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**The Ministry of Education of Azerbaijan Republic**

**The Role of Marketing Management in Raising Competitiveness in Service Market**

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**ABSTRACT**

In recent years, much attention is paid to the development of tourism in Azerbaijan, in particular, hotel business. Over the past year, many 5 star hotels have been built in our country. The most important of these factors is the fact that Eurovision 2012 song contest is held in our country this year. If in the past 2 million tourists came to the country, this figure is expected to increase even further this year, including this year. As the number of new hotels increases in our country, there are some problems in the competition between them. Hotels use different means of competing in their market positions. These include the use of new equipment, high quality service, experienced staff, availability of financial resources, customer portfolio, pricing policy, etc. Factors can be illustrated. Therefore, hotels are trying to achieve favorable conditions in the production, sale and purchase through competition between them. This fight is always interested in developing and improving their production, as there is always a risk of failure to compete with competition. The main objective of the research is to investigate the competitiveness of hotels and to identify the key factors affecting the competitiveness of their hotel strategies. Tourism is a competitive area, so the competitive strategy of hotels is always changing. In other words, the main purpose of the work is to apply the correct competition strategy in raising competitiveness in hotels and to properly evaluate the results.

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**KEYWORDS:**

Competitiveness, competitive strategy, tourism, tourism market, tourism service, hotel, quality, staff.

**INTRODUCTION**

Due to the transition of our country to the market economy, the free market of competitiveness in the tourism market has begun to develop. With the advent of new tourism businesses, the competition in the market has also intensified.

The domestic and international tourism market is constantly working in a highly competitive environment. In order to attract tourists, there is a sharp competition between individual countries and across the country - regions, cities, hotels, service businesses and tourism companies. In the context of tough competition, it is crucial to develop a precise marketing program, to implement its consistent and concrete actions, to study the market, to prepare a tourism product and its purposeful advancement in the tourism market.

At present, it is particularly important for each tourism enterprise to properly evaluate the emerging market environment to provide effective means of competi- tion, and these competitors should be able to meet the complicated market situation in Azerbaijan and its development tendencies and, on the other hand, the characteristics of concrete production.

Compared with previous years, this year the number of places has increased threefold. This shows that the tourism market in Azerbaijan is an open, transparent and free competition. There is no monopoly in the tourism industry. Today, every businessman can invest in this field and act freely within the law. At the same time, we attach special importance to the placement of these investments and establishment of enterprises that meet international standards. The number of tourist accommodation facilities is increased. The higher the level of service, the greater the tourist flow to our country.

In Azerbaijan, where tourism potential is highly valued, there is a need to develop a plan of action for raising competitiveness of tourism enterprises, internationally recognized and taking advantage of the experience of selected countries. All of this is relevant in the issue of graduation.

The work is important. Because of the high level of hotel business development in our country, especially in business hotels. Almost all of the hotels operating in Azerbaijan are business-type hotels. Resort hotels operate for local tourists more than foreign tourists, which leads to low tourism revenues. The development of international tourism in recent years, the increase in the number of tourism companies and hotels in our country, and the development of the tourism sector in line with world standards. Despite the consistent efforts to integrate Azerbaijan into the world tourism market, hotel business concepts have not been fully mastered by all hotel staff. The experience of foreign experts, especially from Turkey, is still used in our country. In addition, many tourism companies in Azerbaijan consider the relations with the hotels very weak. Tourism companies are of the opinion that hotels in the country can not accommodate tourists because the prices are high. These factors include the protection of position in the tourism market, the formation of competition, the factors affecting it, the application of quality standards in the service, etc. clarifies matters.

Although competitiveness and competitiveness in literature in Azerbaijan are insufficient, there are some drawbacks on literature sources on the formation of tourism enterprises, as well as the competitiveness of hotel business. Therefore, I have acquired the material on the issue of the issue from the books of many foreign authors, in particular Russian authors. In addition, to explore the competitiveness of hotels, I have gone through the internet and traveled directly to KEMPINSKI BADAMDAR, Park Inn and Ambassador, and gained some practical knowledge. Also, I have been able to use some statistics on the number of tourists coming to Azerbaijan from the Tourism Department of the Ministry of Culture and Tourism of Azerbaijan in recent years. With regard to the subject of the case, the collected materials will be finalized and analyzed according to the purpose, essence and research problem of the case.

**SECTION I. OBJECTIVES OF MARKETING MANAGEMENT IN THE ENVIRONMENTAL IMPROVEMENT OF SERVICE MARKET COMPANIES**

**1.1.Competitiveness of the enterprise and its theoretical aspects**

Management of economic facilities, processes and relationships is closely linked to competition between market participants and business entities in the conditions of market law. Competition among organizations, businesses, entrepreneurs, and traders is a key tool for raising efficiency in practically all forms of economic activity, an uninterrupted goal of economic and business activity (19, p.)

The competition is a Latin word (concurere) that means "collision." The formation of competition coincides with the period of the formation of commodity production, which has historically been conditioned by the division of property and division of labor, becoming the most active element of economic development with the development of commodity production. Specific proprietary ownership of production means the existence of competition. Competition is betrayal. Despite the fact that producers and consumers have equal opportunities as a result of competition, the desire to overcome these opportunities more effectively has always resulted in their improvement (20, p.221).

Competition is the state of struggle between different manufacturers and sellers, and in general, is a struggle for the market to deal with any marketplace where more effective commodity and services are available for sale and purchase, with more revenue, profit, and other earnings.

Enterprises provide competitive competition against existing potential competitors by developing and implementing new projects and business plans. They also take operational measures by adjusting the price: they serve consumers and consumers, use ads, and mobilize mediators.

Competitiveness Management is the organizational - management, economic and moral - psychological impact of management entities that are state and regional authorities, entrepreneurs, managers, direct producers and consumers. Compared to competitive advantage, the higher technical level, the quality of the goods and service, lower prices, production and operating costs.

Businesses have an opportunity to increase competitiveness, high quality of product or service, controlling and adjusting quality parameters, and increasing tax rates by setting tariffs. Consumers are also affected by low or high demand for the price and competitiveness of products and services.

Operative management of competitiveness is to study the market situation, current demand change, market trends, needs, demand, and quickly resolve it.

From the middle of the 19th century, the market economy, which has not been regulated by the state and the free competition has developed extensively. This kind of market influences the commodity production in exceptional circumstances by the demand and supply mechanism and the price change. Naturally, such a formation and development of market relations forced the commodity production to learn the demands of consumers, to improve the quality of their products, to increase labor productivity, to expand production, and to reduce production costs. During this period, two main forms of competition - intra-field and inter-field competition - began to develop.

Recently, there is interest in price competitiveness in developed countries. This is primarily due to the use of resource-saving techniques and cost savings.

**Table 1**

**Types of competition**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **s/s** | **Characteristics** | **Market models** | | | |
| **Free competition** | **Net monopoly** | **Manufacturer's competition** | **Oligopoly** |
| 1 | Number of firms | Too many | One | Many | Some |
| 2 | Type of product | Standardized | Unical | Differential | Standard or differential |
| 3 | Price control | Exceptional | Important | Extremely tight | Based on limited or substantive confidentiality agreements |
| 4 | Terms of access to the site | Very easy | With limited facilities | Relatively easy | As difficult as possible |
| 5 | Non-profit competition | none | Almost none | Special attention is paid to quality, advertising, trademarks | It is a typical characteristic of the product's differentiation |

Non-price savings include offering high quality, high reliability, service life, high productivity, and product range with a wide range of products. The environmentally friendly product, energy, economic and aesthetic characteristics, and its safety are of great importance in the products that are produced in non-price competition. Better quality products are crucial to having a dominant position in the market.

One of the most important means of competition in the market is trademarks. The brand and its reputation of a commercially available and traded company are considered to be one of the most important conditions during the product realization.

The most important aspect of the competitive environment is the reduction of production costs, upgrading the product assortment to a changing demand, improving its quality, increasing the competitiveness of the product and the firm that produces it, ensuring legal protection by the state through legislative means and limiting monopoly activity.

Traditional producers use relatively common methods and methods, such as breach of competition rules and regulations, in a sharp contention. This is also called unfair or unfair competition in economic literature and practice. The main features that describe unfair competition in practice include the following:

• Implementation of dumping rules, namely lowering the value of the price at the time of the sale of the product.

• Capability of a leading firm to oversee the activities of other competing firms.

• abusing the dominant position in the market;

• defining discriminatory (unequal) prices or commercial terms;

• limiting the performance of enterprises producing competitive products;

• applying agent restrictions on restrictive conditions and product sales (against whom and when);

• conducting secret negotiations by leading firms during trade;

• false information or advertising;

• breach of shipping and shipping standards.

Economist from the US, Professor M. Porter, conducted some research in the field of competition. According to the porter, the enterprise's competitiveness is determined by four key factors that are interdependent and dependent (5, p. 11):

• under the conditions of optional factors;

• with demanding conditions;

• The condition of the service and areas close to it;

• with the strategy of a particular company;

Since M. Porter is a classic theory of production factors, he not only limits these factors, but also emerges in the process of production, such as increasing labor burden under conditions of labor deficit, limited resources - landfills, and other natural resources. saving technologies).

The second important component of the firm's development is demand. In this case, the internal demand situation in the mutual influence on the external circumstances has a decisive impact on the firm's condition. It should be taken into consideration that national characteristics (economic, cultural, ethnic, educational) that may affect the company's exit. In the case of M. Porter's approach, the domestic market's demand for the company's business is also acceptable.

 The third component is the condition and level of development of the production, service, and development of the areas closest to it, the availability of appropriate equipment, the availability of close relationships with financial, commercial structures and consignors.

 Fourth, the competitive environment and the firm's strategy. The strategy of the company and the appropriate organizational structure, chosen by the firm, is an essential condition for successful participation in international trade. Serious stimulus is that there is enough competition in the domestic market. Artificial domination with the help of the state is not a right decision, it is the use of inefficient and loot.

 Different countries may have different combinations of these factors, so M. Porter differentiated four stages of the life cycle of each country (16, p. 20).

1) Factor - driven economy. (At this stage, countries compete mainly for their production factors - for cheap labor, more favorable sowing areas, etc.;

2) Investment - driven economy. The competitiveness of the economy is based on the investment activity of the state and national firms, at the same time the ability of national manufacturers to adapt to and adapt to foreign technologies is crucial. Increasing the volume of investments leads to the creation of new, advanced factors and the development of modern infrastructure;

3) innovation - driven economy. This stage is characterized by the prevailing competitive advantages resulting from the existence of four factors that are interacting with one another. The range of areas where national companies are successfully competing is expanding and expanding;

4) wealth stage (prosperity - driven economy). Decrease of production level. The driving force of the economy serves the acquired wealth. The country and its companies are gradually giving their positions in the international competition and focusing on the full potential of their positions. However, they are a land of conservative strategies by the authorities, since they do not make active investments.

 According to this division, M. Porter has formulated the following tips to countries according to their economic policies:

1. For the economies of the production factors:

• Creating and maintaining political and macroeconomic stability, achieving the rule of law;

• achieving a high level of physical infra-structure and general education;

• market openness;

• Creating conditions for the assimilation of world-class technology.

2. For the economy of the country in the investment phase;

• investing in improving scientific and research infrastructure and physical infrastructure;

• Creating opportunities for the expansion of production capacities on all phases of the chain of external technology (from production to production to final product).

3. For the country's economies in the recovery phase:

• Establishment of world-class research resources (organization, infrastructure, workforce);

• Creating a unique strategy for national companies and the creation of the latest innovations in the world.

 M. Porter's theoretical views were the basis of state-level consultations in Australia, New Zealand and the United States in the 1990s to enhance competitiveness of the country's goods in foreign trade.

 At the same time, economists have shown that M. Porter's theoretical views need to be developed and noted that this theoretical concept should be improved in the direction of improving the country's competitiveness.

American economist Michael Porter has shown that the nature of competition in the field is influenced by the five competitive forces (21, p.56).

• fight among existing competitors within the field;

• the danger of creating new competitors in the field;

• Substitute products;

• power of suppliers to the producer's costs;

• the ability of buyers to influence the manufacturer's prices.

Fighting against existing competitors is the most influential force in the field of competition in the 5 competitive forces. Competitiveness in these areas is reflected in how enterprises use their competitive advantage. Competitive means mean all means that will increase the consumer's value for the product and reduce the cost of consumption. There are two main aspects of the competition's manifestations: a) the competition strategy and tactics of an opponent directly affect other competitors; b) Forms of competitiveness of competition facilities to determine competition rules in the field.

The results of competitiveness in the field indicate the financial results of competitors' activity:

• If competition strategies in the field reduce overall profit, competition is considered too harsh;

• The intensity of competition is considered as normal in the case of profits in the field at a moderate or high level;

• The competition intensity is considered weak if the profit in the area is higher than the average.

The impact of suppliers on the costs of the enterprise is determined by the importance of their product for the buyer and the circumstances that existed in the field. Supplier's impact strength is as follows:

• absence of substitute products for the supplier;

• presence of strong competitors of the suppliers;

• the specific weight of the buyer's needs in the sales volume of the supplier;

• the buyer's replacement costs of the supplier.

Suppliers increase their costs by increasing their costs and lowering the profitability of the site. The quality of the suppliers 'products is directly reflected in the quality of the products of the buyer - enterprises and has a significant impact on the company' s position in the market.

The recipients' competitive forces are conditioned by the following factors:

• the buyer's demand is sufficiently large in the sales volume of the entity;

• when the buyers are few;

• when buyers have a choice;

• the cost of switching to other products to meet the demand;

• When buyers have high selective abilities and criteria.

The buyers then become a strong competitive force that can affect their product quality, sales, and after-sales service decisions.

The impact of substitute products on the profitability of the site is explained by:

• Prices for substitute products limit the prices of key products. Thus, the effect from the main products decreases with the rise in prices. At the certain price level of those products, the effect that the buyers gain from the product begins to align with the effect of the substitute product, and the buyer begins to meet their needs with substitute products, and thus the demand for the main product begins to decline;

• Availability of substitute products allows buyers to compare the quality and cost of main products. Therefore, manufacturers of basic products should always communicate with them to communicate the advantages of their products to buyers;

• The impact of changing the main product with substitute product plays a role in the cost of buyers. Where these costs are greater than the cost of the main product, the impact of substitute products on the site is weak and vice versa.

These competitors determine the level of profitability of the field in mutual interaction. Studying the mutual relationships of these competitive forces and their particular features is of great importance in making strategic decisions. The enterprise's competitive strategy is then effective, which protects the position of the entity against the negative effects of the competition forces, changes its competitive rules to the venture, and gives you additional competitive advantages.

The successes we have today give us a reason to say that the development of tourism in Azerbaijan has entered a new phase. The tourism sector has become the most sustainable, effective and competitive sector of the economy. Rapid socio-economic progress achieved in recent years has opened new opportunities for comprehensive development of this sphere. Risk-oriented individuals, by investing their money, open a tourist office, creating a tourist product, taking into account the potential of buyers. At a reasonable price, he earns a line of income and spends some of his income back on expanding his business. The next chapter will talk about tourism facilities and their availability.

**1.2. Characteristics and types of tourism enterprises in the service market**

Tourism enterprise is understood as a tourist object, which carries out one or more of the functions of tourism product and is licensed for tourism activities for the purpose of selling that product. The goals and objectives of the tourism enterprise are to create an attractive tourism product that is in line with the needs of tourists, maintain the supply at the required level, and maintain the product's competitiveness (11 p.

        The tourism enterprise, as well as other enterprises, incorporates the major components of the national economy:

• is the main organizational form of the life of every person and of society as a whole;

• produces products and services;

• acts as the main subject of production relations;

• unites the interests of society, entrepreneurs, the collective and the workers.

The tourism enterprise is located in a strong differential environment. The internal environment of a tourism enterprise is understood as the factors that can be regulated by the entity. Internal environmental factors include: enterprise goals, objectives, structure, technology, accounting, management and staff. The external environment of a tourism enterprise is understood by all factors and conditions of the environment that affect the operation of the entity and require its proper response. These include: consumers, competitors, partners, government regulatory agencies, laws.

The business environment is never stable. The defined composition, structure and condition of both the domestic and foreign environment of the tourist enterprise determine the possibility of payment of its consumers' demand.

The main objective of the tourism enterprise is to prepare attractive tourism products that meet the requirements of tourists, maintain the demand level, and maintain the competitiveness of tourism products. First and foremost, a tourist enterprise should be established and activities should be organized to address these or other issues. The stages of establishing a tourism enterprise are shown in the following table.

**Figure 1. Stages of creating a tourism enterprise**

Identifying the mission and goals of the tourism enterprise

Selection of organizational-legal form of tourism enterprise

Choosing the institutional structure of enterprise management

Preparation of state registration documents

Selection and training of staff

Determination of enterprise office

One of the prerequisites for the establishment of a tourist enterprise is the registration of the founding documents in the Taxes Department. On the website of the Ministry of Taxes applications and reference forms are required for registration of a legal entity. For this purpose, the following must be fulfilled:

• application by the founder (application for enterprise registration);

• information about the founder (address, copy of ID card);

• legal address (copy of legal address) where the enterprise is located;

• Charter (on the basis of the form shown);

• Receipt on payment of state duty;

• Charter capital document;

• Temporary opened bank account.

The Tax Department receives the documents submitted for registration within three business days (legal or physical) and issues the appropriate registration certificate to the founder.

It is crucial that public authorities have a special permit (license) to engage in different types of entrepreneurship. To this end, the person submits a receipt to the Tourism Department on receipt of payment of the relevant contract, agreement on cooperation with the state registration, placement and transport enterprises. Provides a license to the individual within a certain period of time. The validity period of the license is 5 years.

It is important for the company to have bank accounts and relevant severed accounting forms to operate in full compliance with the existing accounting standards. Documents required for opening bank accounts (manat and currency accounts) are submitted to the bank. These are:

• state registration certificate;

• Charter;

• Notarized signature of responsible persons;

• application.

Once the bank accounts have been opened, the company is provided with a checkbook issued by the bank for cash withdrawal from the bank account. The company is provided with accounting documents for its normal operation. Serious registration forms:

• box office;

• ordination order;

• invoice, the invoice;

• power of attorney;

• Value Added Tax ((VAT) if the company is a VAT taxpayer).

Each sheet of these documents shall be numbered by the publishing house and delivered to the local financial department.

The positive image of any firm, as well as a tourism firm, begins with its name. Marketing professionals think that the firm's name, its trade mark, is the representative of that firm. The image of the firm can be called his business card.

This is especially important for tourism companies, as the main role in the acquisition of a turtle is the attitude of the tourist towards the company. Often foreign firms hold competitions to name firms and spend a lot of money on it.

The name of the firm can be varied and depends on the taste of its representative. For the company's future success, the principles should be taken into account when the company's name is chosen. These principles are as follows:

• irreducible name. Tourists are accustomed to the island, and it is engraved with memories. It facilitates business relationships. You have to choose a name that does not need to change it later;

• A name associated with the character and positive features of the product to be released. The successful selected name creates the original and beautiful emblem of the organization;

• The selected title must be short, harmonious and artistic. Names that contain more than one or two words and type of activity are selected. For example, "Globus", "American Express" etc;

• The name does not repeat. If you do not have a good impression on any of the same name companies, then you will automatically have a bad impression on another company. Registered trademarks and names are protected by law;

• A name that can be understood by foreigners. Foreign words can also be used. If there is no equivalent in the native language, then it can be used. Usually, foreign names are often found in local firms. This indicates that foreign capital is involved in the firm.

If an enterprise comes to the foreign market, for example, an Azerbaijani, then it is necessary to follow the following rules:

• The name can be written in Latin letters;

• When the name is being translated into another language, it should not be a contradiction in the censorship requirements.

The service mark implements two functions - guarantee and ad functions. These features are tightly bound to each other. Failure to follow one automatically affects the second. Therefore, it is crucial to comply with the peresthetic requirements for companies.

The location of the office in the image of the tourist enterprise, the interior, and the equipment play an important role. The office environment should be such that both the tourist and the partners build confidence.

Marketers and imagers are advised that enterprises should strengthen their links with more modern, big, powerful companies.

In their international tourism facilities, their staff also has a great impact on the company's image. International organizations do not accept any institution. Membership fees must be paid to the members of the company. And this creates an idea of ​​the enterprise's purchasing power and revenue.

Service culture, accuracy, agility, all these qualities affect the tourism company.

Given these, the full operating cycle of a tourist enterprise can be conditionally divided into four major areas.

1. Marketing

2. Creating a tourism product

3. Financial calculations

4. Development of tourism enterprise

**Table 2**

**Directions and types of tourism enterprise (1, p.39)**

|  |  |
| --- | --- |
| Business trends | Types of business |
| Study and prediction of tourism market conjuncture | Provide commercial activity, price, and competitors information  Analysis of competitiveness of tourism products and services as well as analysis of demand for quality of tourism products and services in the market |
| Formation of goals and assessment of opportunities | Preparation of long-term and medium-term forecasts for future development of tourism enterprise |
| Logistics and staffing | Providing tourist enterprise with cash, personnel, logistics, buildings |
| Activating the activities of the staff working in the tourism enterprise | Economic and moral stimulation of staff  Preparation of plans to reveal the labor potential of the employees  Increasing the professionalism of the staff |
| Activities for the production of tourism products or services | Preparation of competitive products and services  Organizational, technical and technological issues of tourism activities |
| Selection of staff, conducting negotiations | Negotiating and concluding contracts with business partners |
| Advertising activities | Implementing advertising activities to increase the profitability of tourism products and services  Participation of tourist enterprise in exhibitions, fairs, seminars, conferencia, advertising tours |
| Profitability activity | Development of corporate and agent networks  Development of new types of business  Use of modern computer technologies in business |
| Analysis, control and coordination | Control over financial affairs  Organization and analysis of credit operations, control over the implementation of maternity  Use of modern communication systems |

Source: L.M. Yegorenkov - Introduction to tourism technology, Moscow 2016

There are following types of tourism enterprises:

• Tour Operators;

• tourists;

• tourism industry enterprises;

• tourist associations.

Tour Operators. Tour operators are engaged in the improvement of tourism products and the formation of services called "tour". Tour operator is also called "touring" in some countries.

The travel company can be both tour operator and touragent at the same time. For example, the company prepares a route as a tour operator and sells it to tourists and other travel agencies, but also takes tourists from other companies and sells them to tourists. The intensive development of the tourism industry, the rise of competition and the strengthening of competition affected the structure of the tour operators and identified their future specialization.

Tour operators according to the type of activity are divided into the following reasons:

1. Mass market operators - sell large quantities of turpackets;

2. Specialized operators are specialized tour operators in a particular product or market segment (in a particular country, in any type of tourism, etc.). At the same time, these specialized operators are divided into the following tour operators:

a) for a specific area of ​​interest (eg, sports and entertainment tourism, organization of safari tours to Africa, etc.);

b) Instead of a special appointment (for example, England, France, etc.);

c) according to customers (tours for young people, business tours, family tours, etc.);

d) for specific places of location (eg rest homes, turbines, etc.);

e) use of certain types of transport (air transport, railway transport, bus, etc.).

According to the forms of tourism:

1. Universal tour operators - both dealing in both outgoing and incoming;

2. Incoming - specialized operators (preparation of tourists and service packages);

3. Outgoing operators specializing in outbound tourism (prepares triplets to foreign countries);

4. Specialized operators of internal tourism (preparation and implementation of domestic tours).

Touragents. Touragent is an intermediary organization, engaged in the sale of tour operators. Its main task is to sell the tourist product from the operator and sell it to the customer. For this reason, he receives a prize of 7-15% of the tour operator's value. Tourist business activities are often replaced by tourists and tourists.

Independent tourists typically operate in countries where tourism is weak in the field of tourism. In this case, tourists are financially independent. They have their own commercial activity at regular rates, numerous firms, hotels, transport businesses, wholesale tour agencies, and so on. in close contact.

The main objectives of Touragency:

• extensive opportunities for tours, resorts and tourist centers;

• advertising of this information through advertising means;

• Organize sales of tourist goods in modern ways.

Touragents can be found in different forms:

• Tourist sales, organized by tour operators and selling touristic products for commissions awarded;

• travel agencies for transport organization; here the prospect of establishing air transport enterprises - airline companies, airlines, railways, and joint ventures;

• Tour operator's own touristic, self-made products and sells directly;

• tourism co-operatives.

Tourism Cooperatives - Another form of Touragent associations is tourism co-operatives. The voluntary association of three or more tourism companies for joint activities in the direction specified in the Charter of Tourism Cooperatives.

Solving many problems in tourism business is not part of the diversity of tourists. Similar problems are also involved in the search and co-operation agreements for accommodation, food, transportation, travel agencies and other tour operators.

This is primarily due to the fact that the potential customers of the touragent may wish to travel on different destinations and destinations. In order to avoid losing customers, touragent should have good knowledge of tourism business opportunities in any part of the world, and should be able to provide reliable guarantees on the proposed travel route. Tourists entering into the cooperative may cooperate in concluding contracts with tour operators on transport and accommodation facilities, reservation of places, customer exchange, and tours sale.

Tourism industry enterprises. The tourism industry is understood as the system of interaction between enterprises and entrepreneurs providing everything necessary for tourists (services, products, etc.) in the process of traveling. Tourism industry includes the following enterprises, organizations and companies:

 Accommodation facilities (hotels, hotels, boarding houses, gardens, rest homes, sanatoriums, private houses, etc.);

 Nutrition facilities (restaurant, cafe, bar, canteen, etc.);

 Vehicles (automobile transport, rail, air, maritime transport, etc.);

 Turoperators and tourists (tourist organizations, tourist agencies and other tourist management bodies);

 tourist advertising information organizations;

 Enterprises producing touristic goods and facilities;

 Enterprises selling touristic goods and facilities;

 Entertainment institutions;

 Tourism science and education institutions.

Tourist associations. Non-profit organizations. It includes clubs, alliances, and other volunteer tourist associations of tourism lovers. Tourist unions usually operate on collecting dues, public and private funds, and at the same time commercial activities. The revenue generated by commercial activities is mainly used to promote tourism in the region, to train tourism trainers who have raised vocational education, and to award scholarships to honored tourists.

Turkorporations. Giant tour companies that combine tour operator and touragent firms. In many countries, giants are creating a monopoly on the tourist market. Thus, 13 large corporations in France have occupied 70% of the tourist market of their country and 50% of the tourist market of their country, and 3 large corporations in Germany. Corporations are created by combining tour operators and tour operators with the help of small business firms based on volunteerism, with the business presence of firms in common business.

Tourism Consortium. Volunteer unity created by several travels on a temporary basis, with the aim of maintaining uniform policy, negotiating the general terms of the deal with tour operators and other wholesale tourists, with the maintenance of financial and legal independence of all participants. Tourism consortiums are often based on the following principles:

• Each participant is voluntarily enrolled in the union;

• With a view to maintaining the integrity of each participant's financial independence, self-governance and economic interests;

• Provided that all parties have the same rights in the settlement of joint issues;

• Providing a contractual arrangement between the participants (subject to the terms of the contract to be enforced by all parties).

      Consortium participants tend to be small and medium-sized. Access to the Consortium helps these firms to define and execute a contractual arrangement with tour operators and to develop a uniform policy during their business with placement tools, transport and excursion firms.

Businesses set up for accommodation (sleep and night) are the most important element of tourism. There is no tourism, if there is no accommodation. Accommodation facilities are a definite and rigorous requirement for any tourist district or center of the economy, which seeks to make a great deal of income from tourist exploitation and exploitation of tourism resources.

According to recommendations of the World Tourism Organization, all placement methods can be divided into two places: collective accommodation and individual accommodation. Facilities for collective accommodation of tourists include hotels and related facilities, specialized enterprises (healthcare facilities, public transport, labor camps, convention centers) and other facilities for collective accommodation (recreational accommodation, camping grounds, etc.) ). Individual accommodation facilities for tourists include personal accommodation, rented rooms, rented accommodations from individual persons or agents, accommodation provided by relatives or acquaintances, and other types of accommodation on a personal basis.

Tourist accommodation is divided into three groups according to capacity (number of seats), comfort and duration.

     In many countries, the rates of hotels (hotels) are shown. These degrees are expressed in terms of "star". Determining the rates of hotels is an important task of tourism business. Regardless of whether the World Tourism Organization has criteria to disassociate it, unfortunately, each country interprets it in its own way. In the hotel's degree, the hotel's range of services and the level of development of the related tourist infrastructure are envisaged. The final decision on any hotel is the tourism ministry, department (department) of that country (region) and so on. acceptance.

      Subjects engaged in tourism should have a variety of labor tools to make their activities sustainable. The set of labor tools used in tourism is the basis of its logistical base.

      The logistics of tourism includes tourism buildings (buildings), their technical equipment (equipment), vehicles and other fixed assets. The logistics base is the basis of the development of organized tourism, which creates all the necessary conditions for full service of tourists (accommodation, food, transportation, treatment, excursion, etc.).

Objects belonging to the material and technical base are the objects of property (belonging to tourist entities) and other objects of this subject (for example, the execution of places in the suburban hotels) and the objects (apartments, houses) rented by physical persons.

      The logistics of tourism in any region must comply with the demand of tourists for its composition, strength, quantity and quality. Otherwise, the level and quality of tourism services to the population will deteriorate sharply, which in turn will reduce the volume of sales of tourism products.

      There are following types of tourism enterprises by types of services:

• Enterprises providing tourists with all service complexes (tourist establishments with their own hotels);

• Businesses established for the purpose of tourism (travel, travel and excursion, resale, tourist reception offices);

• Businesses (hotels, pubs, etc.), established for the purpose of accommodation, more precisely for the purpose of living and lodging;

• Food, food establishments (restaurants, bars);

• Transportation service enterprises;

• Businesses providing touristic services (theaters, concert halls etc.) and excursion services (excursion bureau).

The development of tourism and the transformation of the tourism sector into one of the key sectors of the country's economy are the most important tasks in Azerbaijan. Socio-economic progress achieved in Azerbaijan in recent years creates necessary conditions for its solution.

According to the State Statistical Committee, in 2018 the number of tourism enterprises in Azerbaijan increased more. New leisure facilities were built in the country, mainly in the north, in Oguz-Gabala, as well as in Guba-Khachmaz and southern regions.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |
|  | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** |
| **Number of enterprises** | **170** | **197** | **218** | **243** | **272** | **339** |
| **Number of employees (including external substitutes), persons** | **1730** | **1729** | **1794** | **1586** | **1838** | **1891** |
| From that: |  |  |  |  |  |  |
| Number of employees engaged in tourism activities, persons | 564 | 612 | 745 | 749 | 1136 | **1159** |
| **Profit from enterprises, thousand manat** | **6020,9** | **8480,0** | **15966,6** | **17120,5** | **17839,6** | **19065,3** |
| From that: |  |  |  |  |  |  |
| Tourism activities | 4035,3 | 4788,1 | 11646,1 | 12987,6 | 14013,6 | **14755,5** |
| **Expenditures on production (service), thousand manats** | **5661,4** | **7054,4** | **13843,0** | **15612,1** | **16907,9** | **17811,3** |
| From that: |  |  |  |  |  |  |
| Tourism activities | 3884,0 | 4094,3 | 9763,1 | 11909,5 | 13220,7 | 13805,7 |
| **Number of bailings sold to the public, units** | **16444** | **20256** | **26008** | **27055** | **28509** | **34121** |
| including: |  |  |  |  |  |  |
| Citizens of Azerbaijan to travel across the country, numbers | 5121 | 7078 | 6990 | 4695 | 5842 | 5850 |
| To Azerbaijani citizens to travel abroad | 52378 | 53771 | 54900 | 38002 | 24368 | 31612 |
| Citizens of foreign countries to travel on the territory of Azerbaijan, numbers | 5367 | 4699 | 4343 | 1918 | 6768 | 6604 |
| **The cost of the blanks sold to the public, thousand manats** | **40693,2** | **42892,3** | **44 820,3** | **33 474,7** | **33 466,5** | **54612,2** |
| Including: |  |  |  |  |  |  |
| Azerbaijani citizens to travel within the country, thousand manats | 3147,4 | 2747,9 | 2 764,0 | 4 039,7 | 3 932,2 | 5 608,40 |
| Azerbaijani citizens to travel abroad, thousand manats | 33652,3 | 36991,0 | 39 708,5 | 28 622,7 | 23 893,5 | 37 718,80 |
| Citizens of foreign countries to travel on the territory of Azerbaijan, thousand manat | 3893,4 | 3153,4 | 2 347,8 | 812,3 | 5 640,9 | 11285,0 |
| **Number of admitted and sent tourists, people** | **101431** | **91 961** | **92 305** | **61 965** | **53 999** | **63 423** |

As it is seen from the table, the number of tourist enterprises in 2017 increased by 2 units to 126, their revenues increased by 1.2 million manat or by 6.9% to 19.1 million manat. According to the State Statistics Committee, the value of tourism blanks sold to the population in this period was 25.8 million manat. The cost of blanks sold to Azerbaijani citizens for travel abroad was 19.8 million manat, the cost of blanks sold to foreign citizens in Azerbaijan was 4.3 million manat, and the cost of sending blanks sold to Azerbaijani citizens in the country was 1.7 million manat.

The number of tourists has increased by 10.2 thousand people compared to the previous year and amounted to 69.9 thousand people, and the number of tourists has increased by 75.1 thousand and has been 458.6 thousand tour-day days. The number of foreign tourists visiting the country increased by 1.5% to 12.1 thousand, the number of Azerbaijani citizens sent abroad increased by 27.6% to 44.7 thousand, while the number of Azerbaijani citizens sent to travel within the country was 3.0% an increase of 13.1 thousand people. The number of employees in these enterprises increased by 1.8 percent compared to the previous year and reached 1418. The average monthly salary of employees working in tourism enterprises increased by 24 manat to 326 manats.

As a result, tourism business has a great deal of work and opens up broad prospects for the development of small and medium-sized businesses. The revenue from the site's activity is relatively evenly distributed among the participants, and the interest of the producer here is also high. In other words, everyone who contributes here has the opportunity to win. However, the specific features (broad advertising, individuality of resources) that exist here do not allow for the occurrence of negative events such as monopoly and shadow economy.

The modern tourist enterprise is characterized by the uncertainty of the market situation, the seasonality of offer for tourism services, high competition, lack of financial resources and so on. you have to face some problems.

Entrepreneurs earn different income from tourism. Acquired earnings are again invested in this area or used as a profits. In order to compete with other entrepreneurs in the tourism market, they must constantly develop the material base of their tourism business.

In the second chapter entitled "Modern tourism market and its competitiveness" will be published on the tourism market, its features and functions.

**CHAPTER II. THE ROLE OF MARKETING IN THE DEVELOPMENT OF THE MODERN TOURISM MARKET AND ITS COMPETITIVENESS**

**2.1. Modern tourism market and it’s development perspectives**

The tourism market is a service market. It has specific features that are essential for the organization of tourism business. There are three options for understanding the concept of "tourism market" in the explanatory dictionary of tourism terms:

1) Community of consumers with potential to buy tourism products today or tomorrow (potential buyers);

2) The process of turning touristic-excursion services into the tourism and excursion services of money in the world's economic relations system and vice versa;

3) The system of mutual economic relations of four basic elements (tourist demand, tourism product offer, prices and competition).

      The tourism market as well as other commodity markets is also very different. Its structure also has small markets for its size. In this regard, the tourism market is divided into different groups that are important for marketing according to their characteristics:

• Domestic tourism market. Domestic tourism market includes travel within the country of citizens and stateless persons residing in the country;

• International tourism market. The international tourism market itself also has two types: the tourism market to come to the country and the travel abroad.

Tourism market as an economic system, is the interaction of four key elements:

1) tourism offer;

2) demand for tourism products;

3) price;

4) competition (2, p.13).

The essence of the tourism market is defined by its functions. The main functions of the modern tourism market are:

1) The tourism market ensures that the supply and demand for tourism products are balanced according to the volume and structure of the market;

2) The tourism market ensures the establishment of valuable equivalents for the change of tourism product. In this case, the tourism market compares the individual expenses for the production of tourism products with total costs, and in this way determines the value of tourism products;

3) The tourism market provides economic stimulation of the effectiveness of the production of tourism products. So, at this time, it is trying to produce high quality products with less costs, and ultimately make high profits;

4) The tourism market provides economic demand for tourism products by maintaining proportionality of demand for tourism products with the reduction of delays in the supply sector of the demand and monthly salary of the population (Economy of Tourism, Y.V. Temni, L.R. Temnaya, p.54).

The tourism market is a place where tourist demand meets with tourism offerings. The requirement is that the buyer understands the likelihood and the ability to purchase a certain amount of goods at a certain amount within a certain period of time. It is a season of demand in tourism. It affects a number of factors: natural - climatic, economic, social, psychological, etc.

The tourism market includes the concept of "offer", the material base of tourism, the quality of products and services offered for the development of recreation infrastructure. All types of offerings in the tourism market should be properly directed to a specific buyer, to his wishes, taste and purpose of travel.

Modern tourism market is characterized by great diversity. Differentiation is the division of the market into different segments.

The purpose of the differentiation of the tourism market is to create tourist services appropriate to the subject, level and content of the service. Therefore, of course, it is necessary to collect a wealth of information about the customs and habits of national tourists and to consider these during their service.

Success in tourism market depends on the attractiveness of the tourism product. The tourism product comes from a combination of complex and different elements. When evaluating the tourism product, you need to know who needs this product and who will buy it? After answering this question, that person becomes a buyer.

     The tourism enterprise should determine in its activities that to whom and how to serve. Consumers differ from each other by their tastes, wishes and needs, and get the tourism product for different motivations. For this reason, it is necessary to carry out accounting of individual wishes of consumers for successful marketing activity. That is the basis of the market segmentation. Segmentation is the type of consumer that has approximately the same demand and motivation as the total number of consumers.

           Segment is part of the market where buyers are involved with similar requirements for tourism products. The segmentation of the tourism market is that it divides buyers into sections that have similar requirements. Most buyers of the market can not afford certain reasons (for example, prices are not appropriate), this part of the market is not interested in them. Therefore, firms should focus their strength and wealth on that segment so that they can benefit from it.

The segmentation of the Turkish market is carried out as follows:

• For purposes of travel;

• By age;

• Income;

• For the time used;

• by family composition;

• By regions.

In order to meet the spiritual needs of tourists during travel, products are made, sales and service methods are applied, taking into account the peculiarities of each segment.

According to experts in the field of tourism, economic and social progress is based on the development of the tourism market. The tourism market depends largely on many factors:

• Natural - environmental factors: good climate and comfortable natural conditions; the presence of beautiful landscapes and remarkable nature places; availability of rivers, lakes; cleaning and care.

• Socioeconomic factors: the standard of living of the population; social liberties and laws that allow for the domestic and international acts of citizens; foreign economic relations of the state.

• Political factors: political stability; inter-state peace relations; availability of international agreements in the field of tourism.

• Demographic factors: population growth; increase of longevity; ethnic tourists streams; flow of youth to tourism; trend of family travel.

For a more detailed analysis of the development of the tourism market, one should pay attention to the factors listed above:

Political Factors. The stable political situation in the country is an important factor for the functioning of the tourism market. In addition, international relations for the development of tourism in one or another country; country's trade balance; The international situation of the country is one of the important conditions.

Economic factors. In the economically developed countries, the increase in the income of the population allows the population of these countries to spend more on travel. The analysis of tourist revenues from European countries makes it possible that the basis of the tourist flow of all countries is represented by representatives of the middle class (40% in the Netherlands, 59% in Italy) and also high income persons (the Netherlands, Germany, Great Britain).

According to the level of expenditure of the population for tourism throughout the world, all countries of the world are divided into three groups:

1) $ 500 per person for traveling to tourism (eg Kuwait, Austria, Novice, Switzerland, Singapore, Denmark, Germany and so on);

2) $ 150-500 per person (e.g., Great Britain, Finland, Canada, Australia, Italy, France, US, etc.);

3) $ 150 per person (eg Korea, Spain, Ukraine, Russia, Argentina, Thailand, Turkey etc.).

The development of tourism also affects the foreign economic relations, integration and globalization of the states in all spheres of the world economy. This will increase the business activity of our planet and create new types of business tourism.

Socio-demographic factors. The development of tourism has a great impact on the population growth, especially in the urban population. According to psychologists, urban lifestyles, stress, contact with people, and isolation from nature differ. That's why tourism allows the city's residents to enjoy the same lifestyle.

The tendency for work and leisure time change is typical for people in many countries around the world. Shorter working hours are observed simultaneously with increased intensity of labor and the likelihood of a stressful situation. One of the means of restoring and upgrading the ability to work is tourism. Increasing leisure time in people's lives resulted in two major trends: increasing vacation time and not too long tourist trips.

In addition, factors such as the old environment, late marriage, the increase in the number of lonely people, the increase in the number of businesswomen, the planning of the child's arrival in the world, and the increase in the number of unmarried families affect tourism development.

The increase in the average lifetime and the decline in births have led to an increase in the number of elderly people. This segment of the market is very positive for tourism because pensioners have a lot of leisure time and are considered to be the biggest buyers of tourism products. Taking into account the importance of this segment, the WTO devoted one of its conferences to the "tourism for third parties", and a conference plan for tourism workers was developed during the conference. This plan included safety, health care, dietetic, cultural activities, hiking, physical education of the appropriate age, accurate and clear information on the country to travel.

Another factor affecting tourism is the increase in the number of businesswomen. Many of them try to build their own careers. As a result, it can lead to late family life and late childhood. The desire for material independence increases the number of women traveling for business purposes. Tourism facilities pay special attention to these touristic groups (in some hotels, for example, at New Otani Hotel in Tokyo, special floors for female customer service).

In the big cities there is a growing number of lonely people who are demanding higher education, professional, mobility, comfort and other vital qualities. In the modern era, major European tourism enterprises are regarded as the most promising consumers of the tourism market and are preparing a special tourist product for them.

Cultural factors. Cultural factors include the provision of cultural, educational and aesthetic needs of tourists. It should be noted that there are certain differences between countries due to their commitment to this or other recreational forms and their own cultural needs. For example, most of the population in Great Britain (46%), Belgium (35%) and Germany (32%) prefer to relax on the warm sea shores; Japanese (51%), Spaniards (33%) and French (25%) are more likely to relax in the city; Most Italians (41%) and France (32%) spend more time traveling to different countries.

Scientific and technical progress. In modern times, with the help of scientific and technical progress, it is possible to save time while traveling for long distances. Thus, the more comfortable the day-to-day routes, the high standards of service, the emergence of new direct flights, high-speed highways (highways, railroads). The place you travel to will be reached shorter. (Management in the tourism business, MA Zhukov, p.28).

The new computer management technologies are used during tourists' service, global computer networking capabilities, and short-term and various discounted tariff packages. Future development of tourism without new achievements of science and technology; without increasing service culture and quality in the tourism industry; without the rational use of existing material resources; it is not possible to utilize new service technologies in the service of tourists.

Future prospects of the tourism market can be determined by studying its structure, system and infrastructure.

The structure of the tourism market is understood as the internal structure of the market, its quality, as well as the layout of its elements. In the modern era, the structure and system of each market is characterized by its objects, subtypes, spatial signs, saturation with commodities, competition rates, sales nature, variety of commodities, etc. characterized by.

The compatibility of these elements of the tourism market is its system.

When determining the structure of the tourism market, its criteria are of particular importance, which include:

1. Under the subject (tourists market (recipients of tourism products), market of tour operators (producers and sellers of tourism products), market of tourists (intermediaries on sale of tourism products), market of counterparts of tour operators and tourists (hotels, restaurants, transport and other tourism services) );

2. According to their facilities (international tourism products market, national tourist product market, programmed tourist products market, recreation tourism products market, market of elite tourism products, sports tourism products market, exotic tourism products market);

3. Geographical location (local tourism market, regional tourism market, national tourism market, world tourism market);

4. Consistency character (balanced market, full market, deficit market);

5. According to degree of competitiveness (uneven tourism market, developed tourist market, formed market);

6. Formation of competitive environment (liberal, monopolistic, oligopolic, mixed);

7. Protection of the legislation in the market economy (legal and illegal);

8. Sales by type (wholesale and retail).

Tourism market infrastructure - a complex system for organizing tourism products, or a hotel and other accommodation and accommodation, transport, public catering, entertainment facilities and facilities, acquaintance, cognitive, occupational, health, sports and other facilities, tour operator and tour and specialized organizations and organizations that carry out their activities, as well as organizations providing excursion and guide (guide-interpreter) services. As a result of the development of tourism infrastructure, the facilities built on the land are generating revenue, and most of the facilities built on the other side serve the country's economy.

The main functions of the modern tourism market infrastructure are:

• Ensuring the realization of market participants' interests in tourism;

• Increasing the efficiency and effectiveness of the activities of the tourist market;

• organizational registration of market relations in tourism;

• regulation of the activities of the tourism market subjects by the state (3, p.61).

The key elements of the tourism market infrastructure are:

• tourism exchanges (eg London International Tourism Exchange (WTM), Berlin International Tourism Exchange, etc.);

• tourism fairs and exhibitions;

• emission of tourist checks;

• information technology and business communication in tourism;

• special advertising agencies and mass media;

• customs privileges in tourism.

The analysis of the elements of the tourism infrastructure allows us to draw conclusions about its development prospects.

Specialists optimistic about the long-term prospects of tourism development. According to the WTO forecast, in 2020 the world will receive 1.5 billion cubic meters of gas per year. people will travel, and tourism revenue will amount to $ 2 trillion.

It is known that having rich cultural-historical heritage and favorable natural conditions, Azerbaijan has great prospects for tourism development. Favorable conditions for the development of tourism in our country have been established, the foundation for ensuring integration into the international tourism market, the competitiveness of the national tourism complex has risen.

Tourist business in Azerbaijan is dynamically developing. Compared to previous years, the number of hotels and hotel-type businesses has increased more than 4 times, which is important for the reception of tourists. There is an increase in the number of visitors to tourism zones. Only in Gabala over six months of this year, more than 16,000 tourists have arrived. Prices for services in recreation centers this summer have significantly fallen compared to last year. The number of foreign tourists is quite high among tourists coming to Rayon. One of the main reasons for this is the Gabala 3rd International Music Festival. At present, there are 12 hotels and facilities for 1377 seats in Gabala (28).

In 2018, 80.8% of foreign citizens arriving in our country for tourism were men and 19.2% were women, and 76.5% of them were persons aged 17-55 years.

About 95.2% of foreign tourists come from business and business, leisure and entertainment, relatives and friends.

**Table 4.**

**Foreign nationals traveling to our country for tourism purposes**

**2017 year**

**Total - 1,561,900 people**

**Distribution by sex, person and percentage**

|  |  |
| --- | --- |
| **Male** | **Female** |
| 1.261.514 (80,8%) | 300.386 (19,2%) |

**Distribution by age group, people and percentage**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Till 17 | 17-25 | 26-35 | 36-45 | 46-55 | 56-65 | More than 66 |
| 141.033 | 198.395 | 311.016 | 354.022 | 331.417 | 145.936 | 80.081 |
| 9,0% | 12,7% | 19,9% | 22,7% | 21,2% | 9,3 % | 5,2% |

**Distribution by type of transport, people and percentage**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Air** | **Water** | **Land** | | |
| 554.464 (35,5%) | 13.795 (0,9%) | 993.641 (63,6%) | | |
| Car | Railway | Other |
| 653.172 | 220.469 | 120.000 |

**Distribution by purpose, person and percentage**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Business** | **Recreation and Entertainment** | **Visiting relatives and friends** | **Treatment, health** | **Religious visit** | **Shopping** | **Transit** | **For other tourism purposes** |
| 591.933 | 519.787 | 374.664 | 33.298 | 10.493 | 3.675 | 4.036 | 24.014 |
| 37,9% | 33,3% | 24,0% | 2,1% | 0,7% | 0,2% | 0,3% | 1,5% |

Source: Analysis of the State Statistical Committee of the Republic of Azerbaijan on citizens of the country traveling for 2017 in Azerbaijan

According to statistical data, the majority of tourists coming to our country (1,090,503 people) stayed in individual accommodation in 2017. Of these, 94.7% are relatives in their relatives or acquaintances.

The number of foreign tourists in the rented houses was 33,759, of which 8,724 were in Baku, and 9,703 were in rural settlements in 15,332 settlements in other cities of our republic.

96.6% of tourists staying in collective accommodation facilities (426.045 persons) are in the hotel.

**Table 5.**

**Distribution of tourists coming to our country by location**

**During 2017**

**The number of tourists - 1,531,412 people**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Collective accommodation** | | | | **In individual accommodation** | | | |
| 440.909 (28,8%) | | | | 1.090.503 (71,2%) | | | |
| **Hotel** | **Holiday homes** | **Health center, sanatorium** | **Other** | **Private home** | **Relatives or acquaintances** | **House for rent** | **Other** |
| 426.045 | 9.090 | 4.174 | 1.597 | 19.195 | 1.033.255 | 33.759 | 4.292 |
| 96,6% | 2,1 % | 0,9% | 0,4% | 1,8% | 94,7% | 3,1% | 0,4% |

Source: State Statistical Committee of the Republic of Azerbaijan Distribution of tourists visiting Azerbaijan for tourism purposes in 2017

The main purpose of the adopted State Program is to form a modern tourism sector meeting the highest economic, social and environmental requirements in Azerbaijan and to ensure that it is one of the key development pillars of the country's economy. Under the State Program, incentive investment and business environment is being created to attract domestic and foreign investments into the tourism sector. Advanced international experience in tourism is used. Different measures are being taken to increase the professional training of employees in the field of tourism. Various training programs are being implemented with the support of the World Tourism Organization and the Ministry of Culture and Tourism of Turkey.

Taking into account the necessity of further development of tourism in the Republic of Azerbaijan and the necessity to create favorable conditions for tourism activity, in order to ensure the wide-scale presentation of our country's natural monuments and the ancient cultural and historical heritage of our country, which has a rich geographical landscape of rational use of tourism resources, President of the Republic of Azerbaijan Ilham Aliyev has decreed the announcement of the Year of Tourism.

A number of measures have been undertaken by the government to promote tourism opportunities in Azerbaijan. Over the past five years, more than forty advertising products have been produced by the Ministry of Culture and Tourism (MTN). These are the booklet "Tourist Information", an explicit set of "Azerbaijan", "Hotels of Azerbaijan", "Historical and architectural monuments of Azerbaijan", "Theaters and museums of Baku" booklets, "Azerbaijan" and "Baku" photoalbums, "Silk Road" "Carpet making" guides, tourist maps of Azerbaijan, Shusha and Garabagh, "Welcome to Azerbaijan" CD disc and DVD formats for 10-20 minutes. The publications, CDs and DVDs were prepared in Azerbaijani, English, German, Arabic, Japanese and Russian languages.

Although our region is prone to dynamic development in the tourism market, it is still not a marketplace. Here is the potential for creating new markets and increasing revenue. In this sense, Azerbaijan, with its rich oil and gas resources, is basically an acceptable basis for the development and implementation of its socio-economic development strategy. At the same time, one of the important components of this strategy is the efficient utilization of oil revenues and achieving sustainable development. At present, tourism sector is one of the main priorities of non-oil sector in Azerbaijan.

**Challenges of the Azerbaijani tourism sector (vulnerable sides):**

• Avoidance of proper assessment of the regional tourism potential of Nagorno-Karabakh problem;

• Negative approach to natural, historical and cultural heritage (cultural and historical heritage, as well as relative weakness of state and public control of national parks);

• The high level of elasticity of the media's negative impacts on the external public;

• Do not give due importance to environmental protection in the country;

• The lack of large-scale hotels and inadequacy to the country's original architecture; Azerbaijan tourism sector: opportunities, challenges and prospects;

• The concentration of tourism enterprises mainly in Baku;

• Travel to the regions mainly through the automobile (airports, rail and water

lack of road infrastructure);

• Regional infrastructure fails to meet international standards (lack of roads and telecommunications lines, lack of centralized water and heating systems in the district centers, lack of leisure on tourism routes, electricity and natural gas supply, etc.);

• Insufficient number of 5 and 4 star hotels and high-end shopping centers in the country's regions;

• Low number of ATMs in the regions, the lack of "online" payment and shopping systems in Azerbaijan;

• Low tourism and information points in the country's regions;

• Relatively free speech in regions in international languages;

• Insufficient organization of country promotion (lack of information about Azerbaijan (brochures, brochures, etc.) intended for tourists;

• Fewer attention on border crossing points to foreigners arriving to the country (bureaucratic obstacles, visa problems, confusion, lack of tourist information ads, etc.);

• Poor seaports and marina facilities for yacht tourism, despite the fact that the sea has a large border;

• Insufficient number of signs showing traffic rules and directions and their availability only in Azerbaijani language;

• Announcement of the announcement on the vehicles only in Azerbaijani, the name of the stations in the official state language only;

• The weakness of specialization in the diversified aspects of the tourism sector;

• Human resources training in tourism services, in particular tourism management, lack of guidance programs.

**Opportunities for Azerbaijan's tourism sector:**

• discussions with Azerbaijan within the framework of the "New Neighborhood Policy" with the European Union;

• Increasing significance of the Eurasian region and from these circumstances to Azerbaijan's strategic and political significance;

• Representing tourists who come to the country mainly from high business structures;

• Developing world economy and healthy developing tourism industry;

• Increased demand for advanced communications facilities and long-distance travel, in other words, travel destinations unrecognized from well-known travel destinations;

• Providing more effective policies and strategies in the regions by the Ministry of Culture and Tourism (creating web pages for shaping the country's image, giving brochures and other publications, media ads, etc.);

• Providing private sector and government cooperation in the local context, as well as sharing information and experience;

• Coordination of Baku travel agencies and local tourism centers;

• Availability of hotels, restaurants, opening of local tourism related sites, training of handicrafts, and training of human potential in a short time; Tourism sector in Azerbaijan: opportunities, problems and perspectives

• Improvement of road quality in a short time;

• The possibility of thematic trips to the international and local interests (black gold of Baku, Nobel brothers' activity here, travel to Oil Rocks, a table with caviar and cognac, national dishes accompanied by national music, museum and other handicrafts shopping trips etc);

• Historical Silk Road revival;

• Preparing guides for tourists to guide and inform the country's sights;

• The opportunity to solve visa problems and simplify the procedure for foreigners, as well as to apply a visa for tourists who have the potential to spend large amounts of money.

**Dangers for Azerbaijan's Tourism Sector:**

• Presence of resumption of war due to the fact that no peace agreement has been reached in the Nagorno-Karabakh conflict arising from Armenia's aggression against the country and that some of the territories are under occupation;

• Poverty and low wage levels in regions;

• Ecological problems;

• The advent of Islamism, which has increased after the events of September 11, can adversely affect country tourism;

• lack of coordination among government agencies (absence of the Tourism Council and other coordination bodies);

• Foreign threats from our country's geopolitical position.

The result of this analysis is that the further development of cultural, business, health and ecotourism should be preferred in Azerbaijan. There are more opportunities for access to large markets in this area. The development of other types of tourism is always necessary. It is also necessary to accept the role of a multipolar role in tourism. The calculations show that tourism has a positive impact on at least 30 other economies in one country.

The government's infrastructure, especially the social infrastructure, has been focused on creating a fertile environment for tourism in recent years. Azerbaijan has a potential for tourism development (up to 7,000 protected local, country and world-wide monuments), culture and nature (8 out of 11 climate types). There are many potential tourism types in the world known throughout the world. If we add this country to the East and the West, to live in this geography, to have a high tolerance and hospitality culture, at first glance we can see the high potential for tourism development. But in order to turn this potential into opportunities and develop, the government feels the need to create a competitive tourism business by rightly considering the infrastructure works.

The successes we have today give us a reason to say that the development of tourism in Azerbaijan has entered a new phase. The tourism sector has become the most sustainable, effective and competitive sector of the economy. Rapid socio-economic progress achieved in recent years has opened new opportunities for comprehensive development of this sphere. Azerbaijan's domestic tourism potential is widely presented. Tourism opportunities of Azerbaijan are being introduced in the world. The national color of each region is promoted. Foreign countries are closely acquainted with different and rich folklore, cuisine and traditions of Azerbaijan. Its propagation is purposeful in terms of systematization of domestic tourism opportunities in Azerbaijan.

Thus, in this section, the following issues have been clarified:

• understanding of tourism market;

• Factors affecting development;

• Situation of the tourism market in Azerbaijan;

• Opportunities and challenges for tourism development in Azerbaijan.

Providing the level of quality of services provided by the country's tourism sector to international standards, increasing the competitiveness of the country's tourism in the global tourism services market.

Thus, the next section will provide information about the competitiveness of tourism enterprises operating in our country and its enhancement.

**2.2. Competitiveness characteristics of tourism enterprises in Azerbaijan**

The high level of competition for business activity in tourism business is characteristic. Understand competition is the same goal - struggle between legal entities and individual entrepreneurs who want to maximize revenue by better performing consumer demand and suggestions.

To create a competitive enterprise, the issue of modernizing production and management should also be solved. So entrepreneurs have the ability to detect strongly, and then they must be able to use their capabilities to compete quickly and effectively. All the efforts of the tourism enterprise to produce and manage the product must be so organized that the product produced is more attractive than its potential and real competitors.

To determine the competitiveness of the tourism enterprise, the following key rates of competition are defined:

• The technical level of the tourist enterprise production should be so selected in comparison with the competitors, the marketing trials should be strong, and the product produced with the advertised product should fit that consumer to choose this product;

• Businesses are trying to reach their production levels by raising their production levels, so that competitors receive raw materials from raw materials and materials, and seek to involve specialists in production;

• Effective management in competition is the key function of success; it is high operational efficiency, employee motivation and so on when making decisions. can be;

The above-mentioned tourism enterprises have been ahead of their competitors for many years. It just guarantees the success of the enterprise on the market. Such businesses are considered to be highly profitable businesses that are rapidly developing in the world and competitors. They are:

• have highly qualified hospitality and staff always sought by other competitors;

• always produce high quality products that meet international standards;

• respond to market conjuncture, demand and supply more quickly than others, and market the desired product;

• invite experts to produce products;

• always increases the range of products, raises the level of professionalism of its employees.

There are many factors affecting competition in tourism. Let's look at these factors.

1. The fight is intensifying when the number of businesses competing increases. The number of businesses is an important factor, as the number of new strategic initiatives increases as the number increases. At this time, the influence of any enterprise on others decreases;

If rival firms are able to be compared with measurements and opportunities, then they can compete. If it is difficult to compete for the venture, it means that there is already a strong leader in the market.

2. The competition competition becomes stronger when the offer for the product develops weakly. When market weight weakens, businesses begin to fight for market share. This new strategy stimulates ideas, maneuvers;

3. Seasonal factor in tourism services is another important factor that increases competition. Therefore, enterprises make certain discounts and use new tactics to increase sales;

4. Competition competition is considered to be strong when the product of the tourism enterprise is not sufficiently different;

5. Going to the field is better than staying in the field and continuing to compete. This is one of the other trends that enhance competition. The more barriers to emigration, the more firms try to compete in the field, even though they can earn less.

All of the factors discussed above and their appearance give rise to the certainty that the competitive environment of a tourism enterprise should be a subject of free evaluation as part of its marketing environment. The relevance of market subjects and their relationships during their competitive struggle are important in terms of marketing research.

Analyzing competitors and preparing rival movements is more than just a realistic increase in the market segment. Knowing the strengths and weaknesses of opponents will allow them to evaluate their potential, goals, present and future strategies. He directs him to the business, knowing the weak spot of his opponent. In this way, the venture can focus its efforts on success in the competition.

Practically, all marketing achievements of the enterprises are based on their strengths against the weaknesses of competitors. It is possible to do so only as a result of good and accurate research. Competitors' marketing research offers the following facilities for tourism:

• To be able to more fully evaluate the prospects of the market, including information about competitors' activities;

• to identify priorities more easily;

• respond quickly to existing competition;

• Prepare a powerful strategy that will neutralize the strengths of your competitors;

• increase the competitiveness of the enterprise;

• Provide information about competitors and motivate enterprise employees;

• increasing the level of training and education of the staff;

• maintain and expand the position of the entity on the market.

It is difficult to assess when determining the struggle between all competitors in the market. Therefore, two strategic groups are selected: direct and potential competitors.

Direct competitors - are tourism enterprises that existed in the past and continue to exist now.

Potential competitors are divided into:

• enterprises seeking to expand the range of offered services, implement their product strategies to better meet their customers' needs and become direct competitors;

• New firms involved in competition.

The most important aspect of the competitive environment is the reduction of production costs, upgrading the product assortment to a changing demand, improving its quality, increasing the competitiveness of the product and the firm that produces it, ensuring legal protection by the state through legislative means and limiting monopoly activity.

The key factors of success in competition are factors that are important for each enterprise to be competitive and achieve good financial performance.

Competitiveness of the enterprise is determined by the following factors:

• Quality of services and products;

• Development of an effective marketing strategy;

• Personnel and Manager specialization;

• technological level of production;

• tax environment in the entity's business environment;

• Availability of financial resources.

One of the main directions of the analysis of the competitiveness of tourism enterprises is the study of the nature of competition in the field, the sources of this struggle and the impact of those forces. The competitiveness of the site determines its profitability and structure. The high competitiveness of the competitors in the field, the weakness of access to the site, the size of the substitute products, the large number of buyers and suppliers have reduced the attractiveness of the site. On the contrary, opportunities to gain high profit in competition are rising and the attractiveness of the field is rising.

The next step to learning the structure of competition in the field is to determine the position of competitors. They are preparing a map of strategic teams to analyze their competitors' position in the field. Such analysis shows the link between the general analysis of the field and the position of the concrete company in the field.

In the field, a strategic group is meant for companies with the same competitive advantage and similar positions. Only one strategic group in the field is that when all the businesses in the field have the same strategy.

Moving and competitive forces have a different impact on strategic groups in different positions. An entity that is part of a strategic group under the negative influence of these forces is not aimed at changing its position and entering a better position. Success of such attempts depends on the complexity of obstacles to entering into a new strategic group. These movements affect the nature of the competition by increasing the intensity of competition.

There are many problems in tourism competitiveness in the current period. To better understand these problems, you need to pay attention to the following:

1. Competitiveness consists of three basic things. One of them is related to the quality of the service. The other is related to the delivery and service of the tourism product. Finally, the third shows itself by the economic capabilities and restrictions of all recipient groups.

2. Client is the main appraiser of tourism services. And it also leads to a very important fact: all the elements of the tourism product should be so clear to the potential buyer that there is little doubt in the buyer.

The competitiveness of the tourism product has an integral character that differentiates it from its competitor and makes it attractive in the eyes of the buyer.

When considering the tourism services market, the key question arises from the analysis of the competitive environment. Systematically, in order to attract a certain buyer segment, it is necessary to produce a product that is of interest to the broader audience.

Recently, the choice of a tourist destination for customers has been less risky, and problems such as the loss of vacation or business travel, the loss of money or how to spend it have been eliminated, as the number of inexperienced tourism facilities has been diminished. High-competitive tourism services in the market of tourism have forced companies to concentrate on the easy way and mobilizing their internal resources. These include:

• Proper selection and training of staff;

• reduction of additional costs;

• more effective promotion of advertised funds;

• improving relations with transport companies;

In Azerbaijan, the buyers work in the main foreign markets, and the domestic market does not work for them. Because of the low purchasing power of domestic tourists. On the other hand, service levels across the country are low and the prices are high. Azerbaijani tour operators send tourists to foreign countries, causing the currency to emerge out of the country. Foreign tourists invest in foreign tourism. However, the need for our country's investment is bigger. Some Azerbaijani tour operators contact abroad and invite tourists to the country. But they are facing great difficulties at this time. They can not stand the strong competition of foreign companies operating in Azerbaijan and at the same time engaged in tourism. The strong financial potential of foreign companies, their vehicles, and their governments quickly and easily solve the visa problem. Visa is a problem for our tourists.

Speaking about the competitiveness of tourism enterprises in Azerbaijan, one should not forget that formerly competitive enterprises can be merged or cut off completely, and as a result of the consolidation of forces everything becomes easier and more successful.

**Table 6. Key indicators of hotel and hotel type facilities**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | | | | | | |
|  |  |  |  |  |  |  |
|  | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** |
| **Number of hotels and hotels, units** | **514** | **530** | **535** | **536** | **548** | **563** |
| **Disposable attitude, place** | **32834** | **33951** | **35 652** | **37 278** | **40 042** | **41 611** |
| **Number of rooms, unit** | **15898** | **16559** | **17 363** | **17 953** | **20 330** | **20 778** |
| **Beds are provided for beds per day, unit** | **1640863** | **1674065** | **1 687 457** | **1 644 056** | **2 125 266** | **2 590 641** |
| Including: |  |  |  |  |  |  |
| citizens of the country | 837774 | 852513 | 884 908 | 685 117 | 719 002 | 886 187 |
| Foreigners | 803089 | 821552 | 802 549 | 958 939 | 1 406 264 | 1 704 454 |
| **The number of placed persons - total, people** | **624924** | **666348** | **672 345** | **838 145** | **1 122 068** | **1 414 708** |
| Including: |  |  |  |  |  |  |
| Citizens of the country | 252807 | 270887 | 279 555 | 342 497 | 345 284 | 433 476 |
| Foreigners | 372117 | 395461 | 392 790 | 495 648 | 776 784 | 981 232 |
| **For recreation, fun** | **225646** | **226464** | **237 506** | **256 285** | **565 738** | **813 386** |
| Including: |  |  |  |  |  |  |
| Citizens of the country | 125079 | 137538 | 171 539 | 147 069 | 198 671 | 229 215 |
| Foreigners | 100567 | 88926 | 65 967 | 109 216 | 367 067 | 584 171 |
| **For business purposes** | **247304** | **232796** | **206 234** | **275 896** | **258 299** | **212 519** |
| Including: |  |  |  |  |  |  |
| Citizens of the country | 74298 | 73756 | 45 004 | 60 378 | 69 647 | 69 884 |
| Foreigners | 173006 | 159040 | 161 230 | 215 518 | 188 652 | 142 635 |
| **For the purpose of treatment** | **15145** | **45060** | **70 981** | **68 896** | **11 450** | **19 086** |
| Including: |  |  |  |  |  |  |
| Citizens of the country | 8468 | 13555 | 33 922 | 53 301 | 5 482 | 7 612 |
| Foreigners | 6677 | 31505 | 37 059 | 15 595 | 5 968 | 11 474 |
| **For other tourism purposes** | **32863** | **42617** | **35 922** | **37 282** | **33 814** | **75 619** |
| Inclunding: |  |  |  |  |  |  |
| Citizens of the country | 11206 | 9449 | 12 801 | 8 979 | 11 212 | 20 878 |
| Foreigners | 21657 | 33168 | 23 121 | 28 303 | 22 602 | 54 741 |
| **Other purposes** | **103966** | **119411** | **121 702** | **199 786** | **252 676** | **294 098** |
| Including: |  |  |  |  |  |  |
| Citizens of the country | 33756 | 36589 | 16 289 | 72 770 | 60 272 | 105 887 |
| Foreigners | 70210 | 82822 | 105 413 | 127 016 | 192 495 | 188 211 |
| **Total area of enterprises, thousand sq. M** | **3 020,6** | **3073,3** | **3 563,1** | **3 463,5** | **3 642,3** | **2 716,1** |
| Including: |  |  |  |  |  |  |
| rent area, thousand sq. m. | 16,3 | 21,4 | 21 ,4 | 49,5 | 80,9 | 25,3 |
| **Living space from the general area, thousand sq. M.** | **518,2** | **526,5** | **516,0** | **507,8** | **553,0** | **599,3** |
| **Number of employees, persons** | **7321** | **8 259** | **9 009** | **8 364** | **9 838** | **10 015** |
| **Income from business operations, in thousand manats** | **153980,9** | **171255,9** | **181 047,3** | **183 055,1** | **240 112,7** | **284 453,9** |
| **Operational expenses of enterprises, in thousand manats** | **110684,0** | **145468,3** | **147 068,1** | **171 730,8** | **204 852,3** | **222 192,9** |
| **Paid VAT and other taxes to the budget, in thousand manat** | **18058,8** | **29951,3** | **28 201,5** | **28 098,5** | **38 525,7** | **39 040,6** |

Source: State Statistical Committee of the Republic of Azerbaijan

As can be seen from the table, in 2012 and 2017 there was considerable increase in the number of hotel and hotel-type enterprises in our country. Thus, in 2012 the number of hotels and hotel-type enterprises in our country was 262, in 2017 this figure was 499.

Changes are visible throughout the years of placement. 264058 in 2012, and 438479 in 2017.

There are some differences in the number of tourists coming to our country for recreation and entertainment in 2017. According to the table, the number of tourists visiting the country in 2017 was 39,329 while the number of local people was 111503.

The number of foreign nationals entering the country for business purposes is higher than the country's population in 2017. Thus, while the population in the country is 53,201, this figure is 9,781 in foreign countries.

For the treatment purposes, the population of the country prevails in 2017 - 19706 people (8718 nationals). This is due to the lack of qualified doctors and quality sanatoria in our country.

Comparing 2012 and 2017 at hotel or hotel-type businesses, we would have seen an increase in the number of employees in 2017 compared to 2012. So, this figure was 4092 in 2012 and 6021 in 2017. Basically, it can be explained by dynamic development of tourism in our country. As tourism develops, interest in this field is increasing in the country and new tourism facilities are built, which results in new jobs.

However, the operating expenses of enterprises in 2016 and 2017 (2017 - 82302.9, 87879.9 thousand manats in 2017) and paid VAT and other taxes (2016 - 14548.7, 2017 - if we pay attention to the volume of 15130.6 thousand manats, we will see that the difference in the figures between these years is not so great. This can be explained by the fact that our country is still in the first stage of tourism development.

As for the price of the product, partners are trying to bring their prices to the company's pricing, while the rival firms reduce prices.

The logic of the market economy is as follows: "competitive innovation is rapidly adopting, preparing new products and winning ahead of competitors." Tourists in the mass market get acquainted with competitors with less demand for turpets (dead time). The tour operators do not give any chance to their competitors by reducing travel costs when determining prices. The most commonly used method of estimation is to get acquainted with costs in advance, ie the cost of revenue is calculated by entering the fixed interest rate. The percentage of other costs, salaries and net earnings varies from 15 to 30%.

In the last decades, tourism enterprises do not sell services in a ready-made manner, they make their business easier and they fulfill their orders according to their clients' wishes. In this case, some of the hotels are reduced, which is relatively low compared to others. And the competition between the firms begins and they enter the tourism market with the lowest possible price. And they include complex services only those essentials that the price is cheaper. These services include flight, accommodation on all the directions, and so on. are included. Other services are payable when visiting tourists.

In conclusion, Azerbaijan has great potential for tourism development. By establishing a viable infrastructure for this potential, the Government should ensure that the creation of a competitive tourism business should be ensured. Increased competitiveness of tourist enterprises in the country and increasing the level of service to attract more tourists. Even though there are great opportunities, not only do tourists interest in the country, but also local citizens do not benefit from the therapeutic tourism services. To this end, Russia chooses Turkey's tourism market for leisure and entertainment. There is a need for long-term and sustainable tourism policies in order to achieve successful results in such a competitive environment.

**CHAPTER III. PREPARATION OF THE MARKETING MEASURES PLAN FOR EXPOSURE AND RESPONSIBILITY OF EXPERIENCE OF "KEMPINSKI BADAMDAR HOTEL BADAMDAR" COMPLEX**

**3.1. Characteristics of the “KEMPINSKI BADAMDAR” hotel and its factors affecting its competitiveness**

Full name: "KEMPINSKI BADAMDAR Hotel Badamdar". Legal address: AZ1006, Baku, Mushfig Mikayil str. 1C.

The KEMPINSKI BADAMDAR Badamdar hotel complex is built in accordance with the standards of the KEMPINSKI BADAMDAR hotel group, which has a worldwide image. The construction of the hotel began in September 2015 and was completed in May 2017. It was put into operation in the same year. Founded in 1897 in Berlin, the KEMPINSKI BADAMDAR hotel group in Geneva is the founder of the world's largest hotel organization - the International Hotel Alliance. The KEMPINSKI BADAMDAR hotel group owns 65 hotels in 28 countries around the world. Whether it's KEMPINSKI BADAMDAR Badamdar or any of Europe, Middle East, Africa or Asia, these service facilities are distinguished by their individual style and high quality and offer numerous unique services. Here are all the conditions for the convenience and convenience of customers at 283, which meets the highest standards. The hotel offers two restaurants and three bars of local and international cuisine.

The 5 star KEMPINSKI BADAMDAR Hotel Badamdar complex has a total area of ​​2.5 hectares. The total area of ​​the complex is 84,000 sq. Km. The first floor of a 14-storey hotel building features a 500-seat lounge. On the second floor of the hotel there are 21 meeting rooms for 525 people. 4th - 7th floors are designed for offices. On the 8th and 10th floors there are 1, 2, 3 and 4 room apartments. On the 14th floor there is a presidential apartment with a total area of ​​374 square meters.

In addition, it is planned to use the KEMPINSKI BADAMDAR Hotel Badamdar as a recreation center. SPA center, 24 massage rooms, swimming pool, ice rink, beauty salons, sauna and hammam make it possible for guests to enjoy high level of health and comfort in the hotel, which covers 3.5 thousand square meters of non-residential area in Azerbaijan.

The hotel also has a shopping center. Guests of the hotel can always benefit from the shopping center.

 Construction of "KEMPINSKI BADAMDAR Hotel Badamdar" complex was carried out by "Gilan İnşaat" company.

**Scheme 1. The organizational structure of the hotel**

General Manager

Reception and Accommodation

Engineer Exploitation Department

Food & Bevarage

Accounting Department

Sales and Marketing Department

Human Resources Department

Building such international-style hotels in Baku is a clear indication of the favorable investment environment created for both domestic and foreign companies in the development of tourism in our country.

KEMPINSKI BADAMDAR Hotel Badamdar once again confirms that Azerbaijan has great tourism potential and will soon become one of the country's elite tourist centers in the world. The hotel is once again confirming that the hotel meets all the world standards, with its exterior and interior design, which is very pleasing to the whole hotel. The arrival and launch of the world-renowned network of hotels is a wonderful investment manifestation and a sign of the attention paid by our investors to our country.

Competitiveness of an enterprise is measured by the productivity of its resources.

As a result of the competition, the quality of the product will be improved, leaving the market competitive product. As a result of the competition material costs to the product unit are lowered by the manufacturer, and as a result the productivity of both the production and the overall economy is rising. This, in the end, ultimately contributes to the full satisfaction of consumers' needs by utilizing existing resources efficiently. On the other hand, competition forces competing entities to keep some of their production capacities in reserve. By creating more favorable market conditions, they create favorable production market conditions for themselves by attracting those resources to production. The experience of the western countries shows that the maintenance of some of the forces of the intelligentsia arises from the necessity of not being destroyed in the competition.

The main factors influencing the competitiveness of the hotel can be divided into two main groups, both internal and external.

Internal factors include hotel staff, technical equipment, organizational structure, purpose and strategy.

External factors include consumers, competitors, partners, trade unions, and so on. is understood.

Apart from internal and external factors, there are many other factors that directly affect the hotel's competitiveness.

The key factors affecting the hotel's competitiveness can be grouped as follows:

• The hotel's exclusive architectural view;

• Location (outside the city center);

• Customer portfolio

• Price policy

• Highly recommended service

• Qualified staff

The main competitors of the KEMPINSKI BADAMDAR hotel are Mariott, Sheraton, Park Inn, and others.

KEMPINSKI BADAMDAR hotel is always looking for competitors to compete successfully in the market, and plans for its development perspectives. Accordingly, price analysis is relevant. The hotel should also consider the competitors' costs, the price, and possible consequences of the risk within the framework determined by the specific demand and the expense of the expense. If the offer of the hotel does not differ from the essence of the opponent's offer, then the price must comply with the price of the opponent, but the higher the price may have a negative impact on the student. If the product of the hotel loses quality to its opponent, it is unlikely that the price of his opponent is higher than the price of his opponent. Quality can be higher than the competitor's high value. Take into consideration the possibility of the current competition from the opponent and any time you need to change the price of the product. Given these, the hotel offers its customers the following prices:

**Table 7.**

**Room prices for KEMPINSKI BADAMDAR Hotel**

|  |  |  |
| --- | --- | --- |
| **Type of Room** | **Number of guests,**  **people** | **Price,**  **Azn** |
| Deluxe Double Room | 2 | 330.40 |
| Deluxe Single Room | 1 | 283.20 |
| Standart Single Room | 1 | 194.70 |
| Superior Double Room | 2 | 295.00 |
| Superior Single Room | 1 | 247.80 |

Source: letsbookhotel.com

As can be seen from the table, the price of the hotel starts at 194.70 azn.

Another advantage is the newly opened hotel. So, the most up-to-date equipment has been installed at the hotel, which results in better customer service.

The hotel must respond to the following questions to explore the actual and possible reactions of competitors:

1. What makes the opponents move?

2. What does the opponent do?

3. What can rival do?

The main diagnostic elements of the competitors' analysis are:

• analyzing future competitors' goals;

• Evaluating the existing strategies of competitors;

• Summary of the firm's condition in the field of activity and competitors;

• study weak and strong aspects of competitors.

The hotel should choose one of two ways to increase its competitiveness: raising its competitiveness using its own marketing service, or by inviting qualified professionals from outside companies.

It is unbelievable that the internal strength of the enterprise to exploit foreign capabilities and the disclosure of internally disadvantages that could complicate external threats are crucial for strategic planning. Therefore, managers should always be in the spotlight when revealing strategic weaknesses and strengths in business, such as marketing, finance, accounting, operations (production), human resources, organizational culture and image.

The following areas are explored to reveal and analyze the internal weaknesses and strengths of the market.

1. Market share and competitiveness.

2. Variety of commodities, quality of assortments.

3. Demographic statistics of the market.

4. Market research and development.

5. Customer service before and after sale.

6. Promoting good sales, advertising and commodities.

7. Profit.

Continuous analysis of transactions is crucial in maintaining long-term business activity. The following questions are sought in the process of investigating the weak and powerful aspects of operations management.

• Is it possible to produce the offered services at a relatively low price compared to competitors? If it is not possible, what is the reason?

• How is access to new materials? Is there any dependency on companies?

• Is the existing equipment up-to-date and well-maintained?

• Is there a reduction in the amount of inventories and the time spent on the quality of the goods? Is adequate supervision of the proposed services?

• Are the products of the firm subject to seasonal changes in demand?

• Is it possible to serve markets where competitors can not serve?

• Does the company have a quality-efficient control system?

• How efficient is the production process planned and designed?

• What is the firm's position compared to other organizations in the field?

The hotel offers consumer preferences to the market to continue the competition. As a result, production resources are focused on those areas where they are most demanded by price.

Competition limits and controls the economic power of each firm. At the same time, the competition allows the buyer to select one of several merchandise's products. The more competitive the competition, the better the price becomes.

As we know, the competition creates both luck and risk for the entrepreneur. An entity that offers the highest quality product or at the very least expense is valued in the form of profit. This factor stimulates technical progress. An entity that does not respond to customers' wishes or changes in the competitive advantage of their competitors will be punished in the form of damages or be seized from the market.

For this reason, like all other enterprises, the KEMPINSKI BADAMDAR hotel should also carry out certain analyzes, methodologies, and control over raising and evaluating competitiveness.

Further steps will be made in the next section to consider the measures taken to improve the competitiveness and competitiveness of the hotel, as well as the competitive evaluation.

**3.2. Formation of the competitive strategy of "KEMPINSKI BADAMDAR" hotel**

For more than 110 years, KEMPINSKI BADAMDAR hotel has been operating in the tourism market and bringing it to its investors the most profitable. KEMPINSKI BADAMDAR has become one of the brand's brands in the tourism market by introducing new standards of hotel business to its customers.

Kempinsky's mission is to maintain leadership in the market. The hotel always provides high quality service to its customers. The key to success is the respect for the history of the company and the proper determination of future prospects.

The following criteria are taken into account when shaping the KEMPINSKI BADAMDAR hotel strategy:

• Being concentrated on 5 star luxury hotels and resorts;

• Increase the number of KEMPINSKI BADAMDAR hotels in many countries around the world;

• Search of promising hotels and resorts with good financial potential;

• Keeping leadership on the market;

• Reconstruction of existing hotel buildings by keeping the history and architectural features;

• Use the local culture descriptions in the design and concept of the hotel;

• A special accent to the individuality of each hotel.

The strategy and flexibility of the hotel structure chosen by the hotel is an essential condition for successful competition in its marketplace.

The hotel basically proposes a fair competition strategy. The basic methods of fair competition include:

- lowering the price;

- Improving product quality;

- Advertising;

- development of post-sale and post-sales service;

- Creating new services using scientific and technical achievements; and so on.

Price competitiveness is mainly used to push down weaker competitors. The enterprise has a high share in the market, reducing production costs and achieving long-term profit. In the area where the demand is elastic, the firm can increase its aggregate profit by increasing its sales by reducing the revenue per unit of product. Meanwhile, increasing the volume of sales allows to reduce production and sales costs relatively. For this purpose, the hotel reduces prices to expand sales and gain even greater share in the market.

The hotel chooses this purpose in the following cases:

1. Consumers' demand is elastic by price;

2. It is possible to increase the sales volume by reducing the price of the service and thereby increase the overall profit;

3. Disposal of sales leads to a relative decline in production and sales costs per unit of product;

4. Reduction of prices eliminates the threat of rivals on the market's market share;

5. There is a massive consumer market.

The choice of the hotel's choice strategy depends on two main factors - the structure of the hotel and its position in which the hotel feels.

The hotel's competitiveness needs to be evaluated in a precise and complex way with regard to all criteria and trends.

The main objectives of the hotel's competitiveness assessment are:

• Identify competitiveness status during the investigation;

• Explore new trends in raising competitiveness in the research period;

• Defining weak points affecting competitiveness;

• Disclosure of reserves that can be used to increase the competitiveness of the hotel.

The key factors for the success of the hotel's competitiveness are categorized as follows:

a) technology-related factors;

b) factors related to production;

c) factors related to the sale of the product;

d) marketing factors;

e) factors related to professionalism;

f) factors related to organizational capabilities;

g) other factors

One of the key elements of success in competition is the staffing professionalism. So, the quality of the service provided to the hotel is due to the knowledge and skills of the staff, sufficient experience in the relevant field, language skills and so on. dependent factors. Therefore, hotel managers should regularly identify employee training and development needs, strengthen their knowledge and skills, business activity and performance. This will allow managers to achieve high productivity, enhance employee development prospects and competitiveness.

 For more details about the above mentioned features of the staff, "Problems of raising the competitiveness of the KEMPINSKI BADAMDAR Hotel Badamdar" staff will be provided.

**3.3. Problems of increasing the competitiveness of the “KEMPINSKI BADAMDAR” hotel staff**

Pleased or dissatisfied with staying at a hotel or a place of staying at a leisure time for every tourist who spends money on leisure depends on the level of service. The world-renowned hotel, first of all, has a high level of service personnel. Therefore, the problem of raising the competitiveness of hotel personnel is one of the topical issues in the tourism industry.

The specificity of the team in this area is that the outcome of the work is not the product, but the service itself. During the period of their activity, the tourism enterprise employees offer different types of services to their clients. Generally speaking, tourism service is meant to provide a community of people with different comfort when traveling and consuming services and merchandise outside the place of travel and permanent residence of tourists. In practice, tourist service is a production process of offering and selling tourist services and products that are complex, complex, long-term, time and place (9, p 7). The service process in tourism requires special accuracy and high level of organization of the work. Thus, the high quality of service in tourism, the presence of people in travel, tourism centers, entertainment, and various resort activities will increase their costs. In addition, high quality of service creates an important basis for attracting customers with high financial capabilities, which in turn plays a major role in increasing the country's currency receipts, reducing the need to export some goods, and improving the supply of household goods.

A number of personal and professional requirements are put in the staff of the tourist enterprise. First group requirements include personal characteristics that are less prone to changes. These include smiley, creative approach to work, quick reaction, good memory, neatness, etc. an example can be shown. The second group includes professional experience and skills acquired during the internship and training process, including: level of specialization, communication skills, level of foreign language skills, labor discipline, quality of work.

In general, problems in the staff of hotels operating in our country can be divided into two parts. First, the service does not comply with the rules of conduct because employees are not properly trained. This does not mean that you can not approach the table right or left while serving the table, do not follow hygienic standards, and so on. such as nuances. Secondly, the level of language skills of the staff. So, the fact that the people coming are foreigners are important factors in language learning. There is a client who does not know Azerbaijani or international languages, but only speaks his own language. In order to make such people permanent customers, they need to speak in their own language.

The level of qualification is characterized by physical and mental abilities during the individual's employment process.

Effective adoption of decisions ensures compliance with certain procedures, detection and precision of problems, correctness of goals and objectives, preparation of models during use of resources, identification of alternatives, selection and implementation of more effective options.

Any mistakes made in any of the named procedures can reduce the effectiveness of the work done. In such a situation, the positive effect depends on the hierarchical level proportionally.

The requirements for the management personnel of the tourism enterprise are more specific: understanding the nature of management and management processes, understanding the manager's goals, ways to achieve the goals and increasing the effectiveness of the business, the ability to use modern information technologies and communication systems, self-esteem, manage, plan correctly and regularly increase qualifications.

The ultimate goal of evaluating the competitiveness of hotel personnel is as follows:

• improving professional skills of the staff throughout the year;

• provision of workplaces with advanced technical equipment;

• Use of Internet technology;

• Stimulating the staff.

After explaining the competitiveness of staff, the following aspects of raising the competitiveness of the hotel staff can be summarized:

1. Increasing the employer's requirements for recruitment;

2. Raising the qualifications of the staff:

• the first training in accordance with hotel business activities and business specifications;

• education to ensure balance between professional requirements and personal qualities;

• education to increase overall specialization;

• education when determining the new development directions of the enterprise;

• education for the adoption of new methods and methods during the implementation of labor transactions.

3. Introducing new technologies in the service of tourists;

4. Application of "0" defect method;

5. Reduce employment discipline;

6. Reducing the cost of staffing services;

7. Scientific-organizational work: distribution of personnel according to qualifications, education, age and temperament levels.

Increasing the competitiveness of a tourism enterprise requires their professional training.

Azerbaijani hoteliers are able to provide their customers with a high level of service. But there are still some deficiencies, and many defects. In particular, it is true that there are certain problems in the field of professional training in Azerbaijan. From this point of view, it is necessary to take serious measures to educate employees working at each hotel, to have a special training, to gain a high level of work experience. Otherwise, the hotel's competitiveness may drop.

In order to ensure the competitiveness of the personnel, it is necessary to use the elements of creative activity to solve current issues. Each issue has specific content, structure, and implementation, and the final outcome depends on the level of creativity.

Creativity combines inventive and scientifically - methodical activity that involves the preparation of new rational proposals and ideas in existing management structures, work organization systems, planning and control stages.

The rationalization of the logistics depends on the updating of the logistics and improvement of the service technology.

Scientific - methodological activity involves the use of advanced expertise in a particular area, the improvement of certain types of activities, and the simplification of decision making in non - standard situations. The creative approach to problem solving requires employees to adjust their activities, to present new ideas, and to bring about constant changes and improvements in the conditions of uncertainty.

One of the key factors influencing the competitiveness of the hotel staff is the expectation of mutual labor discipline, which is created within the framework of certain rules and rules between people during the work process.

Finally, it should be noted that the high competitiveness of the personnel can be achieved during the correct execution of the above requirements. This will allow you to quickly analyze existing situations, make optimal decisions and effectively perform functional responsibilities, and also effectively operate and compete on the market.

Thus, in the final chapter of the trial, the following issues have been investigated:

• hotel's competitive strategy;

• market position;

• the means used to combat the opponents;

• analysis of competitors;

• competitiveness assessment;

• Measures taken to boost the staff and its competitiveness, and so on.

From the third chapter, it can be concluded that the hotel's competitiveness and long-term position in the market depends largely on the terms of the sale, market requirements, resource allocation, human resources management, and combat strategies.

**RESULTS AND PROPOSALS**

At the end of the graduation the following conclusions can be made:

The tourism product has the following features:

• a complex of products and services with this complex system (tangible and intangible components);

• Do not store or store a tourist product;

• The client can not see it as long as it uses the tourist product;

• The tourism product depends on time and space. At this time, the seasonal factor is of great importance.

From an enterprise point of view, the goal is to maximize revenue by properly and timely paying customer requirements.

The main objectives of the competitiveness analysis are:

• Evaluation and forecasting of product or service competitiveness;

• study factors affecting competitiveness;

• Developing an action plan to increase competitiveness.

Evaluation of competitiveness is based on the study of customer desires and market demand.

In the practical part of the graduation the analysis of competitiveness of "KEMPINSKI BADAMDAR Badamdar" hotel was conducted.

Based on the results of the "KEMPINSKI BADAMDAR Badamdar" hotel, it is advisable to take the following measures to increase the effectiveness of the hotel:

• increase the volume of tourism products and services;

• optimally reduce the cost of tourism products and services;

• Increase productivity of hotel staff.

These measures are aimed at raising competitiveness of the hotel in the relevant market segment.

The pricing method should be based on the pricing method of the main competitors and the complex system targeted at the level of customer demand, the use of revenue promotion system for tourist demand, and advertising about the business on the Internet, using the capabilities of advertising related websites.

All of the above mentioned events will help KEMPINSKI BADAMDAR Badamdar improve the competitiveness of the hotel.

The research and analysis of existing materials allows to produce such a conclusion that it is possible to increase its competitiveness and increase export revenues by using the substantial secret potential of the tourism industry in Azerbaijan. However, it is important to achieve the conditions for the state regulation of the field, the perfect development of market relations, as well as the diversification and improvement of the quality of tourism products to the world market. It is important for all business structures interested in the development of the sector to come to a common understanding of the efforts that will make the dynamics of the country's tourism sector evolving. It is also essential that all participants in the tourism sector, field experts and foreign experts with valuable experience and active involvement of international organizations are involved in these processes.

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**Annexes**

**Figure 1. Stages of establishment of tourism enterprises..................................**

**Scheme 1. The organizational structure of the KEMPINSKI BADAMDAR hotel.........................................................................................................................**

**Table 1. Types of Competition ............................................................................**

**Table 2. Types and types of tourism enterprises ...............................................**

**Table 3. Key Indicators of Tourism Enterprises ...............................................**

**Table 4. Foreign citizens traveling to our country for tourism purposes ........**

**Table 5. Distribution of tourists visiting our country by location ....................**

**Table 6. Main Indicators of Hotels and Hotels ..................................................**

**Table 7. Room prices for KEMPINSKI BADAMDAR Hotel ..........................**