

Denis Ushakov<sup>1</sup>, Ekaterina Andreeva<sup>2</sup>

## EVALUATION OF RESORTS' CAPACITY AS A FACTOR FOR REGIONAL TOURISM TRAFFIC PLANNING

*The paper is based on the author's approach estimates of modern resort capacity, using the indices of local community elasticity and arriving tourists' impact. The offered methodology is sharp actual and can be widely used in national planning of resorts' areas and service clusters' development.*

*Keywords: tourism region; tourism capacity; local community; tourism development planning; tourism season.*

*Peer-reviewed, approved and placed: 11.08.2016.*

Денис Ушаков, Катерина Андреева

## ОЦІНЮВАННЯ КУРОРТНОГО ПОТЕНЦІАЛУ ЯК ФАКТОР ПЛАНУВАННЯ РЕГІОНАЛЬНОГО ТУРИСТИЧНОГО ПОТОКУ

*У статті описано авторський підхід до розрахунків курортного потенціалу із застосуванням індикаторів еластичності місцевого населення та впливу в'їзного туризму. Запропоновано методологія є актуальною, оскільки вона може бути застосовано в національному планування розвитку курортних регіонів та сервісних кластерів.*

*Ключові слова: туристичний регіон; туристичний потенціал; місцеве населення; планування розвитку туризму; туристичний сезон.*

*Форм. 1. Табл. 3. Літ. 14.*

Денис Ушаков, Катерина Андреева

## ОЦЕНКА КУРОРТНОГО ПОТЕНЦИАЛА КАК ФАКТОР ПЛАНИРОВАНИЯ РЕГИОНАЛЬНОГО ТУРИСТИЧЕСКОГО ПОТОКА

*В статье описан авторский подход к расчётам курортного потенциала с применением индикаторов эластичности местного населения и влияния въездного туризма. Предложенная методология является актуальной, так как может быть применима в национальном планировании развития курортных регионов и сервисных кластеров.*

*Ключевые слова: туристический регион; туристический потенциал; местное население; планирование развития туризма; туристический сезон.*

**Introduction.** Inbound tourism is able to negatively impact all spheres of local community life. Local community in case of excessive number of tourist arrivals can demonstrate its self-preserving functions, which can lead to international tourism's full or partial stagnation. Therefore, the resort authorities' first priority is the assessment of tourism capacity of local community (the maximal possible number of tourist arrivals), which can contribute to local community self-preservation functions' manifestation. It should be noted that the assessment of local community's tourism capacity is important for both developing resorts with low relevance of other limiting factors such as tourism resources or tourism infrastructure (Fernandes, 2011; Sarancha, 2015) and developed, popular resorts in their further strategic planning.

This study is based on a methodology for resorts' capacity determining so that to offer recommendations on strategic management modernization in the city of Gelendzhik (resort area on the Black Sea coast, North Caucasus, Russia).

<sup>1</sup> International College, Suan Sunandha Rajabhat University, Bangkok, Thailand.

<sup>2</sup> Rostov State Transport University, Rostov-on-Don, Russia.

According to the purpose the following objectives are set:

- To identify the factors of local community elasticity, its reaction to the negative impact of tourists' arrivals.
- To define the economic conditions behind mitigate negative effects of tourist arrivals and to increase the local community elasticity.
- To analyze the parameters of negative tourism impacts on local community life in the city of Gelendzhik (Russian Federation).
- To evaluate the tourist capacity of Gelendzhik, using the author's methodology.
- To determine the directions in modernization of strategic priorities in resort development.

**Local community elasticity: evolution of the concept and its today's application.**

Local community always has a certain degree of elasticity to surrounding communities' external influences. This social elasticity is determined by the presence of uniting rod around which the ideas of collectivism, solidarity, common goals, ambitions, priorities etc. originate, develop and are permanently supported (Bowitz and Ibenholt, 2009).

Societies that have a certain degree of own elasticity much easier resist the negative impact of tourist arrivals, also easier they preserve their unity and cohesion, easier carry on with their own traditions, culture and identity.

The main factors of the local community elasticity, characterizing the degree of its elasticity to tourism influences, are:

1. Local economy structure. If local economy is based on quite developed industries, low dependent on tourism, local community elasticity increases because local population is not doomed to contact with tourists and has the alternatives to choose in terms of their labor application. Furthermore, coexistence of several developed industries in the resort area with usually limited capacity of local labor market (Safaryan, 2015) creates the conditions for inter-industry competition, thus leading to improvement of employment, conditions both in tourism and in other sectors.

2. The level of market relationships development. This feature is relevant for determining the local community elasticity force because it identifies the local people's personal attitudes to the ongoing process of inbound tourism arrivals (Zhang, 2013). For example, if local community is at early stages of capitalist development, the personal attitude of economic agents to international tourism development (and the related increase of labor migration or foreign capital import) will likely be biased and non-trusting skeptical (as to any innovation). Community, living within the post-industrial economy, included in the globalization processes, is familiar with both migration and foreign investment, so it is able to react adequately to inbound tourism and accompanying economic processes (Pratt, 2013).

3. The level of local governance traditionalism, local community's power distance (Hofstede et al., 2010). Taking in account that the majority of international tourists all over the world is originally from democratic political systems (republics or limited monarchies – the United States, Europe, the developed countries of Asia) (Graham et al., 2002) we can assume that the lowest probability of self-preservation functions rapid manifestation will be in the local communities that also have democratic values, and usually low Power Distance Index (<http://www.clearlycultural.com/geert-hofstede-cultural-dimensions/power-distance-index>).

4. The structure of local tourism resources. It is reasonable to assume that local population attitude to arriving tourists also depends on visitors' tourism interests (Svyatokho, 2007). For example, if the main local tourist resources have cultural or social origin, the local population feels self-esteem, pride with own history etc. In this regard, even the negative tourism impact is becoming less relevant. However, negative impact will be much higher if tourists are interested primarily in natural tourism resources, or only in recreational and entertainment facilities.

5. Ethno-psychological features of local population (historically evolved set of stable psychological traits that determine the habitual manner of behavior and typical modus operandi of the local community, manifested in their relation to social and domestic sphere, to the world, to work etc.) (London and MacCannell, 1976).

6. Structure of ethnic identification signs and assessment of their contentiousness.

7. The legal framework and opportunities for labor migration in the resort region. Tourism negative impact on local community is further enhanced by accompanying migration growth to the tourist area (Brent and Crouch, 2003). Therefore, high barriers for foreigners employment (firstly, in tourism) can weaken the degree of negativity of tourism impact on local population and prevent the manifestation self-preservation functions by the local community.

Similarly to the strength of local community elasticity, we can also assess the positivity of inbound tourism impact. But first we have to consider the factors and outline the directions of inbound tourism positive impact on local community.

Analyzing the rate of positive impact of international tourism on local community we can present the obvious economic benefits:

1. Tourism share in the overall economic growth.
2. The number of people employed in tourism.
3. Real growth of per capita income, caused by regional tourism growth.
4. Level of local community's social development.
5. Increasing education level.
6. Improvement of housing and communal services.
7. Dynamics of demographic indicators of the local community (fertility, mortality, natural growth, migration).
8. Dynamics of living standards for local community.

These indices have to be considered in direct dependence with the parameters of regional tourism development. Their components can be identified similar to the factors of local community elasticity (see above) and also:

1. Social distance from the country of tourists' origin to the local receiving community, which in contrast to geographical distance, is characterized by objective differences in cohabitation conditions in starting and destination points. For example, the geographic distance from Moscow to Vladivostok is bigger than the distance from Moscow to Berlin or Paris. But the social distance from the Russian capital to European countries is incomparably greater due to the differences in living conditions in Moscow, and in any of European capitals.

2. The purposes of regional inbound tourism. Undoubtedly, arriving tourists can have varied impact on local community, depending on the purpose of their coming to the destination point. Thus, the negative impact from cognitive or therapeutic

tourism is far below the negative impact of visitors who came with entertainment purposes.

3. The average length of stay. This indicator shows the frequency of tourists' turnover at a resort during the season, and therefore, determines the mutual influence between tourists and locals.

**The principles of local community tourism capacity evaluation (the case of Gelendzhik, Russia).** After analyzing the components we can determine three derived factors (the degree of local community elasticity, the extent of positive tourism impact and the arriving tourists impact) taking into account the quantity of permanent residents in a resort area, it is possible to determine the maximum number of tourists who can be successfully accepted in a particular resort. For this, we use a suggestion that for sustainable resorts' development the impact of arriving tourists has to be less or equal to local community elasticity force plus the importance of inbound tourism for the local economy:

$$P_L \times (E + I) = P_T \times N, \quad (1)$$

where  $P_L$  – local population;  $E$  – index of local community elasticity;  $I$  – index of inbound tourism importance for local economy;  $P_T$  – the number of arriving tourists;  $N$  – the index of tourists' impact on local community.

Tourism capacity is calculated here on the example of Russian resort – Gelendzhik.

Today Gelendzhik is the largest tourism center on the so-called Russian Riviera – Black Sea coast of the Caucasus with its nearly 200 years of history. The resort is located in a temperate climate zone, at the foot of the Markhotsky ridge around Gelendzhik Bay.

In 2008, Gelendzhik was recognized as Russia most comfortable seaside resort, it has well developed transport, hotel, entertainment and recreational infrastructure. The volume of tourist in flow in the Big Gelendzhik (the city and surroundings) is about 1.2–1.4 mln per year, of which 88% are the Russians, 9% – from the former Soviet Union countries (Belarus, Azerbaijan, Armenia, Kazakhstan) (Kuper, 2007).

We would measure the tourism capacity of Gelendzhik, since it is often suggested that this resort with 100000 locals can become an international one having foreign tourists, for example, from Eastern European countries (Czech Republic, Bulgaria, Hungary etc.).

Factors and indices are evaluated on the 5-point scale.

Economic structure of the city is analyzed on the basis of statistical data local (<http://gelendzhik.org/city/economies>) and regional (Krasnodar region, <http://krsdstat.gks.ru>) authorities' evaluation.

The level of market relations development in Gelendzhik is measured through the correlation of the city's macroeconomic indicators (the statistical data of local and regional authorities) and the IMF criteria for economic systems' classification (<http://www.imf.org/external/pubs/ft/wp/2011/wp1131.pdf>) into traditional economy, economic systems of early or developed capitalism, transitive and post-industrial economics.

Power distance index for Russia was preciously evaluated by (Hofstede et al., 2010) and we just adopt it to the 5-point evaluation model.

Ethnic and psychological features of local community have been identified via the survey of 480 Gelendzhik residents (conducted in March 2014).

The first step is to assess the local community elasticity (Table 1).

**Table 1. Factors and the total index of Gelendzhik local population elasticity, 5-point scale (2014), according to the authors'**

Economic structure (excluding tourism)				
Sectors		Level of development		
		Low	Average	High
Machinery		0	3	5
Textile		0	2	4
Trade		0	1	2
Service		1	2	3
Transport and communications		0	1	2
Finance		1	2	3
Administration		2	3	5
Science, culture, education		1	4	5
Average		2.12		
Level of market relations development				
Dominating kind of market relationships				
Traditional	Early capitalism	Developed capitalism	Post-industrialism, Globalism	Transitive
0	1	3	5	2
Average		1.5		
Power distance index – 3.66				
Local tourists resources				
Recreational	Historic	Social	Cultural	Entertainment
3	4	5	5	1
Average		2		
Ethnic and psychological features of the local community				
National character				
Appears in every sphere of life	Appears only in social sphere	Appears time-to-time	Does not appear	
5	3	1	0	
National temperament				
Choleric	Sanguine	Phlegmatic	Melancholic	
5	4	4	0	
National feelings				
Hyperoptimism	Optimism	Realism	Pessimism	
4	5	3	0	
Average		4.25		
Opportunities for migration inflows				
None	Migration only from neighboring regions	Domestic immigration	Foreign immigration	
5	4	3	0	
Average		4		
Index of local community elasticity		2.85		

Thus, the elasticity of Gelendzhik local community is – 2.85. As this coefficient calculations show, the maximum coefficient is typical for local communities, whose economic system has little dependency on tourism; has developed market relations;

democratic regimes and republican form of governance; and on the territory of which tourism social or cultural sites are the most interesting ones.

Operating a similar scheme we can calculate the Index of inbound tourism importance for local Gelendzhik economy (Table 2).

*Table 2. Index of inbound tourism importance for Gelendzhik economy (2014), authors'*

Factors of tourism impact on local population	Low	Average	High
Share of tourism in local economic progress	0	3	5
Share of local population employed in tourism	0	3	5
Income from employment in tourism	0	3	5
Level of social security	0	3	5
Level of education	0	3	5
Development of public services	0	3	5
Demographic rates	0	3	5
Living standards	0	3	5
<b>Index of inbound tourism importance</b>	<b>3.125</b>		

Finally, it remains to consider the third factor characterizing the local impact of tourism (Table 3).

*Table 3. Index of East European Tourism impact on local community (2014), authors'*

Level of market relations development						
Dominating kind of market relationships						
Traditional	Early capitalism	Developed capitalism	Post-industrialism, Globalism	Transitive		
0	1	3	5	2		
Average		2.5				
Power distance index – 3.3						
Ethic and psychological features of the local community						
National character						
Appears in every sphere of life	Appears only in social sphere	Appears time-to-time	Does not appear			
5	3	1	0			
National temperament						
Choleric	Sanguine	Phlegmatic	Melancholic			
5	4	4	0			
National feelings						
Hyperoptimism	Optimism	Realism	Pessimism			
4	5	3	0			
<b>Average</b>		<b>4.25</b>				
Social distance						
Low	Average	Large	Very large			
0	2	3	5			
Average		3				
Purpose of travelling						
Leisure	Healthcare	Cultural	Entertainment	Shopping	Family holidays	Sport
4	1	2	5	3	3	3
Average				<b>3.66</b>		

Contuation of Table 3

Average length of stay			
1–3 days	3–10 days	7–14 days	over 14 days
5	4	3	2
Average			4
<b>Overall Index of Tourism impact on local community</b>			<b>3.4</b>

Taking into account the number of permanent residents in the considered town (100,000 people), we can conclude that the people of Gelendzhik are able to receive simultaneously no more than 175,000 people from Eastern Europe (of course, if other limiting factors – the capacity of tourism resources or tourism infrastructure – are absent).

Due to the average 5.9 days duration of holidays stay in Gelendzhik (this is the data of ATOR – Association of Tour Operators of Russia, 2014) and 90 days of tourism high season overall duration, Gelendzhik could accept the maximum of 2.6 mln people from the Eastern Europe.

According to official statistics, currently Gelendzhik already intakes 2.3 mln of tourists annually (Rossiiskii turizm v 2014 g., tassgraphics.ru). so the city is rapidly approaching its critical point. However, it is worth mentioning that currently most of these tourists came from Russia (i.e., they are mostly identical with the local community), and this can therefore raise the critical capacity (approximately 205 ths people at a time, or up to 3.1 mln per season).

Thus, in our view, the volume of tourism in Gelendzhik has not exceeded its critical value yet.

**Conclusion.** The proposed methodology measuring the maximum capacity of a modern resort and its practical application on the example of Gelendzhik, can be used for development and implementation of government (local, regional) tourism programs.

Taking into account tourism resort's capacity in the process of government programs development to stimulate tourist arrivals will help:

- Improve the efficiency of tourism industry in the structure of hosting region's local economy.
- Promote the growth of tourism economic and social profitability.
- Lead to multiplier effect for economic growth due to demand formation for both tourism and the related products and services.
- Greater compliance of local development programs with the needs of local community, its social and cultural interests and priorities.
- Preservation of healthy psychological and social climate in the host region and counteraction to appearance of the local community self-preservation functions.

The proposed method has identified only the basic parameters, and the principles of tourism planning. Expanding this methodology application further is possible through its modification taking into account the resort parameters' diversification (both tourist supply and tourist demand), as well as its usage for new resort areas consideration.



**References:**

- Купер А.* Внимание, Геленджик // Туристический олимп. – 2007. – №6. – С. 25–27.
- Kuper A.* Vnimanie, Gelendzhik // Turisticheskii olimp. – 2007. – №6. – С. 25–27.
- Муравинский М.* Курорты Кубани: инвестиционный прорыв // Турбизнес для профессионалов. – 2007. – №7. – С. 10–11.
- Muravinskii M.* Kurorty Kubani: investitsionnyi proryv // Turbiznes dlia professionalov. – 2007. – №7. – С. 10–11.
- Российский туризм в 2014 г. // tassgraphics.ru.
- Rossiiskii turizm v 2014 g. // tassgraphics.ru.
- Саранча М.А.* Туристский потенциал территории: проблематика определения сущности и структуры // Вестник Удмуртского университета. – Серия: Биология и Науки о Земле. – 2015. – №1. – С. 134–140.
- Sarancha M.A.* Turistskii potentsial territorii: problematika opredeleniia sushchnosti i struktury // Vestnik Udmurtskogo universiteta. – Seriya: Biologiiu Nauki o Zemle. – 2015. – №1. – С. 134–140.
- Сафарян А.А.* Подходы к оценке туристского потенциала территории // Географический вестник. – 2015. – №1. – С. 89–102.
- Safarian A.A.* Podkhody k otcenke turistskogo potentsiala territorii // Geograficheskii vestnik. – 2015. – №1. – С. 89–102.
- Святохо Н.В.* Концептуальные основы исследования туристского потенциала региона // Экономика и управление. – 2007. – №2. – С. 30–35.
- Sviatokho N.V.* Kontseptualnye osnovy issledovaniia turistskogo potentsiala regiona // Ekonomika i upravlenie. – 2007. – №2. – С. 30–35.
- Bowitz, E., Ibenholt, K.* (2009). Economic impacts of cultural heritage. Research and perspectives. Journal of Cultural Heritage, 10(1).
- Brent, R., Crouch, G.* (2003). The Competitive Destination. A Sustainable Tourism Perspective. CABI Publishing.
- Fernandes, C.* (2011). Cultural planning and creative tourism in an emerging tourist destination. International Journal of Management Cases, 13(3).
- Graham, B.J., Ashworth, G.J., Tunbridge, J.E.* (2002). A geography of heritage: Power, culture economy. IGI – publisher, NY.
- Hofstede, G., Hofstede, G.J., Minkov, M.* (2010). Cultures and Organizations: Software of the Mind. Revised and Expanded 3rd ed. New York: McGraw-Hill USA.
- London, A., MacCannell, D.* (1976) The tourist: a new theory of the leisure class. Schocken Books, New York Page.
- Pratt, A.* (2013). The cultural and creative industries: new engines for the city? In: Wilfried Wang (ed.). Culture: City. Lars Muller.
- Zhang, Y.* (2013). Study on the main characteristics and development countermeasures of creative tourism. International Conference on Education, Management and Social Science, ICEMSS 2013, August 2013.