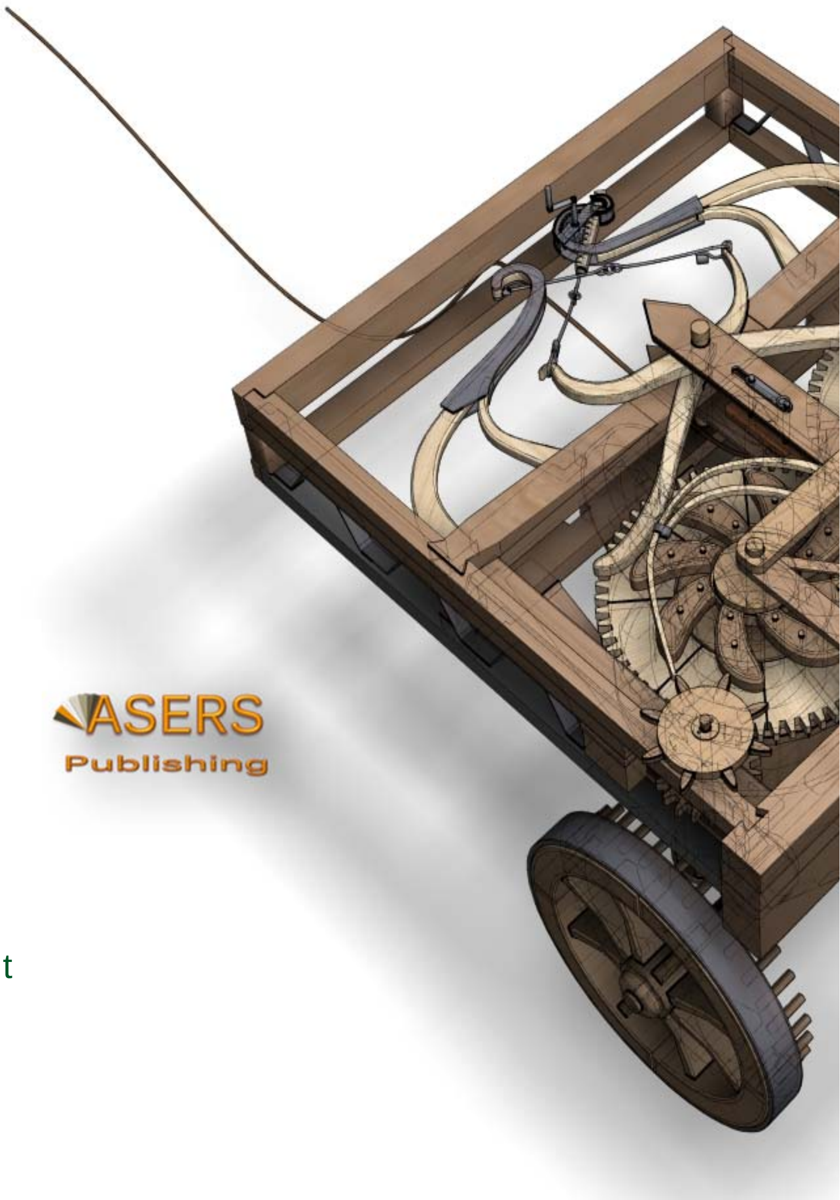

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Marketing Tools for Development of the Tourist and Recreational Area

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Abstract

The paper describes the latest trends in the development of the tourist industry in the Russian Federation, estimates the degree of the tourist attractiveness of Russian regions and the role of tourist and recreational potential in the economic development of territories.

The novelty of the authors' approach is based on the justified necessity of using new management methods for regional development, reflecting the innovative role of a region as an independent commodity with a set of tools for effective management of the region's marketing potential.

The authors of the article propose a new conceptual apparatus along with a methodology for assessing the regional potential; recommendations on its development to increase its tourist appeal through the application of the marketing tools given; the authors also propose a set of indicators reflecting the effectiveness of the regional capacity management.

The paper presents empirical studies on assessment of the regional potential for a strategically important Russian region – the North Caucasus Federal District - from the standpoint of marketing potential as the basis for ensuring competitiveness and functional efficiency in the modern conditions.

The implementation of customized organizational, economic and other forms and tools of the region's marketing management and marketing attractiveness will provide the basis of the subsequent management of the marketing strategy in the region, along with the prospects for its effective development.

Keywords: tourist attraction; tourist region; recreational resources of the region; recreational zoning; recreational wealth of the region; regional potential; marketing potential of the region; marketing activity of territorial units; use of the regional economic potential; system of indicators; competitive advantages of the region.

JEL Classification: O10; L83; M31.

Introduction

Tourism is one of the most highly profitable sectors of the world economy. In most countries and regions of the world, the rate of tourism development reaches 25-30%. Recently, the Russian Federation has been experiencing a rapid change in the spatial pattern of tourism and the direction of tourist flows.

If previously, during the period of state monopolization, the share of tourism in the Russian economy was 1-1.5%, since 2017, the share of tourism in Russian GDP is 3.4% of the total national product (Butko 2017). Undoubtedly, that is quite a modest result for the Russian Federation compared with other tourist-oriented countries (Table 1). For some countries, tourism is the main profitable industry, accounting for more than 50% of the national GDP of these countries, most dependent on tourism, with a relatively low population and, respectively, with a low GDP. For instance, these are island states, such as Macao (89.5%), Antigua and Barbuda (75.8%), Anguilla (71%), Aruba (70%), Maldives (61.3%), Seychelles (54.5%), and Bahamas (53.6%) (Kitova, Kolmakov, Dyakonova, Grishina, Danko and Sekerin, 2016).

Table 1. The ranking of the leading countries in terms of GDP and revenues received from tourism (2016-2017). (Compiled by the authors based on the data provided by the Federal Agency for Tourism, 2016)

Rating	Country	GDP, bln $	+ (-) GDP, bln $	Revenues from tourism in GDP, bln $
1	USA	18,558.1	+433.4	448
2	China	11,383.0	+171.1	224
3	Japan	4,412.6	+202.2	106.7
4	Germany	3,467.8	+54.3	130.8
5	United Kingdom	2,761.0	-92.4	103.7
6	France	2,464.8	-4.7	89.2
7	India	2,288.7	-19.3	41.6
8	Italy	1,848.7	+5.9	76.3
9	Brazil	1,534.8	-369.1	56.3
10	Canada	1,462.3	-153.2	28.5
…	…	…	…	
14	**Russia**	**1,132.7**	**-43.3**	**17.9**

According to the Federal Agency for Tourism (Table 2) (Federal Agency for Tourism of the Russian Federation, 2016), in 2017, Russia was among the most frequently visited countries. Tourists from CIS and other countries started to visit Russian Federation more often. The statistics on the incoming tourism in the first three months of 2017 shows that China (PRC) (183 thousand trips, + 32% compared to the first quarter of 2016), South Korea (23 thousand, + 28%) and Japan (13 thousand, + 8%) became the leaders of the incoming tourism growth in Russia in 2017; Vietnam and Thailand also showed a double-digit increase in the number of tourist trips to Russia during the reporting period.

Vladivostok (Primorski Krai), which has become a welcoming harbor for Korean and Japanese cruise ships in 2017, as well as the Ulyanovsk Region, which has introduced the Red Route to China in June 2017, now become one of the main Russian regions beneficiary of tourism growth from China and other countries of the South-East Asia.

Norway became the growth leader among European countries in the number of inbound tourist trips to Russia for 3 months of 2017. The number of tourist trips to Russia from France, Holland and Austria remains stable in 2017, while Finland, Germany, Spain, Italy and Great Britain show negative dynamics by this indicator.

The top 10 countries of inbound tourism to Russia in terms of the number of inbound tourist trips to Russia in the first quarter of 2017 are: Ukraine (1,578 thousand trips), Kazakhstan (657 thousand), Finland (234 thousand), Poland (189 thousand), China (183 thousand), Azerbaijan (181 thousand), Armenia (131 thousand), Moldova (107 thousand), Uzbekistan (99 thousand) and Abkhazia (92 thousand).

According to the Federal Agency for Tourism (Federal Agency for Tourism of the Russian Federation, 2016) and the results of the first quarter of 2017, China rose to the fifth place from the eighth in terms of popularity among foreign tourists, and Finland – to the third place from the fourth. However, the final figures are still negative (Table 2).

Table 2. The number of trips to the Russian Federation for the purpose of tourism from the CIS and other countries. (Compiled by the authors based on the data provided by the Federal Agency for Tourism, 2016)

Countries	Q1 2016	Q1 2017	Change in the number of tourist trips of foreign citizens for 1Q 2017 as compared to 2016. (+ -%)
Finland	316,875	233,867	-26
Poland	368,818	189,073	-49
China	138,683	183,289	32
Estonia	80,587	82,771	3
Mongolia	118,999	82,223	-31
Latvia	60,048	57,205	-5
Germany	57,138	52,617	-8
Lithuania	55,643	52,467	-6
France	29,829	30,157	1
Italy	28,070	25,553	-9
Israel	22,535	22,894	2
Republic of Korea	17,508	22,566	29
United States	20,277	19,798	-2
United Kingdom	20,572	18,724	-9
Turkey	5,858	15,129	158
Japan	11,847	13,486	14
Serbia	10,528	11,018	5
Norway	8,616	9,698	13
Netherlands	9,301	9,049	-3
Spain	8,716	7,512	-14
Vietnam	6,082	7,376	21
Czech Republic	7,126	6,778	-5
Thailand	2,160	6,763	213
Austria	6,964	6,555	-6
Switzerland	6,341	5,651	-11
Sweden	5,886	5,636	-4
Cuba	4,412	5,126	16
Belgium	5,115	5,028	-2
Bulgaria	4,144	4,172	1
Islamic Republic of Iran	3,798	4,136	9
Greece	4,382	4,070	-7
Slovakia	3,273	3,047	-7
Brazil	2,606	2,901	11
Hungary	3,060	2,871	-6
Canada	2,981	2,857	-4
Denmark	3,042	2,746	-10
Australia	2,312	2,230	-4
Romania	2,255	2,143	-5
India	2,883	1,690	-41
Slovenia	1,829	1,634	-11
Ireland	1,654	1,594	-4
Croatia	1,785	1,594	-11
Hong Kong	900	1,558	73
Argentina	1,323	1,426	8
Philippines	870	1,334	53
Egypt	1,719	1,312	-24
Portugal	1,964	1,206	-39
Cyprus	1,111	1,109	-0,2
Bosnia and Herzegovina	1,212	1,092	-10
Total	**1,483,637**	**1,234,731**	**-17**

Total for all far-abroad countries	**4,781,223**	**4,379,808**	**-8**
Ukraine	1,458,348	1,578,465	8,2
Kazakhstan	674,429	657,291	-3
Azerbaijan	216,043	181,018	-16
Armenia	128,321	130,523	2
Republic of Moldova	82,654	106,560	29
Uzbekistan	99,831	98,636	-1
Abkhazia	94,858	91,889	-3
Tajikistan	91,962	86,520	-6
Kyrgyzstan	62,679	82,594	32
South Ossetia	20,363	27,265	34
Georgia	10,988	15,052	37
Turkmenistan	0	0	0
Total	**2,940,476**	**3,055,813**	**4**
Total for all CIS countries of	**4,781,223**	**4,379,808**	**-8**

As for consumer preferences of Russian citizens, statistics inexorably testifies to the choice of foreign destinations by our tourists (Table 3).

Table 3. The number of tourist trips of Russian citizens to the CIS and other countries. (Compiled by the authors based on the data provided by *the Federal Agency for Tourism, 2016)*

Countries	Q1 2016	Q1 2017	Change in the number of tourist trips of Russian citizens to non-CIS countries for 1Q 2017 as compared to 2016 (+ -%)
Finland	576,158	736,097	28
China	311,919	429,542	38
Estonia	319,340	393,079	23
Thailand	283,291	381,100	35
Germany	214,973	273,402	27
Poland	258,700	272,637	5
United Arab Emirates	133,708	209,866	57
Italy	130,923	174,186	33
Vietnam	91,284	150,361	65
Turkey	64,380	138,000	114
Lithuania	134,911	123,154	-9
Spain	89,362	120,050	34.3
Czech Republic	64,455	103,890	61
India	60,351	98,470	63
France	76,202	96,467	27
Israel	61,349	76,637	25
Latvia	65,652	75,981	16
Switzerland	65,881	67,813	3
Cyprus	34,770	59,953	72
Dominican Republic	17,396	57,738	232
Republic of Korea	45,480	56,850	25
United Kingdom	42,738	52,958	24
Netherlands	39,791	52,125	31
Austria	43,022	51,818	20
United States	41,071	46,150	12
Norway	21,433	26,454	23
Bulgaria	21,565	23,495	9
Greece	15,347	23,148	51
Hungary	19,923	22,908	15
Qatar	18,302	22,786	25
Cuba	10,084	21,626	114
Belgium	13,538	16,719	23
Mongolia	11,759	16,611	41

Countries	Q1 2016	Q1 2017	Change in the number of tourist trips of Russian citizens to non-CIS countries for 1Q 2017 as compared to 2016 (+ -%)
Serbia	12,225	14,154	16
Japan	10,582	12,764	21
Sweden	6,968	10,550	51
Montenegro	10,840	10,452	-4
Jordan	5,068	8,844	75
Maldives	6,915	8,811	27
Singapore	7,586	8,636	14
Slovakia	7,892	7,884	0
Denmark	8,050	6,569	-18
Hong Kong	6,584	5,864	-11
Portugal	3,346	5,161	54
Sri Lanka	535	5,089	851
Bahrain	2,651	3,720	40
Slovenia	3,078	3,264	6
Islamic Republic of Iran	1,306	2,813	115.39
Morocco	844	2,767	228
Romania	2,670	2,444	-8
Croatia	2,080	2,418	16
Lebanon	1,499	1,874	25
Total	**3,499,777**	**4,596,149**	**31**
Total for all non-CIS countries	**5,361,220**	**6,708,883**	**25**
Abkhazia	631,674	666,790	6
Kazakhstan	501,482	511,928	2
Ukraine	310,159	371,649	9
Azerbaijan	106,128	139,278	31
Georgia	105,689	135,078	28
South Ossetia	76,211	83,790	10
Armenia	54,088	65,418	21
Kyrgyzstan	37,838	43,644	15
Republic of Moldova	31,142	36,017	16
Tajikistan	19,350	21,569	11
Uzbekistan	17,641	20,732	18
Turkmenistan	4,827	6,096	26
Total	**1,896,229**	**2,101,989**	**11**
Total for all CIS countries	**5,361,220**	**6,708,883**	**25**

The development of the internal Russian tourism market is facing increasingly intense competition from a wide range of countries, including the former socialist states, China, South-East Asia. According to expert estimates, in 2017 the sales of package tours to Russian resorts have already decreased by 0.5-1 million in terms of the number of tourists (the market fell back to the levels of 2014-2015). The development of the Russian infrastructure requires investment and time, but as long as there is a shortage of infrastructural facilities and investment in its development, the domestic tourism industry, in many cases, will not be able to provide a full range of modern services.

Many Russian regions have remained unattractive to tourists. The main reason for this is the unevenness of economic development, geographical, climatic, social and cultural peculiarities, and the peculiarities of the regional policy (Skorobogatykh 2009). There are several obvious problems in the industry that hamper its development, including the low quality of transport, housing and other related infrastructure, insufficient development of domestic aviation posts, namely the lack of competent public regional transport subsidy policies, especially in remote areas.

In the regions, there are different levels of investment attractiveness, political stability, quality of life, security and tourist attraction (Nikishkin, Tverdokhlebova, Murtuzalieva and Pohorilyak 2013).

The tourist attraction of a region is based on its potential, which should be understood as a set of all the economic, social and natural resources existing in the region, and defining or limiting the development of this region. Government support measures are absolutely necessary for its development and maintenance. Different strategies and programs for tourism development serve as the main instrument of state regulation of tourism activity through prediction and assessment of tourism potential at the regional level.

1. Methods

Despite the fairly good theoretical and methodological elaboration of the conceptual and terminological apparatus of tourism, there is a certain range of concepts and terms, deficient in domestic and foreign science: these include the concept of the "recreational wealth of the region" and a "tourist region".

All statistical data, reports and information about the places of interest are calculated on the data of tourist regions. It should be noted that there is a large number of author's positions on definition and composition of the allocated tourist regions.

The World Tourism Organization defines a tourist region as a territory with a large network of special facilities and services needed for recreation or rehabilitation. That is, a tourist region is defined as a place with tourist facilities and services that a tourist or a group of tourists chooses and that are sold by the tourist service producer. Thus, *a tourist region is a tourist product* that requires the use of marketing tools for its successful implementation.

Recreational resources are a combination of natural, historical and cultural objects and phenomena suitable for use in organizing recreation and tourism (Danko 2016).

The basis of the tourist and recreational potential of the Russian Federation consists of historical cities, monuments, museums, ancient manors, national parks, natural and cultural sites of the World Heritage, traditions and customs of numerous peoples of Russia, folk art crafts; the richest natural resources: seas, rivers, lakes, mountains, caves, hydromineral springs; climatic and other health and healing natural factors and conditions favorable for recreation and treatment, located in several regions of our country (Varlamov *et al.* 2016).

Recreational zoning is the division of a territory by homogeneous features and the nature of recreational use. The last zoning was conducted in 1994. The entire territory of Russia is divided into 15 zones, depending on the prevailing use of recreational resources and the level of its development (Table 4).

Table 4. Recreational zoning of the territory of the Russian Federation (Federal Agency for Tourism of the Russian Federation, 2016)

Names of recreational areas	Primary function	Significance	Level of infrastructure development	Duration of periods (days per year)	
				favorable	comfortable
Caucasian-Black Sea	medical/health-improving	All-Russian	High	180-190	170-85
North-Caucasian	therapeutic	All-Russian	Average	140-180	50-80
Mount-Caucasian	sports and tourist	All-Russian	Average	140-180	50-80
Azov	health-improving	regional	Low	130-180	50-70
Caspian	therapeutic	Local	Low	120-150	40-50
Central	health-improving	Local	High	80-110	30-40
North-Western	health-improving	Local	Average	70-95	20-35
West	health-improving	Local	Average	95-100	35-40
Volga	health-improving	Local	Average	70-125	25-50
The Urals	health-improving	Local	Low	60-125	25-50
Ob-Altay	recreational and health-improving	Local	Low	60-120	20-50
Yenisei	recreational and health-improving	Local	Low	60-120	25-50
Baltic	recreational and health-improving	Local	Low	80-110	30-40
Far Eastern	medical/health-improving	Local	Low	50-100	15-35
Northern	sports and tourist	Local	Low	20-70	5-30

In our opinion, the recreational wealth of a region is a marketing concept and represents a set of objects suitable for satisfying hospitality and tourism services, as well as subjects providing these services to the industry consumers.

2. Results

The investigation of the subject is important in terms of the tourist attractiveness of any region, namely, an integrated assessment of its recreational resources, since the tourist attraction means availability of such a potential of the territory, the use of which provides the optimal recreational load and the full-range preservation of tourism resources through the possibility of obtaining the appropriate socio-economic (and marketing) effect (Skorobogatykh, Malova, Musatova and Agalarova 2016).

The formation of the potential of the region is based on a structural approach, using which it is possible to identify the priorities among the constituent elements of its potential for determining their reasonable ratio and increasing the feasibility of distribution of resources between those elements. In this regard, in our view, marketing is an important tool for creating regional capacity (Pogorilyak, Shishkin and Murtuzalieva 2017).

Today the theme of the region's marketing potential as an object of strategic management and the factor of socialization is one of the most ambiguously interpreted in economic science. This is proved, first of all, by the lack of a unified position, a unified methodology for creating and functioning of the marketing potential system, both among foreign and domestic scientists and specialists (Shishkin and Pogorilyak 2012).

The development of the marketing activity of the territorial units of state administration bodies, regional and federal agencies as a whole is a prerequisite for improving the economic life of society. It determines the structure of demand, the volume of supply, the process of forming consumer preferences, the market conditions, as well as the quality of life of the region's population, the investment attractiveness of potential investment objects and the efficiency of the reproductive process of specific territorial entities (Sidorchuk 2015).

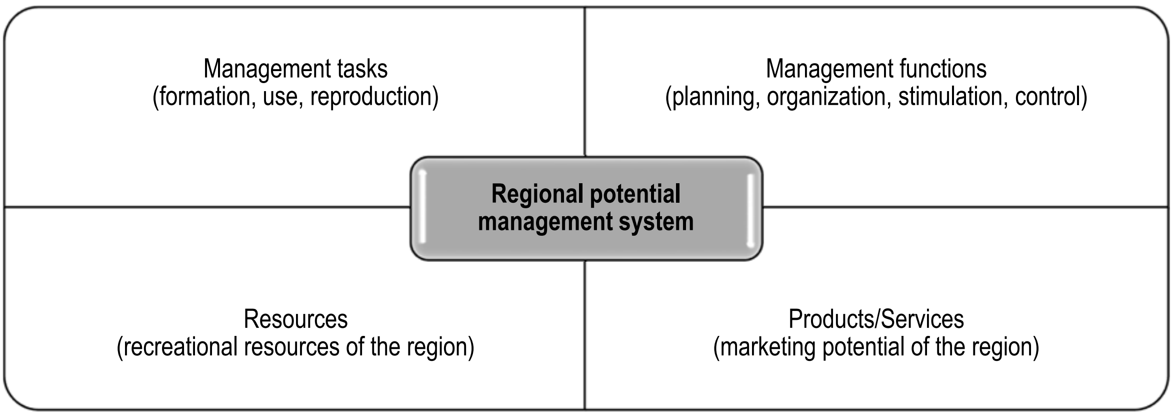
The marketing potential of a region in our understanding is the aggregate of all the resources of the territory and its market opportunities, making it possible to form and maximally satisfy the demand for goods and services in the process of socio-economic relations in the interests of the population for the purpose of:

- achieving the indicators exceeding the national average;
- creating competitive advantages compared to other territories;
- formation and improvement of the image of the territory, its prestige, business and social competitiveness;
- increasing participation of the territory and its subjects in implementation of the international, federal and regional programs;
- attraction of state and other external orders to the territory;
- increasing the attractiveness of investment, implementing resources external in respect to the area (Murtuzalieva 2012).

Regional potential is the basis for formation of the territory's marketing potential. The current state of the regional potential can influence the attractiveness of the territory for different groups of consumers in both positive and negative way. For example, unique natural conditions and historical sites can attract tourists, while an unstable social and economic situation in the region can make efforts for tourist attraction absolutely useless (Tsenina *et al.* 2016).

The effective management of the region's potential is necessary for efficient functioning of regional resources (Figure 1).

Figure 1. Regional potential management system



Source: Compiled by the authors

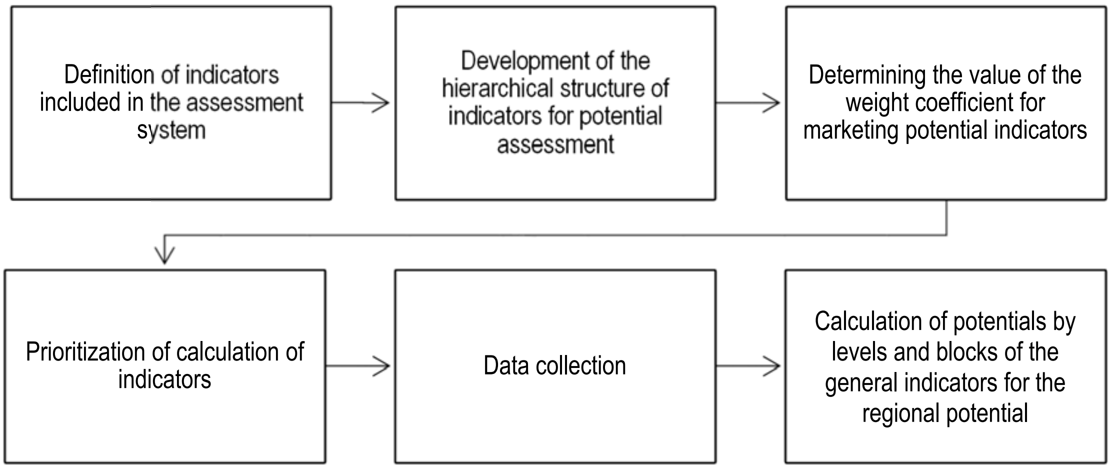
An assessment of the regional potential will reveal hidden reserves of the territory. It is recommended to carry out such an assessment through a system of indicators:

1. Economic indicators (volume and efficiency of production, state of regional markets, investment activity, energy and food security, financial self-sufficiency of the region, tax burden and the existence of an independent tax base for formation of the local budgets, indicators of territorial structure, concentration of economic activity, diversification level, property structure in the region).
2. Social indicators (the level of unemployment and employment in the region, nominal and real income dynamics, the structure of income and expenditure, the ratio of the average monthly income and the subsistence minimum, consumption of material goods and services, the level of infrastructure development, etc.).
3. Environmental indicators (the level of emissions of pollutants into the atmosphere, the state of surface water bodies and sewage stocks, etc.).
4. Demographic indicators (the number of urban and rural population, sex and age structure, able-bodied population, educational level, population density, migration balance, etc.).

The indicators of availability and use of the region's resources (labor potential, natural resource potential, productive capacity, infrastructure potential).

In detail, the process of the regional potential assessment can be presented in the form of the following steps (Figure 2):

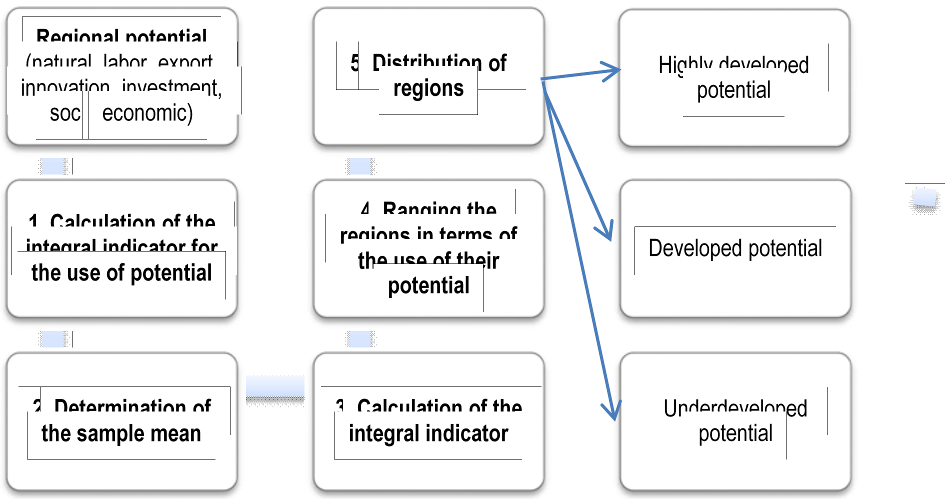
Figure 2. Algorithm of the region's potential assessment



Source: Compiled by the authors

Based on the analysis of the regional potential, there are medium-level, problematic and leading regions. At the first stage, the region's potential is accessed, identifying "crisis" regions that require state support and due to objective circumstances do not have sufficient opportunities for self-development (Figure 3) (Murtuzalieva, Danko and Shemetkova 2017).

Figure 3. Major stages in determining the regional potential



1. Mathematically, the calculation of the integral indicator of potential utilization is as follows:

$$\overline{y_i} = \sum y_{ij} \qquad (1),$$

where: $\overline{y_i}$ – is the relative value of the integral index;

y_{ij} – is the value of the *i*-th index in the *j*-th region.

2. Determination of the sample mean:

$$y_{i\,avg} = \frac{\sum y_{ij1}+y_{ij2}+y_{ijn}}{n} \qquad (2),$$

where: *n* – is the number of regions (districts) under study.

3. Calculation of the integral indicator (*I*):

$$I = \frac{\bar{y_i}}{y_{i\,avg}} \qquad (3),$$

After calculating the integral indicator, the regions are distributed according to the level of their potential development (medium-developed, problematic, developing or leading region), using the following method of calculation of the interval series:

$$\Delta = X_{max} - X_{min} / 1+3.322 \lg n \qquad (4)$$

where: x_{min} –is the minimum value of the integral indicator;

x_{max} – is the maximum value of the integral indicator;

n – is the number of the regions studied.

The boundaries of the intervals (a_j; a_{j+1}) are calculated according to the rule: $a_1 = x_{min} - D/2$, $a_2 = a_1 + D$, $a_3 = a_2 + D$, etc.; the formation of intervals ends, once for the end $a_j + 1$ of the next interval the condition $a_{j+1} > x_{max}$ is met.

The calculation of D is made with the number of decimal places, which exceeds that in the original data by one.

At the next stage, regions are distributed according to the calculated interval boundaries.

The distribution of regions in accordance with the calculated range gives a complete picture of development, both as a region and the country as a whole.

Based on the results of the regional potential assessment, we offer to assess the level of the region's potential use (LRPU) according to the following formula:

$$\text{LRPU} = \frac{\sum_{i=1}^{n} W_p}{\sum_{i=1}^{n} p_i}$$

where: p – is the region's potential;

$\sum_{i=1}^{n} p_i$ – is the number of evaluated potentials;

W_p – is the scores of the region's potential (3 points – a highly developed region (leading region), 2 points – developed region, 1 point – underdeveloped region) (Danko, Shemetkova and Murtuzalieva 2016).

At the next stage, marketing strategies are developed for all groups of regions, which are aimed at solving important social and economic problems, supporting the competitive advantages of the region, reducing the factors having a negative impact on the region's development.

3. Discussion

The North Caucasian and the Mountain-Caucasian recreational areas have important all-Russian significance (Table 5) and no less important strategic importance for the development of the North Caucasus Federal District.

Let us examine the level of the region's potential use in terms of the North Caucasus Federal District (NCFD). The region is not entirely popular in terms of tourism development, while having potential recreational wealth. *Despite the fact that the NCFD has favorable conditions for tourism development, so far natural benefits remain unimplemented. With a rapidly aging material and technical base in the absence of the necessary attention from investors, NCFD entities should seek additional internal possibilities and means of promotion of its services and products, as well as their promotion among tourists*. Under such circumstances, the use of marketing tools (based on the study and satisfaction of the needs of potential consumers) in the strategy of the strengthening of the region's competitive advantages as a resort can become a pivotal factor in increasing the competitiveness of this territory and increasing its share of the tourist market on a national scale and in the world as a whole. This should activate the inflow of both end users and business operators, and increase the investment attractiveness of the region, giving impetus to its further intensive economic development.

The level of the NCFD region's potential use is shown in Table 5.

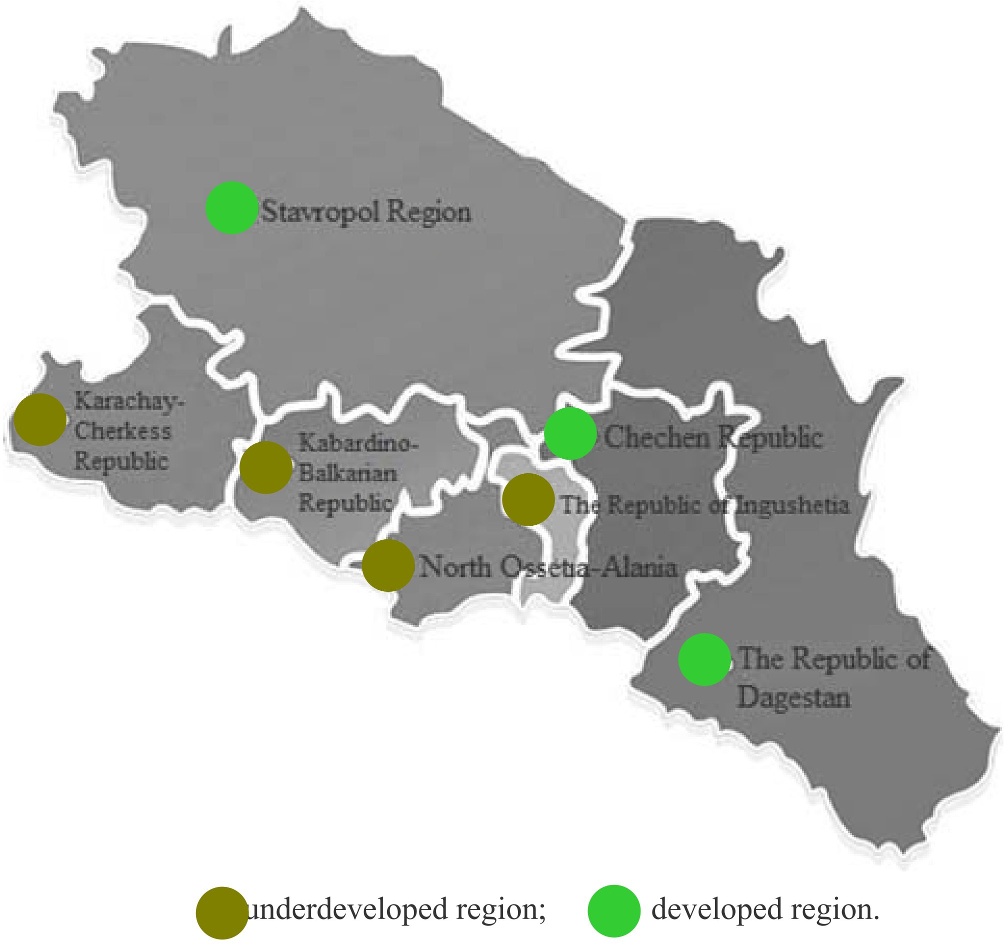
Table 5. Level of the region's potential use in the NCFD in 2017

Potential/ Regions of the NCFD	The Republic of Dagestan	The Republic of Ingushetia	Kabardino-Balkarian Republic	Karachay-Cherkess Republic	Chechen Republic	North Ossetia-Alania	Stavropol Region
Labor	3	1	1	1	2	1	3
Socio-economic	1	1	1	1	1	1	2
Natural Resource	3	3	3	3	3	3	3
Innovative	1	1	1	1	1	1	1
Investment	2	2	1	1	3	1	2
Export	1	1	1	1	1	1	1
Regional	2 (1.8)	1 (1.5)	1 (1.3)	1 (1.3)	2 (1.8)	1 (1.3)	2 (2)

Source: Compiled by the authors

The result of potential assessment is presented in the map of the region's potential use (Figure 4).

Figure 4. The map of the NCFD region's potential use



Source: Compiled by the authors

Thus, there are no highly developed territories in the NCFD: no region of the federal district has received a 3-point rating. Among the developed regions (in terms of the region's potential use) there are: the Republic of Dagestan, the Chechen Republic and the Stavropol Territory due to its labor, natural resource and investment potentials. The remaining regions of the district are classified as underdeveloped regions in terms of the region's potential use.

The presented approach to assessing the region's capacity is universal and can be applied to potential assessment of any territorial entity. In contrast to the existing approaches, the proposed approach allows evaluating the existing potential of a particular region in a comprehensive manner. The approbation of the proposed algorithm for assessing the region's potential use through the example of the NCFD allowed not only confirming the calculations of statistical data, but also obtaining more detailed information on the development of the district entities.

Being rich in natural resources and having sufficient labor potential due to traditionally high birth rate, but with a weak socio-economic, investment, innovative and export potential, it is impossible to develop the tourism sector in the region sufficiently. At the same time, tourism in the North Caucasus Federal District should become one of the main branches of the district's economy, its budget-forming part. Moreover, the development of tourism should contribute to solving the problems of reducing the conflict in the region.

Conclusion

Thereby, the development of the tourism sector has a multiplier effect, stimulating the growth of the region's economy.

Among the main conclusions and reasons for typical misconceptions, the adherence to which might substantially hamper the desired growth of the tourism sector, are:

1. Inclusion of the crisis in the number of reliable drivers of domestic tourism growth.

2. Reliance barely on the basic factors of tourist attraction (nature + history).
3. Adherence to "mega-projects" against the background of undeveloped local infrastructure.
4. Lack of investors' interest in tourism due to limited demand and high risks associated with the type of business.
5. Insufficient use of the region's potential by the constituent entities of the Russian Federation for the tourism industry development as a significant factor in investment attractiveness and economic growth.

As for the further studies, based on the identified potential, they will be focused on formation of marketing strategies for development of the regions of the Russian Federation under review, as well as determining possibilities of their accelerated socio-economic development on the basis of attractiveness factors and criteria (indicators) of recreational potential competitiveness.

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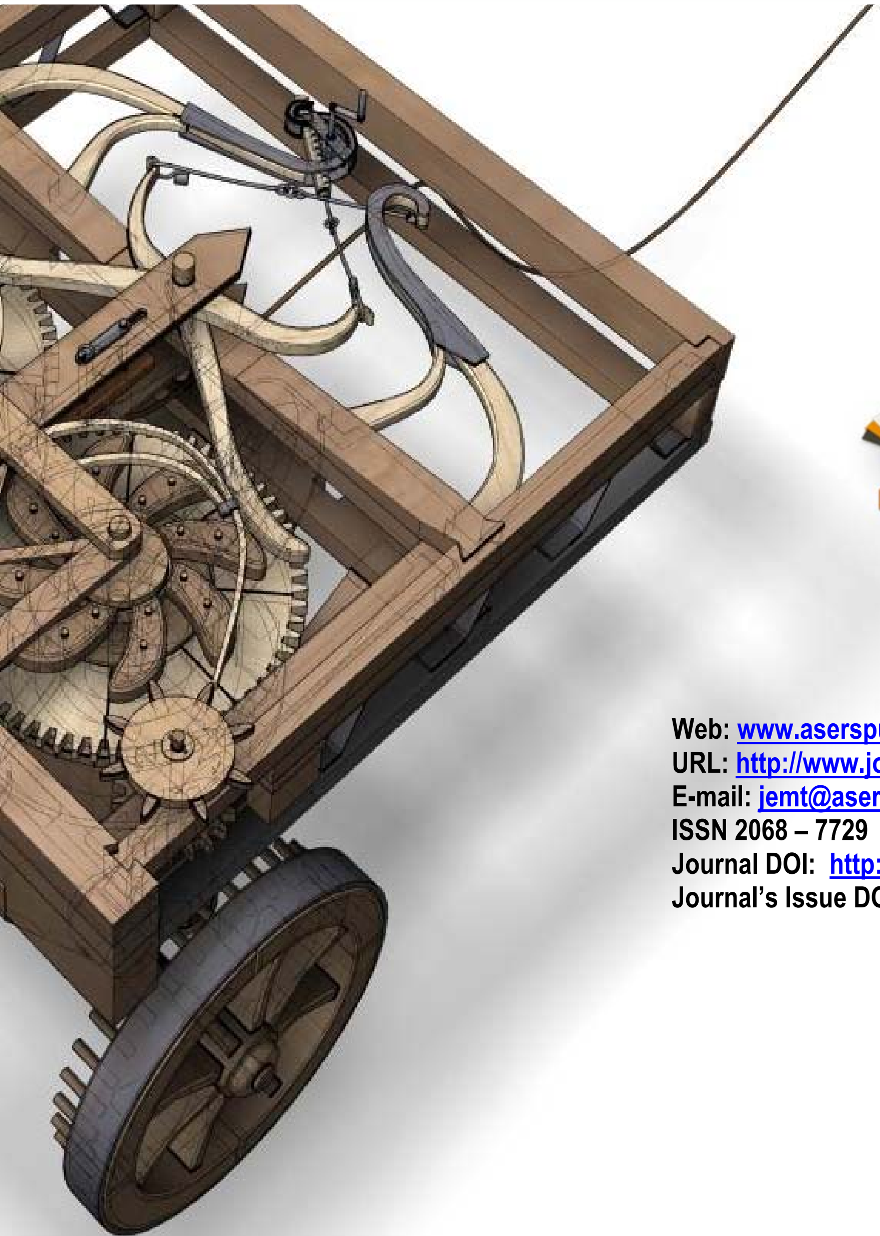

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