



# INTERNATIONAL TOURISM IN THE SYSTEM OF MODERN GLOBALIZATION PROCESSES

**Nadiia Stezhko**

Department of International Economics,  
University of the State Fiscal Service of Ukraine, Irpin, Kyiv Region, Ukraine

**Yaroslav Oliinyk**

Department of Economic and Social Geography,  
Taras Shevchenko National University of Kyiv, Kyiv, Ukraine

**Larysa Polishchuk**

Department of Tourism, Hotel and Restaurant Business,  
Lutsk National Technical University, Lutsk, Ukraine

**Inna Tyshchuk**

Department of Tourism, Hotel and Restaurant Business,  
Lutsk National Technical University, Lutsk, Ukraine

**Anatoliy Parfinenko**

Department of Travel Business and Regional Studies,  
V. N. Karazin Kharkiv National University, Kharkiv, Ukraine

**Svitlana Markhonos**

Department of International Tourism and Country Studies,  
National Aviation University, Kyiv, Ukraine

## ABSTRACT

*The article is devoted to globalization processes taking place in the modern world. Particular attention is paid to the impact of globalization on tourism. Both positive and negative effects of globalization processes on different spheres of society are considered. The article describes the main factors of globalization in international tourism and their impact on its development. Globalization is often seen as a special state of human society. In the context of tourism, globalization allows tourists to be perceived as consumers, bringing a culture of consumption to developing countries and contributing to the growth of global society.*

**Keywords:** International Tourism, Globalization.

**Cite this Article:** Nadiia Stezhko, Yaroslav Oliinyk, Larysa Polishchuk, Inna Tyshchuk, Anatoliy Parfinenko, Svitlana Markhonos, International Tourism in the System of Modern Globalization Processes, *International Journal of Management (IJM)*, 11 (3), 2020, pp. 97–106.

<http://www.iaeme.com/IJM/issues.asp?JType=IJM&VType=11&IType=3>

## 1. INTRODUCTION

One of the key processes of development of the global economy of the 21st century is progressive globalization, i.e. a qualitatively new stage in the development and internationalization of economic life. Attitude to globalization is ambiguous, and sometimes diametrically opposite. Some see it as a threat to the global economy, others as a means of further economic progress. Globalization has a mixed impact on tourism. On the one hand, there is a rapprochement of different peoples in all positions. And this, in turn, gives an impetus to the development of international tourism. However, in the process of globalization of tourism activities, serious problems also appear. With the rapprochement of peoples, a new culture emerges, but at the same time, part of one of the folk cultures may be lost. Sometimes the process of assimilation (absorption) of one culture by another can occur. Then popular cultural phenomena can supplant national cultural traditions or turn culture into an international one. And this, in turn, can be regarded as the loss of national culture in general. Accordingly, a country – a culture that has been lost – is losing cultural tourism [1-3].

Now the tourism industry is one of the forms of international trade in services, which is developing most dynamically. International tourism has become not only a popular form of recreation but is becoming the leading export industry in the world.

Tourism is an active vacation that affects the promotion of health, the physical development of a person, associated with movement outside the boundaries of a permanent place of residence. Important factors affecting the development of tourism have become the development of transport, communications, comprehensive mobilization, concentration, and the growth of public welfare. In these conditions, the socio-economic position of tourism is rapidly strengthening. Its share in world trade in services is already more than 30%. In the world market, the tourist product is leading along with oil. In many countries of the world, tourism is the main sector of the economy. Tourists are attracted by natural, historical, cultural and religious monuments, a favourable climate, magnificent beaches, a stable political and social environment. The main region of international tourism is Europe, which accounts for 672 million tourists, 323 million to the countries of the Asia-Pacific region, and 211 million to North and Latin America (Fig. 1).



**Figure 1** Annual number of foreign tourists in 2019 by region

**Table 1** Top 10 countries with tourist arrivals and Tourism earners

№	Destination	Arrivals (million)	Tourism earners (USD billion)
1	France	86.9	67
2	Spain	83	74
3	USA	80	214
4	China	63	40
5	Italy	62	49
6	Turkey	46	25
7	Mexico	41	23
8	Germany	39	43
9	Thailand	38	63
10	United Kingdom	36	52

The economic attractiveness of tourism as an integral part of services lies in the quick return on investment and profit. Tourism business stimulates the development of such sectors of the economy as construction, trade, agriculture, communications, etc. This business attracts entrepreneurs for many reasons: small start-up investments, each time a greater demand for travel services, a minimum payback period.

One of the prerequisites for the development of international tourism is the progress of world transport, without which tourism is almost impossible. Even pilgrim travellers and pilgrims now get to the sacred places of their religions, if not on foot, but with the help of modern vehicles [3-7].

Tourism, in addition to great economic importance, helps to expand the boundaries of understanding and trust between people of different races, ethnic groups, religions, cultures. His activity is not limited only to the sale of goods, services and the search for new trading partners. It is also aimed at establishing relationships between citizens of different countries to preserve and prosper the world.

## **2. THE IMPACT OF GLOBALIZATION ON THE TOURISM INDUSTRY**

The modern information society and digitalization allows tourists to plan their trip independently: make a route, book and pay for a hotel, excursions, plane tickets, train or cruise, etc. The world market of tourist services is developing in the conditions of competition between countries. The structure and direction of tourism services of individual countries are influenced by changes in the competitiveness of their tourism products in the world market. In modern conditions, the position of transnational corporations is strengthening in the global tourism market. Franchised networks are the most civilized form of work in the tourism business, a model for its development, which has proved its viability and significant potential. As a result of a business partnership for the joint transportation of tourists, the industry of tourist transport services began to develop rapidly. Central to this industry is air transport. Many cross-border tourist routes have also been developed.

Business partnership processes affect international tourism. It is possible to satisfy customer needs only using the resources of many companies. Not a single producer of tourist services (accommodation facilities, transport companies, entertainment industry, travel agencies) is able to provide all the variety of services alone, as well as to ensure the integrated development of centres visited by tourists.

Business partnership in tourism leads to various forms of cooperation (Fig. 2):

- to fight competitors;
- association with business participants from other fields of activity;
- for joint transportation of tourists;
- creation of franchising networks;
- introduction of innovations.



**Figure 2** Signs of tourism globalization

The globalization of business within the framework of a tourism organization contributes to the formation of a strong competitive position in comparison with competing organizations.

The competitive advantages of the organization depend on the ability to use many factors:

- access to cheap resources;
- national investment incentives;
- overcoming trade barriers;
- access to strategically important markets and others.

Global tourism associations are formed through mergers, acquisitions and acquisitions of tourism organizations. The tourism industry, as well as other industries, is characterized by the emergence of the process of concentration of enterprises beyond national borders through the creation of transnational corporations. To conduct an effective foreign investment policy, tourism organizations should consider:

- opportunities and competitiveness of the proposed tourist services;
- managerial experience;
- production efficiency;
- firm size and concentration level;
- host country investment climate.

The goals set by the tourist organization and the consideration of factors characterizing this organization, the economy and politics of the host country, allows it to choose the direction of activity that brings additional profit at lower production costs.

The creation of a new organization of tourism services is one of the most expensive and complex forms, associated with considerable risk since it is necessary to act in an unfamiliar environment. You need a good knowledge of local conditions and market features; it is desirable to have a well-known and reputable brand. Such a form of foreign activity in tourism can be done only by a few national tourism organizations. The acquisition of a foreign organization operating in the tourism industry enables the investor to immediately join the local structures, use the connections and authority of the acquired organization. The advantage of this form of investment is that it is possible to accelerate the functioning of the absorbed organization; there is no need to carry out operations related to the organization of a new enterprise. The largest international travel companies have settled in the UK, USA, Germany and Japan. The largest market for tourist flows is Germany, where Touristik Union International (TUI) and Neckermann und Reisen (NUR) companies operate, producing more than half of all tour packages - 33 and 18%, respectively, in Europe. Globalization processes are accompanied by an increase in the number of mergers and acquisitions of tourism companies. In the tourism sector, industrial companies, banks, associations and associations are being introduced. Many market participants are reducing their activities in their traditional fields and are focusing their efforts on tourism and travel, which is considered more profitable. Conglomerates appear on tourist markets.

Thus, the American real estate company Cendant, whose presence is recorded in more than 100 countries, the tourism business brings 32% of revenue. The company is engaged in real estate under the Century 21 brand, is the owner of the Avis car rental corporation (the fleet has more than 700 thousand cars, a car is rented every two seconds) and the world leader in hotel franchise and timeshare. The industry of tourist transport services is developing rapidly. One of the largest industries is the air transport services sector.

To measure the level of globalization in countries, use the KOF Index of Globalization. The index is based on three main sets of indicators: economic, social and political. Using these three dimensions, the overall globalization index attempts to assess current economic flows, economic constraints, data on information flows, data on personal contacts and data on cultural affinity in the countries studied.

Figure 3 shows the statistics of the top 30 countries in the globalization index 2019.

Thus, globalization in tourism can be defined as a process of a sharp increase in tourist flows, as well as flows of services, capital, information and technology, which usually do not fall under the regulation of national governments. Globalization has a long-term nature, and its signs are innovations in the field of information and communication technologies, increased international competition, the creation of franchise networks, integration with business participants from other fields of activity, business partnership for the joint transportation of tourists. Effective possibilities of finding the necessary information on the Internet, new portable wireless devices that provide access to the network, expanding the quantity and quality of information about tourist centres and all services having from Ocean for travelling, portend great changes in the tourism business and e-commerce.



**Figure 3** Top 30 countries in the Globalization Index 2019

The impact of globalization of international tourism on the development of international relations

Modern tourism embraces and influences global economic, humanitarian and political processes. It inevitably influences the life of the local population, its culture and everyday behaviour, and in a number of countries, it stimulates the transition from the traditional way of life to the post-industrial one. In addition, tourism affects the culture of countries sending tourists. In modern tourism, one can distinguish its special form - cultural tourism, which implies immersion in an unfamiliar culture and stay in it with the aim of mastering it.

In addition to domestic social and humanitarian functions (improving the living standards of the population, cognitive, educational, recreational and recreational, etc.) tourism occupies one of the leading places in the global economy. In a number of countries, it has become the main article of national income, which often makes it significant leverage in international relations.

As a result of the development of the provision of tourist services, a huge tourism industry has emerged, the basis of which is commercial organizations that implement tourist trips and sell tours and tours that provide services for the accommodation and catering of tourists, their movement around the country, as well as governing bodies, information, advertising, enterprises for production and sale of tourist goods, which in turn involves the active development of international relations.

The international tourism business, on the one hand, provides a significant part of the services consumed by the population that is of a specific socio-recreational nature, i.e. leisure, the possibility of personal development, the study of historical and cultural values, participation in cultural events, sports, etc. On the other hand, it provides a platform for international relations in the field of business, taking into account not only economical, but also social and humanitarian components. Thus, tourism combines the social, humanitarian, economic, educational and aesthetic sides, which are based on intercultural interaction.

The modern factors of globalization of international tourism include:



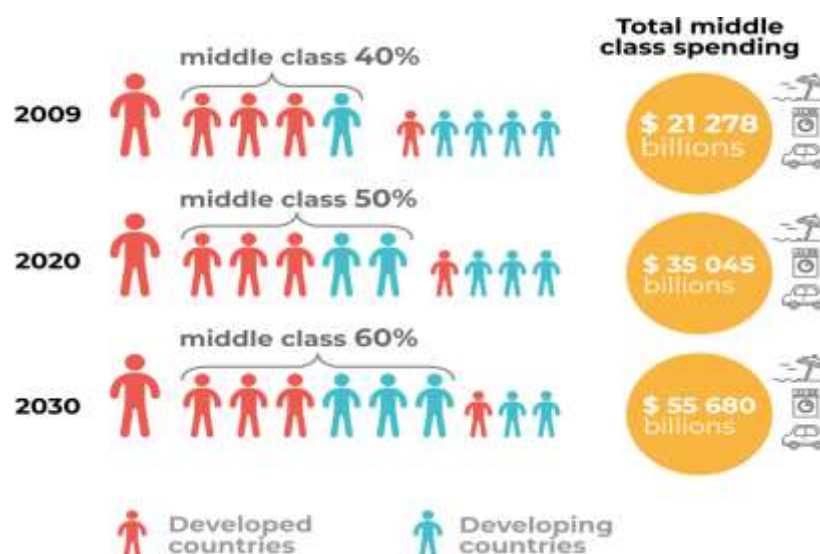
- peaceful political coexistence of the population on most of the planet,
- increase in public welfare,
- improving the level of public consciousness,
- economic development,
- improving the demographic situation by improving the quality of life.

Currently, international tourism in a global society is actually becoming the basis of a global lifestyle. Globalization has affected the processes taking place in tourism in the same way as in other areas of the economy. The influence of globalization processes on the middle class, which is growing due to developing countries, is obvious (Fig. 4). In developing countries, the population has become rapidly wealthy. By 2020, the share of the Asia-Pacific middle class reached 54% of the world in number and 42% in purchasing power.

One of its characteristic features is the cooperation of states and social organizations in the economic, political, cultural and other fields.

Globalization processes in the field of international tourism are manifested in the expansion of international economic ties in tourism production, the growth of internationalization of tourism production factors, the spread of transnational corporations in the tourism business, and are also accompanied by increased competition, a growing number of acquisitions and mergers, the introduction of third-party companies and associations.

Today, tourist services are offered by about 150 countries of the world, each of which has its own national flavour and seeks to create an attractive tourist image, but states can truly position themselves on the international market of international tourism only through joint efforts.



**Figure 4** The impact of globalization processes on the middle class

Over the past decades, international tourism has emerged as a sphere of intercultural relations as a way of communication between people and the world. The aim of international cooperation is to promote the tourism product in the world market and the formation of common tourist space.

International tourist relations are one of the forms of international relations that actively influence the politics of the states of the world. Tourism has the potential to influence the international prestige of individual states and their foreign policy image.

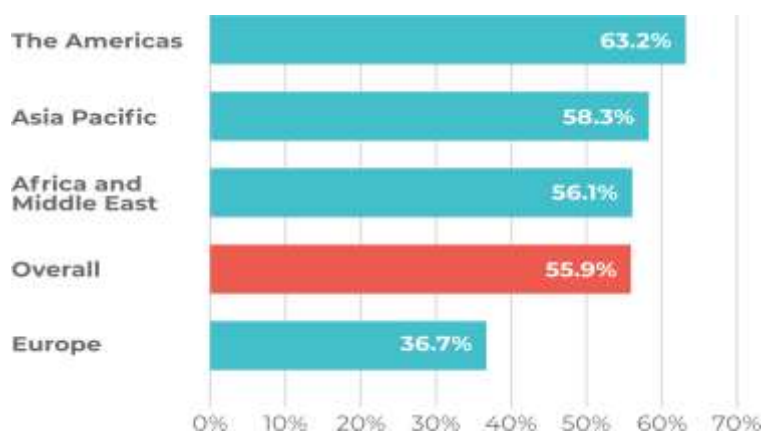
In general, we can conclude that, despite the fact that states control tourist flows and use their influence as a lever of international influence, tourism and tourism activities positively affect all spheres of social life and international relations at all levels. The main objectives of the state are the development and maintenance of inbound tourism on its territory, for which it is necessary to develop clear principles of tourism policy, create favourable conditions and a friendly environment for tourism, create an attractive image of the country, taking into account historical, regional, cultural features. International cooperation should be based on ensuring the accessibility of each country's participation in tourism events. The practice of international relations indicates that tourism is an incentive for the development of foreign economic, political, social, humanitarian and cultural relations, so most countries are interested in developing international cooperation in the field of tourism.

### 3. THE IMPACT OF COVID-19 ON INTERNATIONAL TOURISM

Being closely connected with economic development trends, the tourist market is very active in responding to changes in the global economy at different levels. Tourism has become one of the most rapidly developing sectors of the economy in the world, as well as one of the leading players in international trade and one of the main income sources for many countries.

A typical example of globalization, which has an ambiguous effect on the tourism sector, is the tragic outbreak of COVID-19, which changed the fate of people and greatly turned the travel world around. The virus from Wuhan has already spread to 100 countries. It was recorded on all continents except Antarctica. More than 114,000 thousand people fell ill with coronavirus, more than 4,000 infected died, 62,000 were completely cured. According to the Statista Research Department, due to the crisis with the coronavirus COVID-19 and the following travel restrictions, booking of air tickets from China was reduced in early 2020. As of the beginning of February, bookings for departure from China to regions of the world in March and April fell by almost 56% compared to the same period last year. Orders to America with a six per cent market share fell 63.2 per cent (Fig. 5).

Seventy airlines have suspended all flights to and from China, another 50 have reduced the number of flights to the country due to the virus.



**Figure 5** Decrease of outbound flight bookings affected by the coronavirus COVID-19 outbreak from China for trips between March 1 and April 30, 2020, by region

According to preliminary estimates of the International Civil Aviation Organization, for the first quarter of 2020, passenger traffic to and from China will decrease from 16.4 to 19.6 million passengers. This means that airlines will lose from \$ 4 to \$ 5 billion only during this period. Due to the decrease in the number of tourists, the tourism industries of Japan (\$ 1.29 billion) and Thailand (\$ 1.15 billion) have large losses [8].



In February, COVID-19 broke out in Italy. Since March 10, a quarantine has been declared throughout the country (previously restrictions were only valid in the Lombardy region and another 14 provinces): public meetings, sporting events were limited, schools were closed. Noisy Venice before now looks like a ghost town.

From March 1, all flights to Italy were cancelled by Turkish Airlines. The number of flights to Italian cities was significantly reduced by WizzAir and Ryanair. The leading American air carriers Delta Air and American Airlines have also reported a temporary cessation of flights to Milan. Since March 5, SkyUp has also not flown to Turin. March 1 closed the Louvre in Paris. The most visited museum in the world has stopped working at the request of 2.3 thousand of its employees who are wary of infection with the COVID-19 virus from visitors. Now the museum has resumed work. But the ticket can only be taken online the next day. Tickets are sold for a specific time and in limited quantities. The EU tourism sector has already lost 2 billion euros due to coronavirus. The World Travel Business Association claims coronavirus could cost the industry \$ 47 billion in losses per month.

The International Air Transport Association predicts \$ 30 billion in revenue cuts due to falling airline sales. Tour operator TUI AG said it could not yet assess the financial consequences of an outbreak.

As of March 9, the coronavirus is gradually leaving China. In the province of Hubei, where the spread of coronavirus began, 18 thousand people were registered (data from the John Hopkins Institute) [9]. More than 46 thousand have already recovered. In total, 67700 cases have been recorded here since the beginning of the epidemic - this is more than half of all coronavirus cases that have been recorded worldwide since the start of the epidemic. China is now recording a recovery in demand for domestic tourist trips,

#### **4. CONCLUSION**

The processes of globalization in the tourism market today are characterized by the following features:

- change and unification of tourism technologies aimed at improving services;
- modernization of transport infrastructure;
- internationalization of business activity;
- the creation of a mechanism for managing and regulating international tourism through the creation of regional and international organizations in the field of tourism.

The analysis of various approaches to the problems of tourism represents a wide field for research. Tourism is a phenomenon that is diverse in content and is being transformed into a global factor in the development of society, its social, spiritual and economic components. Globalized international tourism, which is the main source of income for many countries, is experiencing a large decline as a result of the outbreak of coronavirus. Airlines, tour operators and hotels are approaching the crisis, which implies an ever greater activation and implementation of new forms of cooperation between states and public organizations at various levels. This gave rise to the need for interaction between different states in the tourism industry at the international level, the development of cooperation between states in order to improve the international situation as a whole. Since the development of international tourism requires peaceful coexistence, the support of international and national organizations, it becomes possible to use tourism as an instrument of political influence. Globalization is an objective and irreversible process of increasing interdependence of the world and the formation of a single sociocultural space, the interconnection of all peoples. Tourism is an essential tool for the dialogue of cultures and the creation of a community of countries and peoples. However, the further development of tourism should be determined, to a greater

extent, not by economic, but by sociocultural significance in order to create a new model of humanistic globalization.

## REFERENCES

- [1] Prokopenko, O., Larina, Y., Chetveryk, O., Rozhko, N., Lorvi, I., Digital-toolkit for promoting tourist destinations, *International Journal of Innovative Technology and Exploring Engineering*, 2019, 8(12), c. 4982-4987
- [2] I. Bashynska, I. Lytovchenko, D. Kharenko, Sales tunnels in messengers as new technologies for effective Internet-marketing in tourism and hospitality, *International Journal of Innovative Technology and Exploring Engineering*, 8 (12), October 2019, pp. 594-598 DOI: 10.35940/ijitee.L3470.1081219
- [3] Kwilinski, A., Ruzhytskyi, I., Patlachuk, V., Patlachuk, O., & Kaminska, B. Environmental Taxes as a Condition of Business Responsibility in the Conditions of Sustainable Development, *Journal of Legal, Ethical and Regulatory*, 22(SI2), 2019, pp 1-6, 1544-0044-22-SI-2-354.
- [4] Kwilinski, A., Volynets, R., Berdnik, I., Holovko, M., & Berzin, P. E-Commerce: Concept and Legal Regulation in Modern Economic Conditions, *Journal of Legal, Ethical and Regulatory*, 22(SI2), 2019, pp. 1-6, 1544-0044-22-SI-2-357
- [5] Dzwigol, H., Aleinikova, O., Umanska, Y., Shmygol, N., & Pushak, Y. An Entrepreneurship Model for Assessing the Investment Attractiveness of Regions. *Journal of Entrepreneurship Education*, 22, (SI1), 2019, pp. 1-7
- [6] Vukašin Šušić, Dejan Đorđević, Modern tendencies of international tourism development, January 2019 DOI: 10.5937/ekonomika1902027S
- [7] Roberto Paolo Vico, International tourism: modern trends, models and processes, August 2018, DOI: 10.21680/2177-8396.2018v30n1ID13109
- [8] Warwick Mckibbin, Roshen Fernando, The economic impact of COVID-19, In book: *Economics in the Time of COVID-19*, Publisher: Centre for Economic Policy Research, 2020 March
- [9] <https://hub.jhu.edu/2020/03/06/covid-19-coronavirus-expert-testimony-to-congress/>
- [10] Wendrila Biswas, Medical Tourism – A Growing and Potential Segment in Indian Scenario. *Journal of Management*, 3(1), 2016, pp. 19–26
- [11] Nur Hayati and Desi Novitasari, An Analysis of Tourism Service Quality Toward Customer Satisfaction (Study on Tourists in Indonesia Travel Destinations to Bali). *International Journal of Marketing and Human Resource Management*, 8(2), 2017, pp. 09–20
- [12] Agus Setiawan, Eko Pradjoko and Hartana, An Analysis of Tsunami Inundation in Mandalika Tourism Area (Stage I) Central Lombok, West Nusa Tenggara, *International Journal of Civil Engineering and Technology*, 9(7), 2018, pp. 87–95
- [13] Faustyna, Lukiati Komala Erdiana, Hanny Hafiar and Iriana Bakti, Evening Culinary Tourism: the Publicity of Merdeka Walk Medan, *International Journal of Civil Engineering and Technology*, 10 (02), 2019, pp. 2213–2226
- [14] Bundit Chaivichayachat, Forecasting Foreign Tourists in Thailand by Economic Condition for Tourism Index, *International Journal of Mechanical Engineering and Technology*, 10(3), 2019, pp. 144-152