# Digitalization Management as the Aspect of New Technologies in Tourism Sphere

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#### Abstract

Innovation trends in digitalization of tourism industry means that the new aspects will promote and develop the economy of the country, in achieving high results of improvement and attracting investment from the outside, because new direction means the key factor of regulating mechanisms in the whole economy. Today, Kazakhstan is the new economic approach of a breakthrough, gradually begin to introduce innovations in every sector of the economy, adopted various strategies and programs for the development and application of innovation, and especially in the tourism industry. The country should carry out accelerated technological modernization through the cultivation and introduction of new industries, the development of industrial and tourist infrastructure. In order to achieve national goals of diversifying the economy and improving the welfare and quality of life of the population of the republic, the tourism industry should develop in certain tourist clusters with a competitive tourist business, which is engaged in professional tourism workers, offering attractive tourist products in the domestic and international tourism markets. Development in this direction should contribute to a powerful and stable growth of income from tourism activities for all involved stakeholders - the state, business and employees.

Keywords: tourism, innovation mechanisms, technological process, tourism complex, investment

## Introduction

Nowadays innovations in tourism industry influences on different aspects, which are actual in the new world of technologies and new perspectives in the digitalization. At present, digitalization is a strategic development priority in many countries. Emerging economies play a key role in tourism development; strong tourism expenditure reflects enhanced connectivity, increased the global increased upcoming.

(Annual Report 2017). Innovation mechanisms are separately confirm the difficulties that disturbing to form the measures of tourism constructions. In theoretical terms, the development of innovative issues attracts the special attention of researchers for several reasons. We single out five of them, in our opinion, the main ones.

- First, the concept of an innovative society. With the growth of innovation flows, with the spread of innovation in all spheres of human life, with the expansion of managerial thinking opportunities, the need arises for the economic behavior of managers in tourism.
- Secondly, innovations that strengthen the position of an economic entity should be the subject
  of careful calculations and assessments. The implementation of a systematic, integrated,
  technological approach requires mandatory requirements for innovation in tourism.
- Thirdly, with the strengthening of innovative development trends the complexity of feedback in the management process becomes a top priority.
- Fourthly, investment problems are usually adjacent to innovation ones. Research is needed investments, large reserves in the field of tourism. A complex of organizational changes is required to establish compliance with the requirements of the organization of the environment.
- Fifth, the human resource in tourism is far from fully activated. The role of managers is growing as catalysts for accelerating innovative transformations. Innovation management potential is required in activities, in behavior and its motivation, in management methodology, in management style.

Our state has a vast territory in which there are attractive tourist areas.

In this connection, there is a contradiction: the main goal of diagnosing a tourism organization is to recognize the innovative potential in a timely manner, identify the influencing factors, and develop measures to activate innovative processes. Innovative management has the features of its mechanism: flexibility, adaptability, the ability to respond to the situation in a timely manner, more than usual, focused on informal management methods. It should been noted that the disadvantage of the presented models is that they do not take into account the risk dynamics, if we consider the investment projects being implemented and additional investments in them. In addition, the proposed methodology for coordinating the results of portfolio optimization for these models does not take into account the qualitative characteristics of investment projects, but only considers and determines their structure from the generalized financial shown income (profit) and risk. (Karpenko, 2013).

In fact, tourism in the republic exists more de facto than de jure. Of course, one can refer to the shortage, above all, of the necessary means, and hence proper information, about the tourist-recreational opportunities for Kazakhstan abroad. However, the main reason here is the absence of real, not «on paper», government support for tourism (Ziyadin, Koryagina., et al 2019).

The innovation complex (innovation portfolio) of tourism will be understood as the totality of innovations that need to be introduced into the tourist system in order to increase the effectiveness of its activities and achieve its goals. The formation of the innovation complex in the broad sense transforms into the task of adapting the management system to changes in the competitive environment, to quickly and accurately determining the direction of improving the competitiveness of tourism organizations. Once achieved success in innovation in the market in the absence of constant and purposeful work will be annulled over time by responsive actions of competitors. This circumstance determines the need for the formation of such innovation management, which would not only ensure

the adaptation process, but also create conditions for the effective development of the tourism system on a permanent basis.

## **Literature Review**

The study of the theory and practice of digitalization of tourism is based on the works of Watkins M. (2018), Van der Wagen, L., & White, L. (2018), Backman, K. F.(2018) Andersson, T., & Vujicic, S. Lee, K. H., & Scott, N. (2015) Issues of socio-economic effectiveness of diversification in tourism industry are highlighted in the works of Battour, M., & Ismail, M. N., (2016) Mohsin, A., (2016) Anita, J. (2016), Bangwayo-Skeete, P. F., & Skeete, R. W. (2015), Buonincontri, P., Morvillo, A., Okumus, F., & van Niekerk, M. (2017). The study of the theory and practice of economic processes of tourism is based on the works of Van der Wagen, L., & White, L., (2018). Issues of socio-economic effectiveness of digitalization, innovation processes in tourism industry are highlighted in the works of Buhalis, D., & Law, R., (2008), Munar, A. M., (2012), Nikolova, (2013), there were specific aspects in the article of researchers Ziyadin S., Koryagina E., Grigoryan T., Tovma N., Ismail G., (2019). They researched digitalization processes in tourism industry. To achieve competitiveness in the global tourism market is possible through the development of new forms of economic integration between the state, the tourism business and the population of the country. Therefore, the formation and creation of favorable conditions for the effective functioning of tourism clusters should be one of the priorities of the state tourism policy.

Kazakhstan, having a rich tourist and recreational potential, is characterized by an inadequate level of tourism development. Its share in GDP (only services for accommodation and food are counted) is about 0.9%. In 2015, the income from tourism activities amounted to 236.4 billion KZT, which is almost 2 times more than in 2010 (126.5 billion KZT). The Republic of Kazakhstan with its vast territory, favorable geographical location in terms of trade relations between Europe and Asia, rich cultural and historical heritage and traditions preserved to the present day, has every reason for the successful development of tourism. (Fig. 1)



Figure 1: Number of tourists served by type of tourism (Hazeeva, 2008)

The main goal is the progressive development of the digital ecosystem to achieve sustainable economic growth, improve the competitiveness of the economy and the nation, and improve the quality of life. In 2016, the structure of the served visitors places of accommodation about the purposes of trips: business and professional - 54,1%, vacation and rest - 45,6%, with other purposes - 0,3%, in 2013 the

structure of the purposes of trips looked as follows: business and professional - 60,0%, vacation and rest - 33,7%, visiting friends and relatives - 3,7%, religion and pilgrimage - 0,4%, medical and recreational procedures - 0,4%, shopping - 0, 4% and other targets - 1.4%. It is noteworthy that compared to foreign visitors, Kazakhstan is traveled more for rest and holidays (51.7%), whereas non-residents mostly traveled for business and professional purposes (81.7%) (Table 1).

	2014	2015	2016
Total, person	3 804 447	3 802 225	4 217 782
personal	1 683 734	1 737 069	1 972 662
business and professional	2 120 713	2 065 156	2 245 120

Table 1: Number of visitors served by the purpose of travel

Thus, tourism in Kazakhstan relies mainly on the local population, as well as on business and professional trips of foreign residents. Analyzing the change in the main economic indicators of tourism development, we can conclude that the potential of Kazakhstan tourism is not fully realized, since the development of the tourist industry directly depends on the creation of a modern competitive tourist complex, including natural and climatic conditions, tourist attractions, necessary infrastructure (transport, aviation, engineering and communications), including taking into account the reconstruction of checkpoints through State border of the Republic of Kazakhstan, places of entertainment, catering facilities, providing opportunities to meet the needs of local and foreign citizens in the tourist services. The creation of a modern competitive tourist complex is able to make a significant contribution to the development of the country's economy through tax revenues to the budget, the inflow of foreign currency, the increase in the number of jobs, and the control over the conservation and rational use of cultural and natural heritage. (Ziyadin , Ermekbaeva, et al 2016)

Currently, in modern conditions, the territories are becoming increasingly difficult to capture the attention of tourists, and as the old marketing tools lose their effectiveness over time, cities, regions and countries are forced to invent new concepts that fully meet the requirements of the modern target audience. In this regard, the concept of digitalization as the aspect in innovation management in tourism has long been used nowadays. This evolution has radically transformed the global tourism industry, offering new prospects for development, especially in terms of increasing the competitiveness of the organization. In particular, for the hospitality industry, the Internet makes a significant contribution to maximizing the dissemination of information about the products and services offered. According to a Google report, in 2013, the Internet constituted the main source of information for tourists (around 80%) when planning holidays, and online sources also represented the source in which they had the highest degree of confidence. This preference is due to the fact that the Internet greatly facilitates the information process. Thus, when tourists turn to an online travel agency, 43% of them already know exactly where they will travel and what services they will choose. (Watkins, et al, 2018)

Kazakhstan, having a rich tourist and recreational potential, is characterized by an inadequate level of tourism development. Its share in GDP (only services for accommodation and food are counted) is about 0.9%. In 2015, the income from tourism activities amounted to 236.4 billion KZT, which is almost 2 times more than in 2010 (126.5 billion KZT). The number of employees in the industry was 103.6 thousand people. The paid taxes and other obligatory payments from tourist activity to the budget of the republic amounted to 11.0 billion tenge in 2015 (Ziyadin, Koryagina, et al 2019).

Actually, new technologies in digitalization area changes another sectors too. The primary objectives are to guarantee the production of sufficient food and to ensure a fair standard of living for people engaged in agriculture sector. For example, this technology helps us to use new products more effectively than on previous time. (Ziyadin, & Kabasheva, 2018).

## Conclusion

Digitalization is significantly ahead of the existing system of production requirements for the

composition of professions engaged in the labor market. The digital economy requires that people have digital skills to benefit from it. At the same time, the current level of computer (digital) literacy of the population is 76.2%, and its growth is necessary in the coming years. It should be noted that the modern tourism industry is one of the largest high-income and dynamically developing segments of international trade in services. At the same time, the growth of tourism is often due to the emergence of new visited areas, as the traditional areas of the world tourism market has almost reached the limit of recreational capacity.

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