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Published in the Ghana

<http://kadint.net/our-journal.html>



ISSN 2410-4981

## **Analyses of the Sustainable Tourism Development Factors: the Example of Sochi-City**

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### Paper Review Summary:

Received: 2017, December 04

Received in revised form: 2017, December 17

Acceptance: 2017, December 18

### **Abstract**

The concept of sustainability is the leading trend of modern world development. This term is found in almost all government programs and strategies. Countries dependent on tourism revenues are extremely interested in sustainable development. This concept allows to minimize their environmental impact and to maximize the overall socio-economic benefits for tourist destinations. Formation and implementation of sustainability programs are long-term and expensive processes, which are influenced by factors of internal and external environment. The aim of this article is to define the role of sustainability in the tourism industry and to reveal the major factors that influence on the process. The objectives of this paper are: (i) to study theoretical base of the sustainability concept, (ii) to analyze current situation in the industry and (iii) to reveal the main factors of Sustainability tourism from Sochi-City.

**Keywords:** Sochi-City, Sustainability Concept, Sustainable Development, Sustainable Tourism.

### **Introduction**

Sustainability is usually associated with success and profitability. The term sustainable development describes a long-term process with all stages of economic cycle. Understanding the essence of this process is a way to its optimization. That is why it requires studying different opinions and approaches to form complex understanding of factors and their impacts. Every industry has its specification, and to define what is driving or restraining force, there is the need to access all aspects and elements of market functioning. Sustainable tourism development includes social, economic and environmental aspects (Andereck, Valentine, Vogt, & Knopf, 2007; Buckley, 2012; Liu, 2003; Saarinen, 2006).

Today, numerous reports suggest the idea of following the way of sustainable development (Andereck et al., Buckley, 2012; Gallagher, & Hammerschlag, 2011; Liu, 2003; Saarinen, 2006). Sustainability and performance optimization during economic recession is a hot topic in a modern world for any industry. The relevance of this research is the need for determination of stimulating and restraining factors in order to resist fluctuations in the world economy and tourist market.

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The understanding of these factors' impact is a key element in successful formation and implementation of tourism sustainable development programs (Buckley, 2012; Hall, 2010, Ritchie, Amaya Molinar, & Frechtling, 2010; Smeral, 2010).

### **Materials and Methods**

The methodological basis of this study are the works of Russian and foreign scientists in the field of sustainable tourism development (Amir, Ghapar, Jamal, Ahmad, 2015; Edwards, 2009; Pisarevsky, 2014; Bruns-Smith, Choy, Chong & Verma, 2015). This paper used methods of system, factor and comparative analysis, as well as the method of statistical processing of empirical data.

### **Results and Discussion**

#### **Sustainable development and tourism**

There are different interpretations of the sustainable development concept. Traditionally, it is defined as development, in which the vital needs of present generations are met without depriving the opportunity of future ones. Both foreign and Russian scientists' studies are dedicated to the concept of sustainable development. A lot of works are devoted to the development of this concept with reference to the tourism and hospitality industry (Amir et al., 2015; Angelevska-Najdeskaa, & Rakicevik, 2012; Edwards, 2009; Golodyaeva, & Rassokhina, 2015; Laitamaki et al., 2016; Pisarevsky, 2014; Saarinen, 2006).

Though each of these researchers may present a specific standpoint, the concept of sustainable development is very clear. For example, Pisarevsky (2014) considers the need for functioning harmonization of the nature-society-super-system as the basis of the concept of sustainable development. Amir et al. (2015) however believe that an effective sustainable development program is devoted to presenting a sustainable development and promoting the relationship between local community and visitors. They consider the essence of sustainable development in tourism as a so-called "triple bottom-line", in which policies and actions attempt to balance social, economic and environmental costs and benefits (Amir et al., 2015). The need for a detailed study of sustainable development in tourist industry is justified by Edwards (2009). According to his opinion, tourism is often viewed as an economic activity first, although it can also be conflicted with the environmental and cultural conservation goals of community sustainability. Angelevska-Najdeskaa and Rakicevik (2012) also underline the importance of the use of natural, cultural and all other tourist resources without exploitation from the current generation, it means to preserve them for future use by future generations. They define sustainability as a process that allows development to be achieved without degradation or depletion of those resources on which it is based (Angelevska-Najdeskaa, & Rakicevik, 2012).

The review of the scientific literature did not reveal any significant differences in the definitions of Russian and foreign authors. Particular attention in modern society is paid to the ecological aspects of the issue. In a collective study by Bruns-Smith et al. (2015), they consider environmental sustainability in the hospitality industry as essential to development. Despite tourist markets participants' sustainability efforts which are essential for saving energy and resources, they underlined an element of such a green program - consumers' reaction and participation.

Considering sustainable development as a concept, it is worth emphasizing such a thing as "moderation" - moderation in water and energy consumption, pollution of the environment, attendance of nature protection zones and so on. Mostly, people do not think about the consequences; they consider receiving unlimited benefits from the exploitation of natural and cultural resources. The complexity of theoretical and methodological basis leads to the definition of sustainable tourism development as a balanced long-term development of the industry with a moderate expenditure of natural and cultural heritage, taking into account the interests of both the local population and consumers of the tourist product.

#### **Sustainable tourism and development**

Another term in scientific literature is "sustainable tourism". To understand the difference between this term and "sustainable tourism development", it is worth looking at the definitions of Pisarevsky (2014). According to him, sustainable tourism is "*such a kind of tourism, which ensures the rational use of environmental resources, supports the socio-cultural characteristics of the host*

communities, ensures the effectiveness and viability of long-term economic processes, and part of the receipts from tourism development incomes is channeled to the restoration of tourist resources and technological optimization of tourist services" (Pisarevsky, 2014). While sustainable development is a long-term development of tourism, with achievement of a balance in the realization of economic, ecological, social and cultural development goals, taking into account the interests of all stakeholders, and based on the rational use of tourism resources and all-round partnership (Pisarevsky, 2014).

Antiptseva, Karpova and Mischenko (2017) add describe the concept of sustainable tourism as a form of "social responsibility, fulfillment of obligations in relation to nature, as well as involving the local population in all processes associated with the management of tourism activities". Thus, sustainability in tourism implies a balance of environmental, socio-cultural, and economic aspects of tourism, combined with optimal interaction between visitors and residents of the tourist destination. So, sustainable tourism is a kind of tourism that meets all the conceptual requirements of sustainable development. The need to follow the principles of sustainable development in tourism has been studied in literature for over 10 years, but in the process of formation and implementation, the concept often faces serious obstacles. In the current situation, the issue of identifying factors that stimulate or restrain development is extremely relevant.

To determine the key factors, it is necessary first of all to consider the basic requirements and components of sustainability. Based on the system of indicators presented in the scientific literature (Bogdanova, 2011; Golodyaeva, & Rassokhina, 2015; Government of the Russian Federation, n.d.; Laitamaki et al., 2016; Romanova, 2014), the study outlines the following criteria for sustainable development of tourist destinations (Figure 1).



**Fig. 1.** Criteria of tourist destination's sustainable development

The generalized system of criteria includes such aspects as:

1. Tourism impact on the local community;
2. Quality and conservation of drinking water;
3. Wastewater treatment and solid waste management;

4. Control of the territorial fund operation intensity (number of buildings and other use);
5. Geographical accessibility of the destination;
6. Efficiency of seasonal management and so on.

As mentioned above, the tourism industry is influenced by many factors. Romanova (2014) classifies these factors into 2 main groups; Group 1 (natural, socio-cultural, demographic and labor) and Group 2 (economic, political, legal, technological and international). A study by Fokin (2012) also endorses the methodology of the IEF and identifies the following factors: (i) business environment and infrastructure, (ii) socio-cultural factor and natural resources, and (iii) legislative framework and its application. Laitamaki et al. (2016) also highlight the following as aspects that determine the sustainability of tourism development. These include: (i) management capacity, (ii) marketing, (iii) transportation sector, (iv) environment, (v) security issues, (vi) linkages, (viii) cultural heritage and (ix) biosphere reserves. The final classification is by Antiptseva et al. (2017). Their list of factors influencing sustainability comprise: (i) the development, accessibility and comfort of the tourist environment, (ii) implementation of the social role of tourism, (iii) the effectiveness of the management system and statistical accounting, (iv) the stage of the economic cycle and the standard of living in the destination, (v) the level of security in the sphere of tourism and tourist services, and (vi) the degree of integration of the tourist product in the domestic and foreign markets.

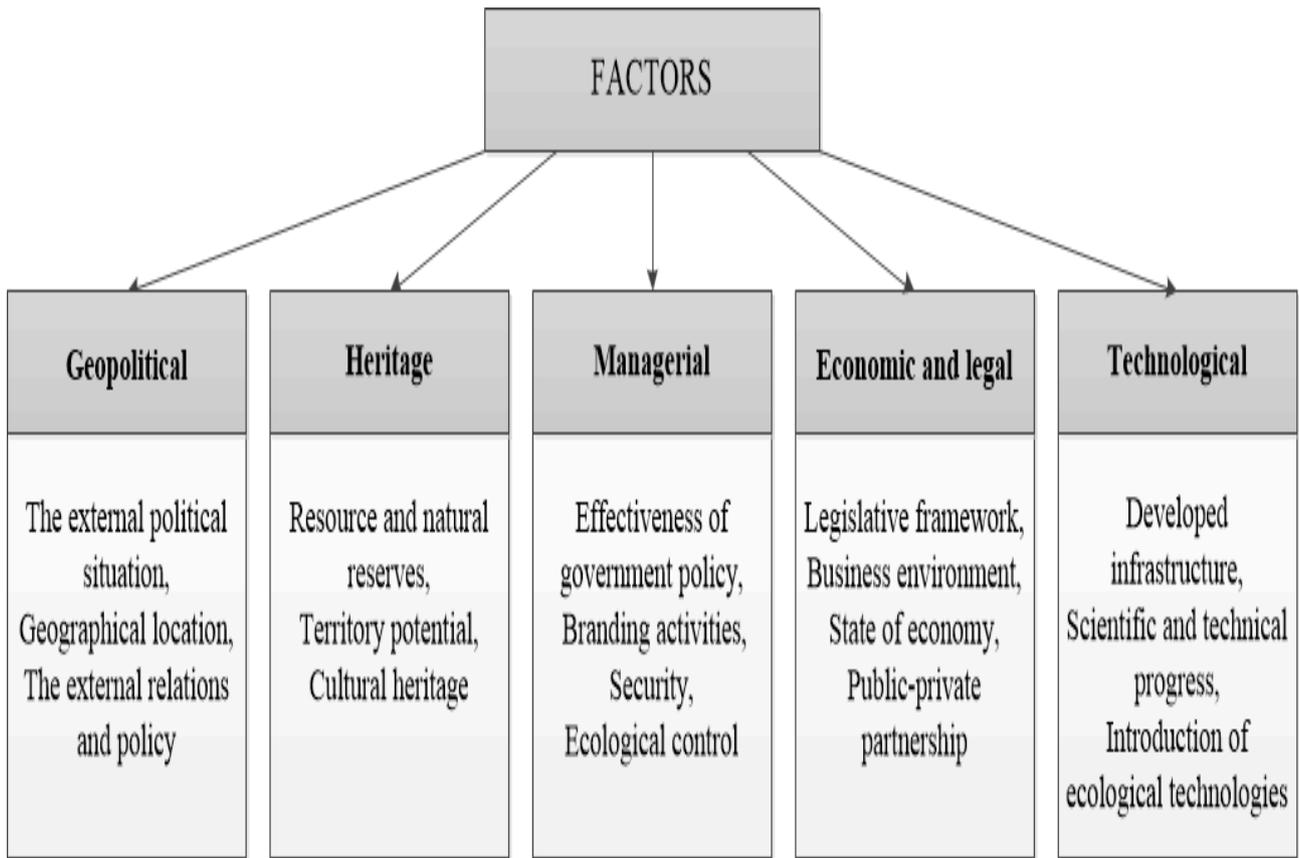
The Strategy for the Development of Tourism in the Russian Federation by the Russia Tourism (n.d.) for the period until 2020 identifies the following priorities for sustainable development:

- i. Improving the quality of life of Russian citizens by guaranteeing personal security, as well as high standards of livelihood;
- ii. Economic growth, which is achieved primarily through the development of the national innovation system and investment in human capital;
- iii. Science, technology, education, health and culture, which are developed by strengthening the role of the state and improving public-private partnerships;
- iv. Ecology of living systems and rational nature management, the maintenance of which is achieved through balanced consumption, the development of progressive technologies and the expedient reproduction of the country's natural and resource potential;
- v. Strategic stability and equal strategic partnership, which are strengthened on the basis of Russia's active participation in the development of a multipolar model of the world order.

Since the concept of sustainable development is a product of modern society, it is necessary to add to its characteristics or principles aspects such as adherence to current trends and tendencies in scientific and technological progress. The last decade brings an active development of e-commerce in tourism; the introduction of an active information technology system in all stages of production and distribution processes. In this regard appeared a separate segment of the tourist market which involves e-travel (which includes the purchase / sale of air and railway tickets, the booking of hotels, tours and other services online).

### **Global dimensions of sustainable tourism development**

Based on the above data, the study suggests a general classification of factors affecting the sustainable development of tourism.



**Fig. 2.** Global factors of sustainable tourism development

The aggregate of the presented factors can have both a positive and negative impact on the growth rate of tourism and its sustainability. In this regard, it is necessary to separately identify factors that inhibit and stimulate the sustainable development of tourism.

**Factors of tourism sustainability in Sochi-City**

Table 1 demonstrates a matrix of factors from the example of tourism in the Russian Federation, in particular – Sochi-City Resort.

**Table 1.** Factors of tourism sustainability in Sochi-City

Factors	Internal	External
<b>Constraints</b>	Absence of investment flows and support for the sanatorium complex; Low effectiveness of seasonality management; Low level of e-commerce use in tourism; Economy stagnation; Undeveloped energy and water saving systems; Ecological problems	Inconstancy of key trends in the world tourism market; Geopolitical instability; Extraordinary situations
<b>Stimulating</b>	Major events; Large resource base; Active implementation of the Southern Federal District	Temporary closure of popular external destinations; Visa-free regime with some countries;

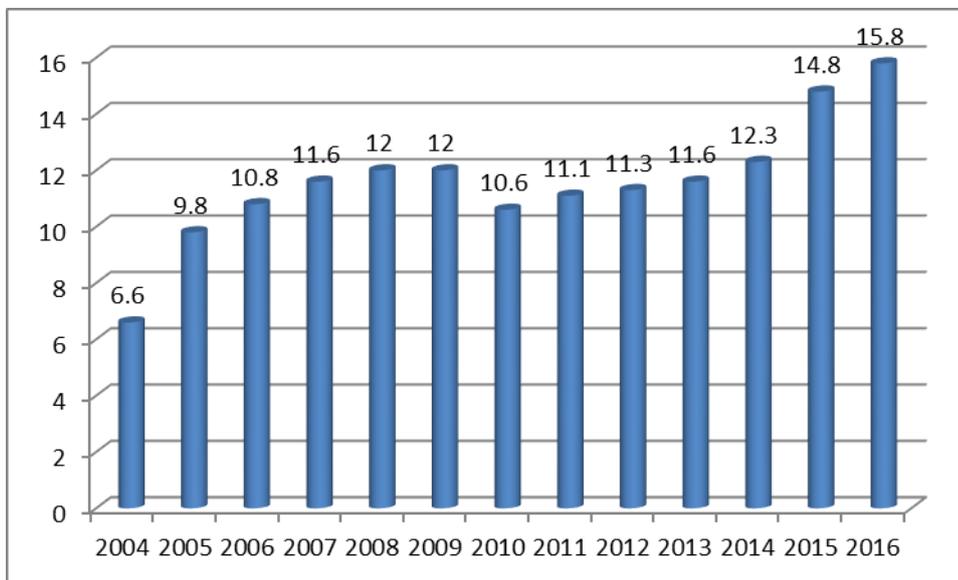
	development strategy; The overall growth of domestic tourism; Developing infrastructure; Marketing and investing policy of authorities	International cooperation on a way to ecological standards
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To determine the degree of influence these factors have on the sustainability of tourism development in the Sochi region, the study presents an assessment of the dynamics of the industry and related key and secondary factors. According to the World Tourism Organization’s (UNWTO) methodology, the sustainability of the development of a tourist destination can be assessed by the huge number of indicators such as:

- i. Total number of tourist arrivals (tourist flow);
- ii. Incomes from tourism (% GRP of the region);
- iii. Level of residents’ satisfaction;
- iv. Level of satisfaction of tourists;
- v. The number and dynamics of employment in the industry and others (UNWTO, 2004).

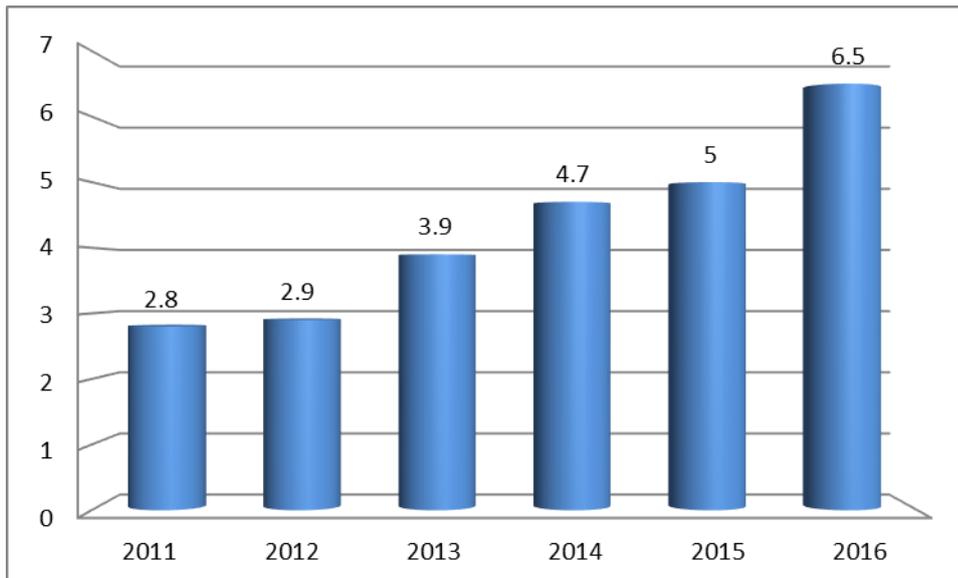
The social aspects of tourism development, which is impossible to assess through statistical accounting, are usually described by questionnaires and the lack of open statistical information makes it possible to evaluate only with a limited number of indicators.

Sochi is the resort of the Krasnodar region, and it stands out among the neighboring territories, demonstrating its competitive advantages. The dynamics of the tourist flow in the Krasnodar region in the period from 2004 to 2016 is shown in Figure 3. The figure provides the assessment for the degree of influence of the geopolitical factors on the tourists’ flow in the region. In 2015, there was a significant increase in the number of arrivals - 20.3%, due to the overall growth of domestic tourism. That is explained by geopolitics: the flights termination with Egypt, the ban on the sale of tours to Turkey, the depreciation of the ruble against the dollar and the euro, the inability to travel abroad for civil servants and so on.



**Fig. 3.** Tourist flow in Krasnodar region, million people (Federal State Statistics, n.d.)

Sochi is the leader in the region. In 2016 the share of the resort in the total volume of the tourist flow of the region exceeded 40%. The dynamics of the tourists’ number is shown in Figure 4.



**Fig. 4.** Number of tourists in Sochi, million people (Federal State Statistics, n.d.)

Over the past three years, the number of tourists in Sochi, increased by 40%; the number of visitors increased from about hundred thousand people in 2012 to about 1.1 million in 2015. Hotels occupancy during this period increased from 62% to 82%. During the preparation for the 2014 Olympic Games, Sochi constructed 42 new hotels and the renovated 28 existing hotels. The overall number of rooms then became 73 thousand - accommodating approximately 200 thousand tourists (Fokin, 2012). In addition, the share of the "accommodation and food service activities" in the GRP of the region for the last three years averaged 3% (Federal State Statistics, n.d.). The growth rate of the tourists' flow in Sochi indicates that sports and cultural events held at sports and tourist sites, which were built for the Olympics and the Paralympic Games, as well as the infrastructure of the post-Olympic heritage provides a steady stream of tourists. Consequently, the heritage factor also plays an important role in the sustainable development of the resort.

The next factor under study is managerial. This includes state and regional policy, strategic planning, marketing activities, environmental monitoring and so on. Sochi is part of the Southern Federal District, within the framework of which the state implements the strategy of social and economic development (Government of the Russian Federation, n.d.). Currently, there is the Krasnodar region Development Strategy for the period until 2020 (Law of the Krasnodar region, 2008), and at the formation stage, there is a strategy document until 2030 in which Sochi is identified as one of the key agglomerations of the region. This strategy is aimed at solving some of the issues noted above as factors restraining the sustainable development of the resort - the problem of ecology. Consequently, there is an acute problem with the recycling of household waste and the authorities in the city are planning to build a heat treatment plant for garbage (Business Newspaper Yug, 2018).

Another important area is the development of the digital technology of the city. Thus, Sochi residents and guests could order taxi, food, tickets and so on online. In addition, the government actively implemented a marketing policy during the preparation of the Olympic Games to enhance the recognition of the city. It spent about 550 million RUB and sponsors invested more than 1 billion USD in the period 2010 to 2014. However, a serious disadvantage is the lack of management of water supply systems in the city. In effect, the operation of the obsolete water supply network, which was paved in the 1970's often leads to frequent water outages in the districts of the city due to accidents (Molchanova, 2016; Molchanova et al., 2014).

### Conclusion

A review of the current situation shows that in the sustainable development of the Sochi-City resort, the key factor is the managerial factor, which also has some shortcomings. Natural potential

and post-Olympic heritage has a great influence on the development of the city; and competent management makes a significant contribution to the sustainable development of tourism.

Practically, it is early to talk about the sustainable development of tourism in the Krasnodar region, as the technological and environmental aspects of the concept are not yet sufficiently developed. However, the region is definitely not deprived of prospects and has already embarked on the path of sustainable development.

### Conflicts of Interest

The authors declare the work has no conflicts of interest.

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