

**Kyiv National University of Trade and Economics  
Tourism and Recreation Department**

## **FINAL QUALIFYING PAPER**

on the topic:

**«The management strategy of tour operator  
“Anga travel” on the basis of experience economy»**

Student of the 2<sup>d</sup> year, group 4 a,  
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# Kyiv National University of Trade and Economics

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## **Task for a final qualifying paper**

**Malitova Anastasiia**

### **1. Topic of a final qualifying paper: «The management strategy of tour operator “Anga travel” on the basis of experience economy»**

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### **2. Term of submitting by a student his/her terminated paper: 01/11/2018**

### **3. Initial data of the final qualifying paper**

*Purpose of the paper is* the development and justification of the practical recommendations aimed at identifying organizational and economic opportunities of the management strategy of tour operator “Anga travel” on the basis of experience economy.

*The object is* the process of management in tour operator “Anga travel” on the basis of experience economy.

*The subject is* a set of theoretical, methodological and practical issues related to the development of the management strategies of tour operator “Anga travel” on the basis of experience economy.

**4. Illustrative material:** “The organizational structure of tour operator “Anga travel””; “The usage of experience economy in development of tour programs by the tour operator “Anga Travel”, “Examples of "4P", contributing to the formation of clients’ experience in the tourism industry”, “The main business processes of "Anga Travel", “The program of the project implementation” etc.

## 5. Consultants of the research and titles of subsections which were consulted:

Section	Consultant (last name and initials)	Date and signature	
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Part 1	Kravtsov S. S.	20/11/2017	20/11/2017
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Part 3	Kravtsov S. S.	20/11/2017	20/11/2017

## 6. Contents of a final qualifying paper (list of all the sections and subsections)

### INTRODUCTION

### PART 1. THEORETICAL AND METHODOLOGICAL BASE OF MANAGEMENT OF TOURISM ENTERPRISES IN THE CONTEXT OF EXPERIENCE ECONOMY DEVELOPMENT

1.1. The essence of experience economy.

1.2. Features of experience economy in tourism business.

1.3. Indicators of efficiency of tourism enterprise in the context of experience economy development.

Conclusions to the part 1

### PART 2. ANALYSIS OF EFFICIENCY OF MANAGEMENT IN “ANGA TRAVEL” IN THE CONTEXT OF EXPERIENCE ECONOMY DEVELOPMENT

2.1. The management system of tour operator “Anga travel.”

2.2. Economic evaluation of the tourism company.

2.3. Assessment of economic activity of “Anga Travel” according to requirements of experience economy.

Conclusions to the part 2

### PART 3. IMPROVEMENT THE MANAGEMENT SYSTEM OF THE TOURISM COMPANY ACCORDING TO REQUIREMENTS OF EXPERIENCE ECONOMY

3.1. The development of management strategy of tour operator “Anga Travel” on the basis of experience economy requirements.

3.2. The program of implementation of the strategy.

3.3. Justification of implementation of the strategy.

Conclusions to the part 3

### CONCLUSIONS

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### APPENDIXES

## 7. Time schedule of the paper

No.	Stages of the final qualifying paper	Terms of the final qualifying Paper	
		de jure	de facto
1.	Choosing and approval of the final qualifying paper topic	01.09.2017-25.10.2017	05.10.2017
2.	Preparation and approval of task for the final qualifying paper	26.10.2017-20.11.2018	15.11.2018
3.	Writing and pre defense of the 1 <sup>st</sup> part of the final qualifying paper	20.11.18-11.05.18	30.04.2018
4.	Writing and pre defense of the 2 <sup>nd</sup> part of the final qualifying paper	12.05.2018-31.08.2018	18.08.2018
5.	Writing and preparation of scientific article	till 01.06.2018	
6.	Writing and pre defense of the 3 <sup>rd</sup> part of the final qualifying paper	01.09.2018-14.10.2018	12.10.2018
7.	Preparation of the final qualifying paper (title, content, introduction, references, appendences), presentation of final qualifying paper on the department and pre-defense in the committee	15.10.2018-22.10.2018	20.10.2018
8.	Presentation of the final qualifying paper on the department and on the deanery, receiving of referrals for external peer review	01.11.2018	01.11.2018
9.	Additional processing, printing, preparation of material to final qualifying paper defense	23.10.2018-31.10.2018	
10.	Defensing of the final qualifying paper in the Examination Board	According to the schedule	

**8. Date of receiving the task:** 20.11.2017

**9. Scientific adviser of the research**

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**10. Head of educational and professional program**

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**11. The task received by the student**

\_\_\_\_\_ Malitova A.O.

## **12. Resume of a scientific adviser of a final qualifying paper**

Student Malitova Anastasiia completed final qualifying paper in time according to a calendar plan. The work was performed in full on the basis of scientific works of domestic and foreign scientists in economics and management. Contents, structure and design of the work meet all the requirements. The work consists of introduction, three parts, conclusions, list of references and appendixes.

In the final qualifying paper there were summarized theoretical and methodological bases of experience economy, the features of implementation it in tourism business. There were analyzed the main indicators of efficiency of tourism enterprises in the context of development the experience economy.

There was completed analysis of efficiency of management in “Anga Travel”. Particularly, it was researched the economic activity of the tour operator and was evaluated the potential of development the strategy, according to the features of experience economy.

On base of the research there was offered the program of improvement the management system of tour operator “Anga Travel”, using the experience economy approach. The economic effectiveness of the implementation was fully studied and justified

The work is recommended to defense at the Examination Board.

Scientific adviser of a final qualifying paper \_\_\_\_\_ Kravtsov S.S.

## **13. Resume about a final qualifying paper**

A final qualifying paper can be admitted to defense in the Examination Board.

Head of educational and professional program \_\_\_\_\_ Mykhailichenko G.I.

Head of the Department \_\_\_\_\_ Tkachenko T.I.

\_\_\_\_\_, \_\_\_\_\_, 201\_

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## INTRODUCTION

**The actuality of work.** Modern economic conditions lead to the fact that the market has formed a huge number of suppliers of goods and services, which led to the fact that they are difficult to distinguish. For a successful and competitive business, companies should strive to increase the consumer value of their offer. And the perception of this value is changing. Experience become an independent product and object of sale.

Each company that claims to be competitive in the future must concentrate all its efforts on the client and his needs, and ways to meet them. Customer satisfaction is achieved if the offer meets customer expectations. The connection of a supply with emotions and experiences can significantly contribute to this. Technologies that offer emotionally rich supplies can be successful in the market, win a competitive advantage now and in the long term.

Each person identifies himself as an individual, and therefore desires more customized solutions. Consumers seek for the goods and services created specifically for them and corresponding to their feelings. Therefore, nowadays, a new economy is emerging – the experience economy, which focuses on consumer perceptions.

As a result of the evolutionary transition to a new type of socio-economic development, to a society in which not the commodity-producing economy plays a decisive role, but the economy of services, for many people the time spent on leisure and tourism has become an important part of their life. In particular, people's free time is dedicated to finding new, unique sensations, which can be fully realized in travelling. The modern consumer chooses not so much the service components, and not even a company, but the feelings and impressions that he can receive from it.

In this sense, tourism has always been an inherent part of the experience economy. Travelling is by nature associated with “getting to know the unknown, having exciting adventures, gaining new experience”, and the tourism industry may well be called a “holiday experience industry” [28].

When tourists travel for pleasure, there is always the more or less conscious search for an experience. For the tourism industry, therefore, it is a question of putting this

experience requirement at the centre of their managerial actions in order to provide the clients with economic approaches that go beyond the simple mix of goods and services and that are oriented more purposeful toward offering experiences designed to entertain, engage emotionally, and transform tourists [12].

Thus, **the purpose of the work** is the development and justification of the practical recommendations aimed at identifying organizational and economic opportunities of the management strategy of tour operator “Anga travel” on the basis of experience economy.

**Achieving this goal required the following tasks:**

- to describe the concept and essence of the basic principles of the experience economy;
- to explore the possibility of using the principles of the experience economy in the market of tourist services;
- to consider different types of tourism as a tool to increase the consumer value of the service and customer loyalty;
- to analyse the indicators of efficiency of tour operator in the context of the experience economy development;
- to analyse the economic activity and competitiveness of the tour operator "Anga Travel" in the market of tourist services in Ukraine;
- to develop a program for improvement the activities of the tour operator taking into account the experience economy requirements.

**The object of the research** is the process of management in tour operator “Anga travel” in the context of experience economy.

**The subject of the research** is a set of theoretical, methodological and practical issues related to the development of the management strategies of tour operator “Anga travel” on the basis of experience economy requirements.

**The information base of the research** is the information-analytical materials and scientific-methodical developments, monographs, scientific articles, tour operator's statistical data, surveys and consumer reviews, personal researches of the author.

**Scientific novelty** of the study. In this scientific work was identified the



possibilities of using the “experience economy” in the field of tourism, was offered the program for implementing this approach in the activities of a tour operator.

**Practical value** of the study lies in the fact that the proposed recommendations can be used not only by the tour operator "Anga Travel" in its activities, but also by other enterprises.

**Structure of the work:** the work consists of introduction, three parts, each of three sections, conclusion and list of used sources. The final qualifying paper also consists of the 23 figures, 25 tables.

**Approbation.** As the result of research of the final qualifying work was published the article “The management of tourism enterprise based on experience economy” in articles’ collection of master’s program students "International Hotel Business and Tourism" (appendix A).

## **PART 1**

### **THEORETICAL AND METHODOLOGICAL BASE OF MANAGEMENT OF TOURISM ENTERPRISES IN CONDITIONS OF EXPERIENCE ECONOMY**

#### **1.1. The essence of experience economy**

In the conditions of modern market trends, the economy of goods and services has receded into the background. It was replaced by the experience economy, in which not only the sale of goods and services is carried out in order to satisfy the client's needs, but the promotion of goods or services in the market with the help of emotions that appear in connection with the interaction with this product or service. The experience economy uses psychological methods, due to which the consumer experiences both when buying and using a certain product or service. People cannot live without emotions and are willing to pay for their impressions. Due to this human feature, the economy of the impression is popular. Companies using experience economy increase their sales, form a positive image of the organization and consumer loyalty.

If experience became an economic phenomenon, it is logical that they turn into a key concept of actual communication strategies. Feedback becomes extremely important, as consumers feel the experience and emotions based on their expectations, rather than from the standards imposed on them, even the best. People do not just want to create impressions and share them - they have enormous opportunities for this. The world's population annually has a trillion hours of free time, which can be invested in joint projects. In addition, now people have modern communication tools that help them create and share what has been done, with other people.

As a part of the study, the content of the term "experience economy" is close to the ideas reflected in the book of the same name - "The Experience Economy" - written by Joseph Pine and James Gilmore [43].

And, of course, the experience economy requires a special approach. Adam Smith pointed out that the service is a way to sell a product. If continue and develop this idea, it can be said that emotions and experiences are the way to sell a service.

For example, coffee beans are raw materials, coffee packaging is a product, a cup

of coffee in a cafe is a service. And when you pay for coffee in a coffee house with a view at the Eiffel Tower, then you are buying an experience.

The idea of considering consumption as an experience, not a single event or a solution, was developed in the book "The Experience Economy" by Joseph Pine II and James Gilmore. Authors who made a name for themselves on the idea to make an experience on the forefront, prove that nowadays people, first of all, are looking for experience. The authors define the experience as "events that attract people". Moreover, they argue that a business built on the unforgettable experience, brings a good profit in the current market conditions.

Schematically depicting the evolution of consumer value from goods to services, and then to experience, they demonstrate that the value of a product or service "saturated" with impressions, such as entertainment, is much higher than those that do not offer such impressions (Fig. 1.1).



*Figure 1.1. The progression of economic value*

This approach is also described in Bernd Schmitt's book "Customer Experience Management: A Revolutionary Approach to Connecting with Your Customers" [27], in the book by Diana LaSalle and Terry A. Briton "Priceless: Turning Ordinary Products into Extraordinary Experiences" [17], the book by Joe Calloway "Indispensable: How to Become The Company That Your Customers Can't Live Without" [5], in the book by Jeff Zabin and Gresh Brebach "Precision Marketing: The

New Rules for Attracting, Retaining, and Leveraging Profitable Customers” [33].

In the book “The Experience Economy”, Joseph B. Pine and James H. Gilmore give the following definition of experience: "Experiences are the fourth economic proposal, which is as strikingly different from services as services from goods" [43].

The consumer is willing to pay for their own feelings. Companies, through their influence on perception and the impact on emotions of consumers, tend to win customer loyalty to their brand and increase sales. In the modern economy, almost every product or service promises new unusual impressions, which the buyer needs. The main goal of the manufacturer is to establish a strong emotional connection with the consumer. In the modern economy, the concepts of "goods" and "experience" are interrelated.

Experiences and goods can interact in different contexts:

1. Each product can be correlated with the impression. The consumer can feel certain emotions using a particular product, and these emotions will be identified with this product.
2. Impressions from the trade mark. The consumer may feel certain impressions from the possession of a certain brand. The influencing factor is the prestige of the brand.
3. Getting an impression from the product due to the effect on the senses. Each product affects certain senses. The product attracts the attention of the consumer and causes positive emotions, because a person likes a certain sound, color, etc.
4. Deficiency. The consumer receives a positive impression from the possession of the goods, if the goods exist in limited quantities.
5. Commodity Club. The client can receive positive emotions from being a member of the club and receiving rewards.
6. Product presentation. Customers often like the way they buy a product, not less than the product itself [36].

The goods can't exist without the impression. Each product produces a positive or negative impression on the consumer.

Services as well as goods are associated with impressions. Using any service,

the consumer experiences certain emotions. If these impressions are positive, then the client will want to use this service again. In today's world, services are in great demand among consumers because people get positive emotions not only from the process of using services, but also for a particular action that was done for them. In the context of overabundance of goods and services in the market, it is very important for consumer not just to get the goods with some practical purpose, but to receive positive emotions from the purchase. This is exactly the psychological aspect on which the modern experience economy is built, where the sale of goods and services is carried out with the help of competently organized impressions. The authors of many books on economics claim that the change in today's business conditioned by three trends:

- a decrease in the influence of traditional advertising;
- increasing awareness and independence of the consumer;
- the emergence of an experience culture [47].

Properly created experience is based on a personal emotional contact with each client. Exactly due to this impression the consumer feels his involvement into the life of the brand and receives new positive emotions, forming loyalty to the company. The received experiences are individual. Each consumer, depending on the individual social and psychological characteristics and various external factors, receives his own unique experience. Therefore, during the creating an impression, it is important to think through very detailed plan [42].

Joseph B. Pine and James H. Gilmore in the book "The Experience Economy" divide experiences into four types based on such attributes as the degree of customer participation and the degree of involvement (Fig. 1.2).

The degree of participation of the client in the process is divided into two types: passive participation and active participation.

With passive participation, the client does not have a direct impact on the presentation. For example, during the watching a favorite movie, a person gets a lot of positive emotions from the process, but he does not participate in it. In the case of active participation, the client directly affects what is happening [47].

An example of active participation is the process of drawing a picture by an artist.

The artist himself is involved in this process and creating his own experience.

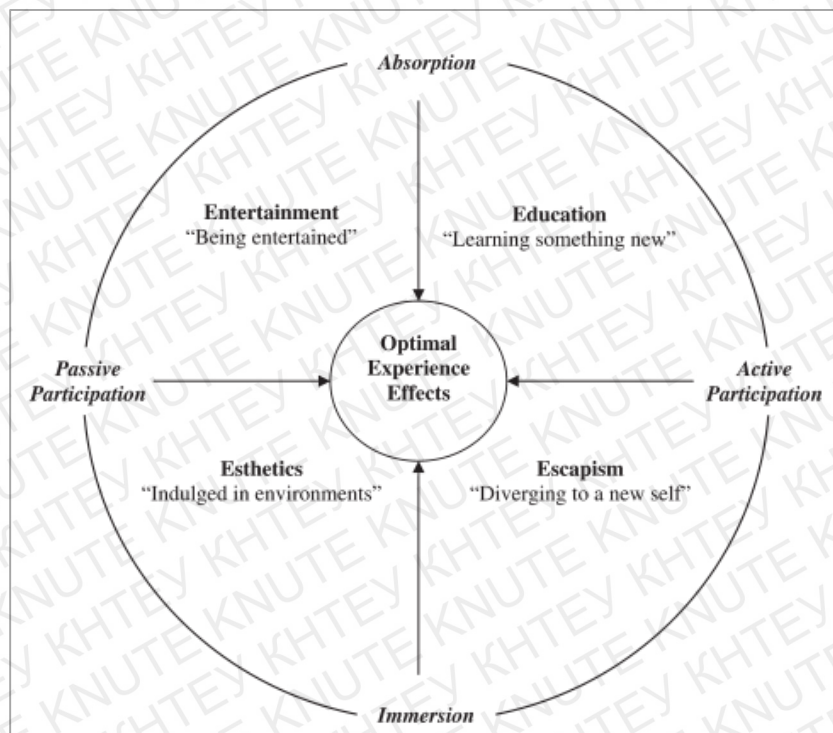


Figure 1.2. Four types of experiences

Talking about the degree of involvement, there are two types of relationships that exist between clients and the presentation:

- absorption;
- immersion.

Absorption occurs when the experience is transferred to the inner world of a person and keeps his attention [47].

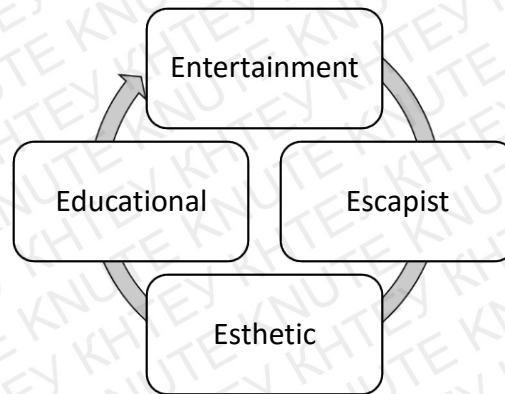
If a person, walking through the shopping center, randomly becomes a spectator of a presentation, it will be absorbing. When the client physically (or virtually) becomes part of the impression itself, it will be immersion. People who purposefully go to any lottery in the shopping center will be immersed in this process personally.

These areas can be effectively used to save the occupied positions of the service enterprise in a market segment or to expand its presence in the market and attract the potential consumers with the purpose of increasing the competitiveness.

Corresponding to the types of degree of the client's participation in the process and the types of communication between the clients and the presentation, four areas of

impressions can be distinguished (Figure 1.3):

- entertainment;
- educational;
- escape from reality (escapist);
- esthetic [47].



*Figure 1.3. Four areas of impressions*

1. Entertainment is the most common way to deliver positive emotions to the client. To this area of the experience economy can be attributed activities at the service enterprises like clowns, singers, musicians, dancers and many others [65].

The kinds of experiences most of people think of as entertainment – watching television, attending a concert – tend to be those in which customers participate more passively than actively; their connection with the event is more likely one of absorption than of immersion.

2. The field of education requires not only passive, but also active participation of the client. In order to really transfer some knowledge or instill skills to a person, education should involve the mind or body in the process. Clients of service establishments can, for example, play a variety of games, pass quests on different topics, attend a class, take a ski lesson etc. Educational events tend to involve more active participation, but customers are still more outside the event than immersed in the action.

3. Escape from reality is characterized by the fact that the consumer is completely immersed in his own emotions and sensations. An example of the escapist area of the experience economy is a visit to thematic restaurants or parks, games in "virtual reality

glasses", etc. Escapist experiences can teach just as well as educational events can, or amuse just as well as entertainment, but they involve greater customer immersion. Acting in a play, playing in an orchestra, or descending the Grand Canyon involve both active participation and immersion in the experience.

4. Minimizing the customers' active participation, an escapist event becomes an esthetic experience. Here customers or participants are immersed in an activity or environment, but they themselves have little or no effect on it – like a tourist who merely views the Grand Canyon from its edge or like a visitor to an art gallery. Esthetic experience is connected with the fact that the client, visiting the institution of service, can observe various natural phenomena [25].

The best experiences contain the elements of all four areas. The experience must necessarily have an esthetic aspect, a practical implementation (education, escape from reality), to attract attention and to be remembered (entertainment).

An important aspect is the fact how the experience economy influences customers:

1. Customers, on the background of experience, better remember information about the product or service.
2. Customers identify the product (service) with the pleasant emotions that are received during the consumption.
3. Due to emotional involvement, the obtained positive effect lasts for a long time.
4. Positive experiences provide the product (service) complete loyalty.

Due to the experience economy, the image of the company is formed and sales are stimulated. The received experience is directly identified with the company and the quality of its products or services. From the received experience depends on whether the company's image is positive or negative. The level of its sales depends on the image of the company.

Thus, the "experience economy" through innovations contributes to a qualitative modification of the needs of the individual and, at the same time, to the expansion of opportunities for self-realization in interesting work, career growth, more diversified rest, creating a basis for strengthening material prosperity, overcoming "civilization



diseases" peculiarities of a person's way of life in modern society. This makes it possible to attribute it to an innovative factor that ensures an improvement in the quality of life and contributes to the further development of human capital.

## **1.2. Features of experience economy in tourism business.**

According to the American research in the field of marketing, the client, delighted by the journey, will tell about his impressions to eight of his friends, and unsatisfied - sixteen. The expert in quality management, Dr. W. Edwards Deming, argued that the consumer should get what he wants, when he wants it and in the form in which he wants it [1]. But the main thing that the travel company should strive for, is making the consumer admire, giving him even more than he could expect. Tourism as a business of organized travel for bright unusual impressions has endless benefits in the context of experience economy [41].

Today, for all specialists in tourism industry, who are creative about their business and looking for new ways of interacting with clients, knowledge and implementation of the basic principles of the experience economy becomes priority. Considering the meaning of the clients' experiences by travel companies can help them find their place in the conditions of experience economy. Creating experiences, supervising transformations or mass personalization of any economic supply are designed to help companies to increase the value of their economic offer in the process of tour development.

Dr. W. Edwards Deming believed that the smallest thing that a company needs to do is strive to meet the consumer's expectations. But today this is not enough to retain the client. Professionals of tourist business should be guided by the simple rule of marketing, according to which consumers remember the company only in two cases: if it gives a very bad or a very good product. The average, expected, level of quality does not leave special traces in the minds of consumers. The company should strive to make the consumer admire, giving him even more than what he could expect. But if the consumer is not excited by the service, then the company has not yet begun to

achieve the required quality [48].

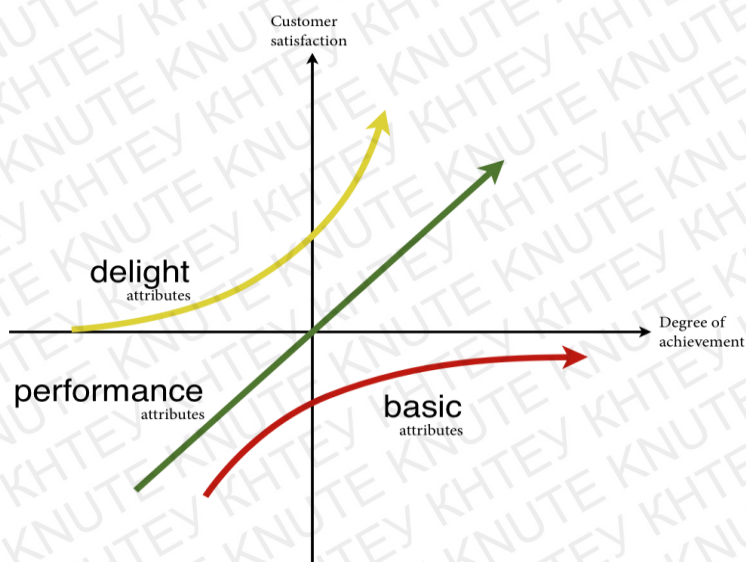
For planning tourism activities and improving it, it is necessary to imagine what the nature of human needs is, how they form and interact with each other, how they influence human behavior, what ways of meeting these needs exist now and can be proposed in the future. Nowadays, in the era of the experience economy, it is no longer enough to answer these questions, relying only on the common sense and personal experience of a particular manager. It is necessary to be well-oriented in those concepts that are worked out in modern science - first of all in philosophy, sociology, psychology, economics. The use of this set of knowledge will allow analyzing human needs and forming strategic directions of tourism development on a serious theoretical level.

One of the best ways to attract consumers, create new target markets and increase sales is creating a sense of admiration for the proposed product. Exactly the emotional attachment to the product, surprise and admiration are remembered by the consumer. In other words, the company must act and think as a consumer and anticipate his needs, guessing what he wants, what he could like or what could surprise him. It is very difficult to measure how much more revenue an "admired" consumer brings than "just satisfied", as well as how much loss a frustrated consumer brings.

Therefore, the company must carefully monitor the consumer's admiration for the goods. This is especially true in the tourism industry, where the emphasis is on "repeat business". Constant clients, distributing positive feedback about the work of the travel company, attract new customers from among friends, relatives or acquaintances [46].

To deserve consumer's admiration, first of all it is necessary to learn, what he admires. Dr. W. Edwards Deming says that the consumer expects to receive only what the manufacturer or his competitors "allowed" him to expect.

In 1984 the Japanese scientist, Noriaki Kano developed the concept of Attractive Quality Creation. The Kano model assumes three different attribute types – basic, performance, and delight – that collectively constitute the customer experience (Figure 1.4).



*Figure 1.4. The Kano model*

The three attribute types are mapped in a coordinate system with “Customer Satisfaction” up the y-axis and “Degree of Achievement” (how well a given feature is executed in your product) along the x-axis.

The Kano model is extremely important for current stage of tourism development, especially in conditions of growing experience economy. So here in the Table 1.1 is a throughout look at these attribute types with examples in hospitality industry [30].

Basic attributes represent features that are so basic to the product that your customers just expect them to work. These features are often taken for granted so customers rarely consciously look for them. For example, in the hotel clean towels or sustainable furniture is expected by all customers. For a service like air travel it might be that the flight won’t be cancelled or that having a ticket guarantees a seat on the flight.

When dealing with basic attributes there’s not a direct relationship between the degree of achievement and customers satisfaction. When basic attributes are achieved your customer won’t be particularly satisfied, as he assumes it goes without saying. But when you leave out a basic attribute it doesn’t matter how well you otherwise perform or delight, the entire customer experience is broken. In this sense, it is difficult to actively use basic attributes as a competitive advantage, but if you fail it will put your company at a severe competitive disadvantage.

Table 1.1

**Attribute types of Kano model with examples in hospitality industry**

<b>Attribute type</b>	<b>The essence</b>	<b>The example in hospitality industry</b>
Basic	Represent features that are so basic to the product that your customers just expect them to work. These features are often taken for granted so customers rarely consciously look for them.	<ul style="list-style-type: none"> <li>• clean towels or sustainable furniture in the hotel;</li> <li>• in the case of air travel, it might be that the flight won't be cancelled or that having a ticket guarantees a seat on the flight.</li> </ul>
Performance	The features where there is a direct correlation between the degree of achievement and customer satisfaction. As a consequence, companies tend to compete on these attributes, differentiating their product by spending more (or less) than their competitors on certain performance attributes.	<ul style="list-style-type: none"> <li>• the less time a visitor waits for check-in in the hotel, the more performance attributes are satisfied;</li> <li>• in the case of air travel, it might be how much legroom you have (first &amp; business class gets more than economy class) or how many stops there are on the journey.</li> </ul>
Delight	Represent the unexpected – when company delights customer by over-delivering or doing something out of the ordinary.	<ul style="list-style-type: none"> <li>• in the case of air travel, it might be getting food that actually tastes good.</li> </ul>

When the basic attributes are achieved, then the consumer looks further at the performance attributes. These are the features where there is a direct correlation between the degree of achievement and customer satisfaction. As a consequence, companies tend to compete on these attributes, differentiating their product by spending more (or less) than their competitors on certain performance attributes. For example, in the hotel industry, the less time a visitor waits for check-in, the more performance attributes are satisfied. For air travel it might be how much legroom you have (first & business class gets more than economy class) or how many stops there are on the journey. The essence is: the more legroom the plane offers to the passengers, the more satisfied they will be.

The satisfaction of delight attributes pleasantly surprises consumer and admires him, because he doesn't expect such an understanding of the desires from the manufacturer. For air travel it might be getting food that actually tastes good.

When a delight attribute isn't there the customer experience isn't affected negatively because – by definition – delight attributes are never expected by the

customer. However, when a customer is faced with a delight attribute it completely takes them by surprise, often resulting in over-excitement with your product, making it an effective engine for word-of-mouth [30].

In relation to the tourism industry in conditions of experience economy, the main principle of Kano model is to add such a characteristic to the tourist product, that can surprise a client, make him admire and convey his experience to others.

In today's world there is a generation of travelers who demand more from their tourism experience. A. Poon was one of the first who described such travelers as "new tourists" and described them as experienced, more flexible, independent, demanding consumers of tourism services, which are harder to please [26]. A. Raj specified that representatives of the new generation of tourists participate in actions instead of being spectators, and at the same time they respect local culture [52].

Different categories of the new generation of tourists experience a constant need to replenish their travel experience with new impressions and emotions [48].

From the point of view of business prospects, B.D. Pine II and J. Gilmore in their book proposed five conceptual principles for the experience economy, which they believed would provide clients with the opportunity to replenish travel experience and lead to a comparative advantage in providing services to companies [43].

Based on these principles, companies should develop a single theme that will resonate through the entire process of customer experience; use positive benchmarks that are relevant and easy to follow; eliminate negative guidelines that may distract or conflict with the developed theme, offer souvenirs related to the experience gained by the tourist; involve all five senses in the experience, through views, sounds, aromas, tastings and sensations, in order to enhance the experience of the traveler and make it unforgettable [52].

Professors of the University of Iowa (USA) A.M. Fiore, L. Niehm, H. Oh, M. Jeong and C. Hausafus supplemented the "4E" classification of B.D. Pine II and D. Gilmore with elements "4P": properties, product presentation, promotional applications and people [11].

Properties are relatively constant elements of the physical business environment,

such as architecture, interior design, landscape design, external designations and names, delivery means.

Presentation of the product includes easily changing components that support tangible elements of products and services, such as the direction signs, details of the demonstration of tourist products (showcases or tables), presentation materials for demonstrating products (layouts, menus), external landmarks (lighting, aromas).

Promotional items include any form of advertising (for example, newspaper and magazine ads), specialized tools (catalogs, websites), and also support materials that increase consumer awareness and recognition of the company (emblems, business cards).

People include aspects of customer interaction opportunities (contests, sponsored events), staff-client interactions (for example, staff's ability to explain) and the appearance of the staff (for example, tidiness) [52].

The Table 1.2 shows the essence of the "4P" components and gives examples of how these components can contribute to the strengthening and more efficient functioning of the categories of "4E" concept in the hospitality and tourism industry. It turns out after analyzing that the tourist's sensations are more important than the tourism services provided. The images and feelings born in the tourist's mind form a mental space, which can expand, even more that it is not a perfect reflection of real space and can easily be modified, improved and made more attractive.

*Table 1.2*

**Examples of "4P", contributing to the formation of clients' experience in the tourism industry.**

<b>Categories of "4E"</b>	<b>Properties</b>	<b>Product presentation</b>	<b>Promotional applications</b>	<b>People</b>
Educational experience	The natural environment of the local winery allows visitors to taste different varieties of grapes used in wine production	Designations explain the features that travelers see on the route	The tourist brochure provides historical information about attractions, accompanied by a test for children	On the guide's uniform t-shirt, a map of attractions visited during the tour is printed

Categories of "4E"	Properties	Product presentation	Promotional applications	People
The use of such techniques in the activity of the tourism enterprises contributes to the accumulation of educational experience among travelers. It is important to note that knowledge is acquired by them in a comfortable environment, sometimes completely unconsciously.				
Esthetic experience	Stone sculptures fetch out the beauty of arboretum	The aroma of the bonfire increases the pleasure of outdoor recreation	Business cards of managers of the travel agency that organizes tours during the autumn season are made in rich colors of leaves	The uniform of the employees, made in bright colors of surrounding landscapes, causes additional interest of clients
The esthetic aspects of travel are no less important than the functional ones, so paying attention to this side of the journey will allow tourism enterprises to increase the number of loyal customers and thereby form a sustainable return business [53].				
<b>Entertainment experience</b>	Observation of the travelers through the labyrinths from the tower adds excitement to tourists	The stand on which the route maps are placed looks like a giant hiking boot	Advertisements that promote river tours are decorated in the style of famous films of this theme	A fishing guide tells funny stories from past fishing adventures
Modern travelers are sophisticated and demanding, so it is possible to attract their attention only by moving away from stereotypes and standing out with unique offers in the hospitality and tourism market [44].				
<b>Escapist experience</b>	For a themed river cruise, a vessel similar to a floating theater is used	The thematic tourist festival features authentic music	Brochures about forest trips emphasize the privacy of reserved places	Participants of historical reconstruction use costumes and lexicon of past ages
Due to many features of modern life, leading to almost permanent stress, escapism in tourism is becoming more urgent, therefore travel agencies must always remember this attribute when forming new tours.				

The activities of any institution of the tourism industry can be organized in the way where customers can immerse themselves in a special thematic environment and get experience. It means that the company provides the consumer not only with goods and services, but also with the emotions associated with them, which gives a wide range of feelings. The number of clients in such establishments is substantially increasing, which, therefore, affects the qualitative and quantitative indicators of the activity of the tourism enterprises.

### 1.3. Indicators of efficiency of tourism enterprise in the context of experience economy development

In the conditions of the modern market, the positive experience of the client from communicating with the company is of great importance. Therefore, the measuring customer satisfaction is a fundamental tool in determining the efficiency of experience economy on a particular enterprise. Knowing where the company stands with its customers, and in particular, how it compares against competitors in the minds of the customers, is basic market intelligence and insight that informs tactical sales and strategic marketing campaigns.

Companies that delight their customers know where they stand by establishing a baseline of performance and tracking their ability to adapt. Designed correctly, customer satisfaction indicators will reveal decision-drivers and identify opportunities for development new products or services, and new sales approaches [7].

Customers come to the company with their expectations regarding the quality of the product, the price, and the level of service. On how much the company will manage to meet the expectations of its customers, depends its success, financial performance and growth in general. Regular assessment of customer satisfaction in travel companies allows to reveal the presence of emotional attachment to the firm among consumers and determines their economic behavior. All the reasons for evaluation of customer satisfaction are presented in the Table 1.3.

*Table 1.3*

#### The reasons for evaluation of customer satisfaction

The sphere of influence	The result after using
For business development	<ul style="list-style-type: none"> <li>– increase in profit;</li> <li>– execution of works ahead of competitors.</li> </ul>
For employee engagement	<ul style="list-style-type: none"> <li>– pride in their work and the desire to work better;</li> <li>– confidence that the customer receives a really valuable product.</li> </ul>
For creation a client-oriented company	<ul style="list-style-type: none"> <li>– identification and satisfaction of the true needs of the client;</li> <li>– opportunity to learn how to hear the client;</li> <li>– the data obtained is an excellent basis for improving the service and internal differentiation of the company [62].</li> </ul>

There is no single scheme how to achieve full customer satisfaction, because there is always a difference between the expectations and needs of different segments of the



same target audience. Due to marketing researches, the customer's experience can be measured and target activities, that will enhance the company's positive perception, can be developed.

Marketer Duff Anderson, who has been studying consumer behavior for more than 20 years, proposes to rely on four basic metrics that evaluate customer experience:

- the first indicator is the client's satisfaction, which is measured by the answer to the question: "How would you rate your experience today?" on a scale of 1 to 9 (and the highest score - 10 - is submitted separately) - due to this, the answers are more representative;
- the second indicator – the loyalty index “Net Promoter Score” – is designed to evaluate the customer's readiness for repeated purchases;
- the third indicator is the intent of the visitor and the solution of the problem;
- the most important is the fourth indicator - the inclusion of the metric in the action. When the company starts using these results, even a small sample of data about the current mood of customers will give a better understanding of their behavior [38].

In general, and more extract determination, there are few indicators of efficiency of experience economy at the enterprise: the measurement of NPS (index of client loyalty), CES (Customer Effort Score), CSI (Consumer Satisfaction Index) and SCI (Secure Customer Index) allow to develop and implement the improvements in time, that not only guarantee a stable profit for the company, but also increase it. So here is a throughout look at these indicators with schemes for implementation.

**The index of client loyalty (Net Promoter Score, NPS)** is an indicator of the degree of customer loyalty, their readiness to recommend a company or brand to friends, based on their experiences (Fig. 1.5).

The index of client loyalty (NPS) allows to segment customers into:

- "Detractors" (“critics”) - dissatisfied customers who may give negative feedback about the company;
- "Passives" (“neutrals”) - satisfied customers, but not adherents of the company, who, in the case of better offers, will move to competitors;
- "Promoters" - loyal customers who recommend a company, product or service

to their friends, ensuring the influx of new customers.

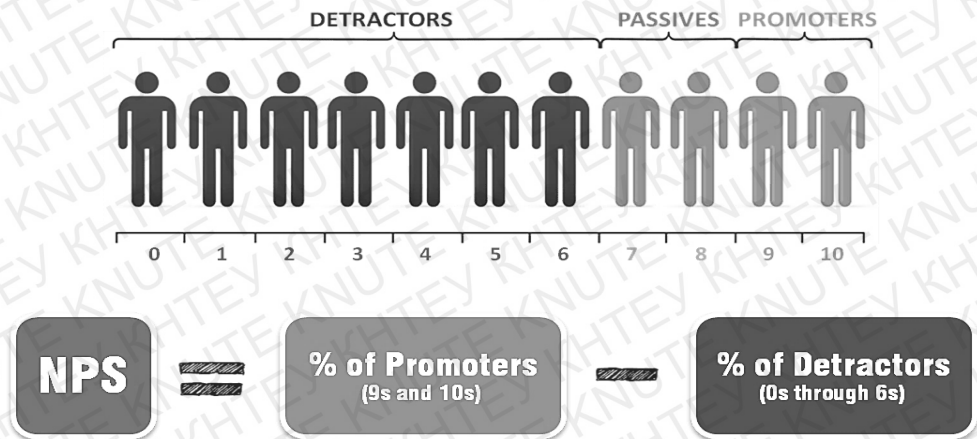


Figure 1.5. The NPS index scheme

The customer loyalty index shows the relationship between the number of loyal customers and the prospects for company’s growth. Therefore, the number of "promoters" and “detractors” is very important for calculating NPS.

The more promoters the company has, the more clients they will attract. Loyal customers, together with new ones, ensure the growth of profits.

The following statistics confirm the absolute impact of NPS on the company's profit and reputation (Fig. 1.6).



Figure 1.6. The impact of NPS on the company

Increasing loyalty by 2% gives a 10% reduction in costs, which in turn leads to an increase in profit by an average of 16% without increasing sales and prices (Fig. 1.7).

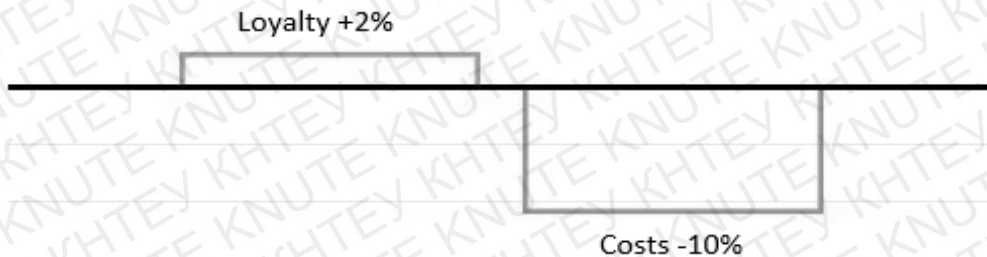


Figure 1.7. The impact of NPS on loyalty and costs

**CES (Customer Effort Score)** is an indicator of the amount of effort that customers must spend to solve their problem, when interacting with the company. Evaluation of the client's efforts shows the places where improvements are needed (Fig. 1.8).

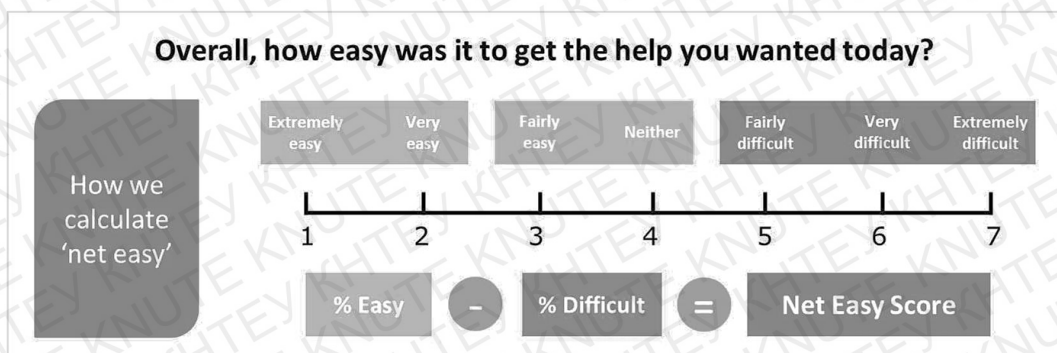


Figure 1.8. The CES estimating scheme

The less effort the client needs to make his needs met, the higher is his loyalty to a company, that simplified his life [62].

**Customer satisfaction index (CSI)** is an assessment of the level of customer satisfaction after interaction with the company. CSI reflects how successful the client's experience was.

With the help of CSI, it is easy to evaluate:

- level of satisfaction with a separate process, product, service of the company;
- general level of customer satisfaction from interaction with the company;
- the level of customer satisfaction with a competitor’s company.

A satisfied customer will definitely return for a re-purchase and with high probability will recommend the company to his friends.

**SCI (Secure Customer Index)** - the index of reliability, confidence in customers.

SCI - extends the capabilities of NPS and allows company to better understand the loyalty of customers.

Secure Customer Index correlates with such indicators of the company's activity as: profitability, market share and constant customers ratio. The coefficient of constant customers increases with the increase in the SCI index.

SCI allows to identify customers by the categories:

- Safe clients 0.9-1.0: loyal and satisfied customers.
- Favorable customers 0.8-0.899: satisfied customers.
- Vulnerable customers 0.7-0.799: disappointed, ready to move to competitors.
- Risk clients <0.7: use the competitor's services.

Such conclusions are based on the company's evaluation of the level of consumers' satisfaction, which is reflected in the Table 1.4.

*Table 1.4*

### **Assessing Consumer Loyalty and Retention**

<b>Parameter</b>	<b>Evaluation</b>
Overall Satisfaction	4 = very satisfied 3 = somewhat satisfied 2 = somewhat dissatisfied 1 = very dissatisfied
Willingness to Recommend	5 = definitely would recommend 4 = probably would recommend 3 = might or might not recommend 2 = probably would not recommend 1 = definitely would not recommend
Likelihood to Use Again	5 = definitely will use again 4 = probably will use again 3 = might or might not use again 2 = probably will not use again 1 = definitely will not use again
Secure Customers	% very satisfied / definitely would repeat / definitely would recommend
Favorable Customers	% giving at least "second best" response on all three measures of satisfaction and loyalty
Vulnerable Customers	% somewhat satisfied / might or might not repeat / might or might not recommend
At Risk Customers	% somewhat satisfied or dissatisfied / probably or definitely would not repeat / probably or definitely would not recommend

Answering the question about one general metric that would suit absolutely everyone, many experts in the field of experience economy agree that it is customer feedback. And the form of recall can be completely different: from five-star reviews in social networks to absolute silence, when the client simply doesn't need to file a complaint [38].

The consumers satisfaction is often measured on a continuous basis. Organizations can evaluate the values of indicators on a quarterly basis with comments on qualitative data. The company can also conduct one annual study to compare their results with other organizations. The source of data - surveys and interviews with clients.

Large surveys on customer satisfaction, especially those conducted by external companies, can be expensive and are usually held once a year. Focus group research also requires significant costs. However, other approaches (for example, short questionnaires in hotel rooms or travel agencies) are relatively inexpensive while providing valuable data on customer satisfaction. When analyzing the indicators, it is necessary to remember the following cautions.

Firstly, organizations can lose business, too eager meeting the exceptional wants of consumers without paying attention to the cost of such satisfaction. The financial costs of ensuring satisfaction must necessarily be taken into account.

Secondly, in today's rapidly growing markets, customer satisfaction does not always give a complete picture of the customer's future loyalty and, therefore, financial results. Sometimes, consumers can be extremely pleased with the product or service, but goes to competitor, because their product / service is more attractive.

Organizations should also continuously analyze customer satisfaction and use different approaches in order to have a broader and more informed view of the behavior and preferences of consumers. The survey, conducted once a year, is not enough, because it does not show you the trends and can depend on circumstances that are not controlled by you (for example, negative feedback in the press) [49].

## **Conclusions to the part 1**

In order for the enterprise to function successfully in modern economic conditions, it is necessary to introduce innovations and fully orient its activities to meet the needs of customers. One of the little-known, but effective economic approaches in modern society is the use of the experience economy in the organization's activities. Competent and skillful implementation of this economy will allow the tourist enterprise to increase the number of competitive advantages, which is important in times of growing fierce competition. Companies, through their influence on perception and the impact on emotions of consumers, tend to win customer loyalty to their brand and increase sales. In the modern economy, almost every product or service promises new unusual impressions, which the buyer needs. The main goal of the manufacturer is to establish a strong emotional connection with the consumer. One of the best ways to attract consumers, create new target markets and increase sales is creating a sense of admiration for the proposed product. Exactly the emotional attachment to the product, surprise and admiration are remembered by the consumer.

The activities of any institution of the tourism industry can be organized in the way where customers can immerse themselves in a special thematic environment and get experience. It means that the company provides the consumer not only with tour products, but also with the emotions associated with them, which gives a wide range of feelings. The number of clients in such establishments is substantially increasing, which, therefore, affects the qualitative and quantitative indicators of the activity of the tourism enterprises. The indicators of efficiency of experience economy at the tourism enterprise are Net Promoter Score (NPS), Customer Effort Score (CES), Consumer Satisfaction Index (CSI) and Secure Customer Index (SCI), the analysis of which allows to develop improvements and increase a profit for the company.

Also, tourism organizations can evaluate the indicators on a continuous basis with the qualitative data. The companies can conduct large annual study or make it monthly. But the most effective way is analysis the customer satisfaction permanently, using surveys, reviews, feedback and interviews.

## PART 2

### ANALYSIS OF EFFICIENCY OF MANAGEMENT IN “ANGA TRAVEL” IN THE CONTEXT OF EXPERIENCE ECONOMY DEVELOPMENT

#### 2.1. The management system of tour operator “Anga travel”

The basis for research is a Ukrainian tour operator "Anga Travel", that is a limited liability company by organizational-legal form. The tour operator "Anga Travel", in accordance with the current legislation, is a legal entity, has an independent balance, settlement and other accounts in banks. The tour operator carries out its activity according to the subject defined by the Statute.

"Anga Travel" is a tour operator of the Ukrainian domestic market, for which the primary activity is the organization of vacations and creation of a tourist product, the realization and provision of tourist services, as well as mediation activity for the provision of additional and related services.

The company has been working on the Ukrainian tourism market for 8 years already. It has a wide base of tourists, about 28 000 people, and cooperates with more than 2000 agents throughout Ukraine.

The announced advantages of “Anga travel” on the tourism market are presented on the picture below (Fig. 2.1).



Figure 2.1. The announced advantages of “Anga travel”

The mission of the tour operator "Anga Travel" is to create high quality tourism

products on the domestic market, to support and develop the tourism potential of Ukraine.

Company's values are the accepted rules and principles shared by the employees of the organization. The values of "Anga Travel" are:

- sincere respect for the company, customers and colleagues;
- respect and love for the product we work with;
- continuous self-improvement and self-development;
- adherence to the promises and self-discipline;
- profession skills and self-realization;
- responsibility.

The strategic goals of the company are the results that the company seeks to achieve in the future. The strategic goals of the "Anga Travel" are:

- to discover and show Ukraine to people;
- to get people acquainted with the history, culture and places of interest of our country;
- to fill people's life with new emotions through the trips and excursions around Ukraine.

The tasks of the company are prescribed works (operations, procedures) that must be performed as a tool of achieving strategic goals. In this realm, the tasks of the tour operator "Anga Travel" include:

- quality organization of tours and excursions around Ukraine;
- creating new, interesting tourist programs;
- involving quality and reliable suppliers in cooperation;
- creating an atmosphere of holiday and recreation for tourists during the tours and throughout the communication between tourists and the company.

For building quality relationships with clients, it is necessary to divide them into categories and select individual methods of exposure for each group. Such classification helps to save costs on attracting customers. The main categories of clients in "Anga Travel" include individuals, corporate clients and tour agents (Fig.2.2).



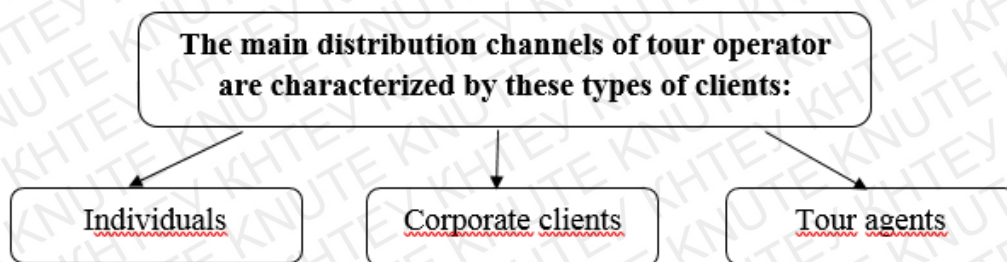


Figure 2.2. The main distribution channels of “Anga Travel”

The specialization of “Anga Travel” is organization of trips around Ukraine and abroad, but also it offers assistance in team-building, corporate meetings, exhibitions, city tours etc. (Table 2.1).

Table 2.1

### The directions of tour operator’s activity

The directions of activity	Main destinations of tours
Tours around Ukraine, including one day trips abroad	<p>The main regions of tourism by Ukraine include:</p> <ul style="list-style-type: none"> <li>- Bukovina,</li> <li>- Volyn,</li> <li>- Zacarpattia,</li> <li>- The Carpathians,</li> <li>- Lviv,</li> <li>- Kamenets,</li> <li>- Ternopil,</li> <li>- Pochaiv,</li> <li>- Chernivtsi,</li> <li>- Poltava,</li> <li>- Vinnitsa,</li> <li>- Nikolaev Region,</li> <li>- Shatsk lakes.</li> </ul>
	<p>Besides, “Anga Travel” offers some tours around Ukraine with abroad departures:</p> <ul style="list-style-type: none"> <li>- Chernivtsi + optional excursion to Romania (the cities of Suceava and Putna);</li> <li>- Galichina + optional excursion to Poland (the cities of Przemysl and Krasicin);</li> <li>- Volyn + optional excursion to Białowieża Forest in Belarus.</li> </ul>
Children's camps	<p>Anga Travel cooperates with children's camps in Ukraine and abroad and offers to purchase a voucher in the office. Until this year there were only vacations to Ukrainian camps, but now there is a variety of options:</p> <ul style="list-style-type: none"> <li>– Ukrainian camps in different regions;</li> <li>– Greece;</li> <li>– Poland;</li> <li>– Bulgaria.</li> </ul> <p>To buy a voucher parents don’t need even visit the office of the tour operator. All the documents, forms and bills can be sent by e-mail. The payment can be done on the settlement account.</p>

Continuation of Table 2.1

The directions of activity	Main destinations of tours
<p>Kyiv city tours</p> <ul style="list-style-type: none"> <li>- by target audience:               <ul style="list-style-type: none"> <li>○ for Kiev residents;</li> <li>○ for children;</li> <li>○ for visitors of the capital (including foreign);</li> <li>○ for business groups;</li> </ul> </li> <li>- by the type of excursion:               <ul style="list-style-type: none"> <li>○ classic;</li> <li>○ exclusive;</li> <li>○ mystical;</li> <li>○ religious;</li> <li>○ night;</li> </ul> </li> <li>- by the type of transfer               <ul style="list-style-type: none"> <li>○ walking;</li> <li>○ bus;</li> <li>○ individual by auto.</li> </ul> </li> </ul>	<ol style="list-style-type: none"> <li>1) <i>City tours for Kiev residents</i> are a way to get to know their own city better, explore its history and secrets, visit various little-known places and plunge into its traditions. A tourist can visit many interesting historical and scenic places, visit mansions, old churches and monasteries.</li> <li>2) <i>City tours for children</i> is a specially designed program, so that they would be interested in listening to the guide, visiting different historical and scenic places and getting new knowledge. “Anga Travel” offers excursion programs for children of different age categories, both from the smallest and for schoolchildren.</li> <li>3) <i>City tours for visitors</i> include excursions to the main sights of Kiev. Visitors of the city will be able to learn a lot of interesting facts and get a lot of impressions. For foreign tourists, Anga Travel provides the opportunity to book individual excursions in foreign languages.</li> <li>4) Among <i>the city tours for business groups</i> “Anga Travel” offers a list of excursions for both large companies and small organizations. Excursions are aimed at creating a comfortable psychological microclimate in the team. The program of excursions allows clients to combine business negotiations with an exciting vacation around the city of Kiev.</li> </ol>
<p>Tour packages abroad</p>	<p>This year “Anga travel” began to actively develop a segment of package tours abroad. In this segment are presented: Greece, Georgia, Romania, Poland, Slovakia.</p> <p>In summer it was in the majority recreational tours to coastal hotels, and in winter there are vacations to ski resorts in presence. In particular, the tour operator offers a tour to one of the most popular winter resorts in Slovakia. It is suitable for all categories of skiers.</p> <p>For many tourists, getting to know the ski resorts starts from Slovakia, because at a decent level of service comparable to the famous European resorts, the prices are more pleasant.</p>
<p>Individual (corporate) programs</p>	<p>“Anga Travel” offers corporate tours with existing programs, as well as developing customized tours specifically for the company, taking into account all the wishes regarding the program, dates, additional organizational services etc.</p> <p>Developing a corporate trip, the firm solves such questions as:</p> <ul style="list-style-type: none"> <li>- booking hotels, tickets, policies, conference rooms, recreation centers;</li> <li>- bureaucratic issues related to visa processing if necessary;</li> <li>- conference services, incl. lunch and coffee break;</li> </ul> <p>For making an order, a member of the client company has to fill in an application form for miscalculation the tour. The responsible consultant manager transfers all the requirements to Organizations Department, where one of the managers selects a hotel, restaurants, transportation and excursion program, and then determines the final cost of a corporate trip.</p>

The tours are also divided by seasonality and duration:

1. By seasonality the hot seasons are:
  - a. all spring and summer seasons and September for all kinds of trips and city tours, child’s camps also;
  - b. winter season – for vacations to ski resorts.
2. By duration there are:
  - a. basic tours – lasting for 2-3 days;
  - b. grand tours – lasting for week or even more (for example, here is the grand tour “Carpathian and Transcarpathia” lasting for 8 days).

The company "Anga Travel" is a small business. The number of staff is 16 people in the office and more than 40 guides-administrators, tour guides, copywriters etc, who are not permanently in the office. The organizational structure of “Anga Travel” is organized according to the linear-functional principle and is presented in Fig. 2.3.

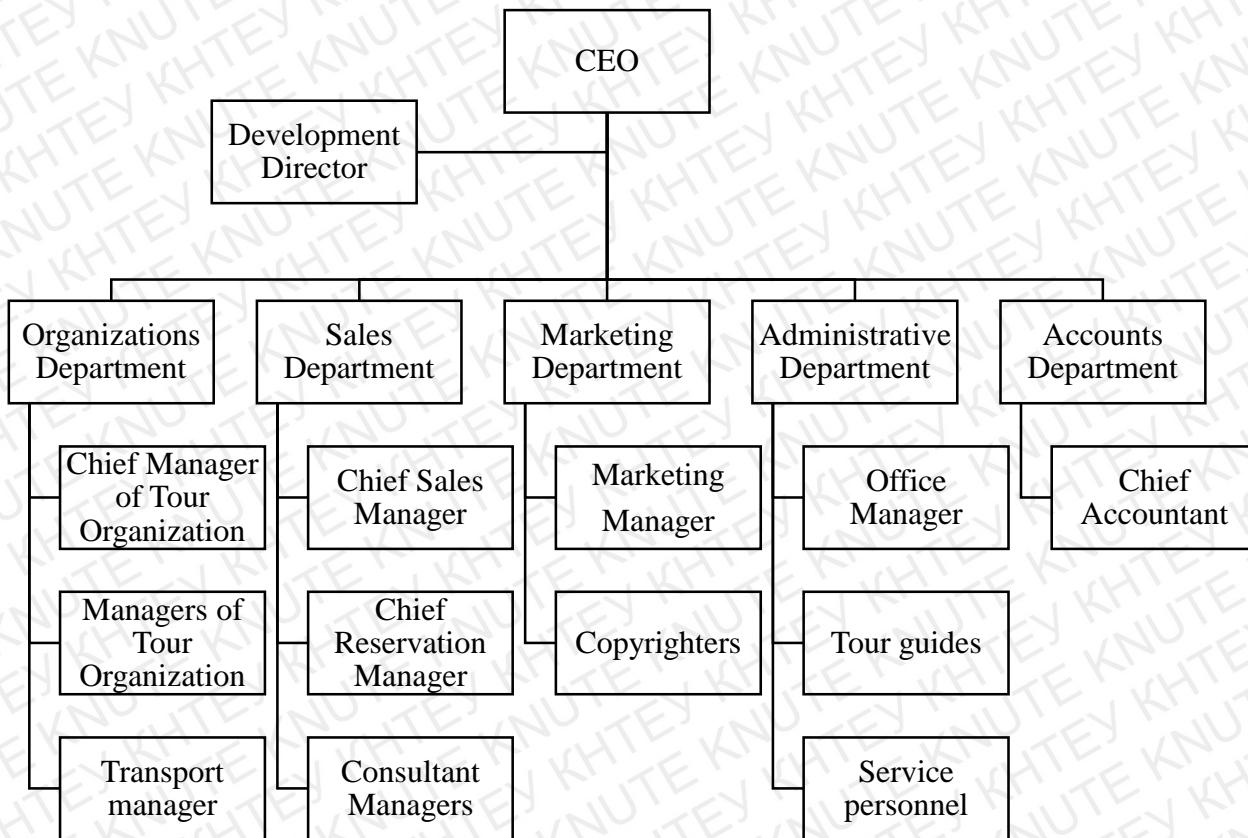


Figure 2.3. The organizational structure of “Anga Travel”

Each department in the company is responsible for a series of business processes.

This is a set of stages of work, which begin with one or several initial steps (inputs) and end with the creation of products or services (outputs) needed by clients, both internal and external. The main business processes of "Anga Travel" are described in Table. These business processes reflect a dynamic picture of how an enterprise creates a tour product (Table 2.2).

*Table 2.2*

**The main business processes of "Anga Travel"**

<b>Business process</b>	<b>Sub-processes (actions, operations)</b>
Tour Development	Route development, market analysis, contractor selection, procurement price collection, costing, product price formation and timetable.
Marketing	Posting to the site, uploading photos and additional information, creating mailing lists for tourists/agents, creating posts in social networks, presenting a product of the sales department.
Sales	Consultation of tourists on products, taking orders and order processing, tour sales. Careful maintenance of the TerraSoft database and making the database of contractors and clients with all the data
Booking	Booking places in tours, contacting a client and advising him at the booking stage, creating a contract and an account, controlling the payment.
Organization	Reservations of contractors, payment of invoices, organization of trips departure, transfer of documents to the guide-administrator, departure control, reporting.
Service	Feedback with the tourist after the trip, quality control of the tour, identification of problems, support of tourists and agents.

Maintaining service standards is largely due to the presence of Anga Travel corporate culture, which is respected by all employees.

The corporate culture of Anga Travel is based on the following provisions:

- The desire to surprise a client.

Development of new exciting routes, search of non-standard destinations, unique resorts and unusual excursions are the best way to amaze tourists and inspire them for new discoveries, turning a trip into great experience.

- The desire to meet the needs.

The manager advises the client in telephone mode and tries to fully identify his tastes and preferences for choosing the best option for the trip. If there are special wishes of the tourist, the consulting manager accurately passes all requirements to the

Organization Department.

- Rigorous selection of suppliers.

Before arranging for cooperation with the hotel, carriers or catering facilities, “Anga Travel” submits it to a thorough check. That is why the tourist can be sure that each proposed tour product meets the highest requirements.

## 2.2. Economic evaluation of the tourism company.

To estimate the financial potential of the tour operator, an analysis of the economic activity of the enterprise was carried out, using data from the previous years’ reports (Appendix B). The dynamics of the main indicators of “Anga Travel”, are presented in the table (Table 2.3).

*Table 2.3*

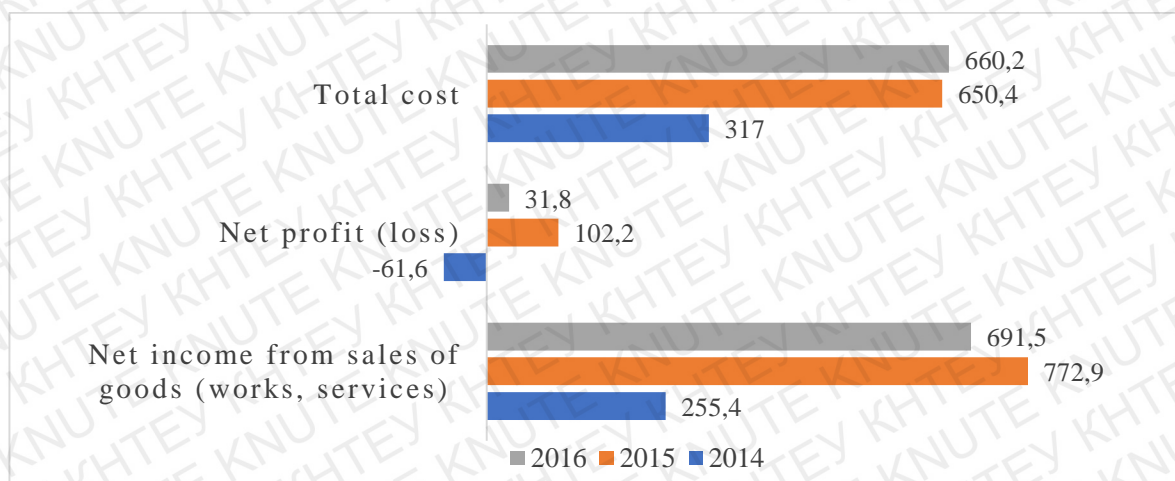
### **The dynamics of the main indicators of development of "Anga Travel"**

Indicators (ths. UAH)	Years			Deviation	
	2014	2015	2016	%	
				2014/ 2015	2015/ 2016
Net income from sales of goods (works, services)	255,4	772,9	691,5	203	-11
Other operating income	0	2,1	7,5	210	257
Total net income	255,4	775,0	699,0	203	-10
Material costs	42,3	45,1	63,5	7	41
Salary expenses	159,2	310,1	342,5	95	10
Other operating expenses	84,4	221	195,9	162	-11
Income tax	0	22,4	7	2240	-69
Total cost	317,0	650,4	660,2	105	2
Net profit (loss)	-61,6	102,2	31,8	-266	-69

Based on the data of this table, we can conclude that the income from the implementation of tourism services in 2015, compared with the previous year, increased by 203%, in 2016 - decreased by 11%.

Therefore, there is a huge room for improvement in “Anga Travel”, because of absence of the Net profit each year. It happens because of the fact that Total cost and Total net income are almost equal.

So, “Anga Travel” has large sales volumes of tourism products and other services, but receives minor profits for the business, which is influenced by the constant increase in costs (Fig. 2.4).



*Figure 2.4. The dynamics of the indicators of development of "Anga Travel"*

World management practice offers numerous methods for selecting and developing strategies, one of which is a SWOT analysis. It implies research aimed at identifying the strengths and weaknesses of the enterprise, its opportunities and potential threats, as well as the opportunities and threats of the external environment, setting links between them and using it to form company strategies (Table 2.4).

Based on the SWOT analysis, it can be said that the activity carried out by the company “Anga Travel” can be generally evaluated positively. The firm has both strengths and weaknesses. This means that the management of the company has a room for improvement, using available opportunities and avoiding probable and real threats. In general, this is a normal situation for a travel company as a market entity. In a competitive environment, in the presence of stronger rivals, it is necessary to improve the management of the company, to gain experience, to constantly analyze company’s business processes and the activities of competitors, and to implement new approaches and technologies.

Table 2.4

### SWOT-analysis of tour operator “Anga Travel”

<p style="text-align: center;"><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• use of the concept of experience economy in the development of new tours, aimed at obtaining a bright emotions and new impressions by the tourist can expand customer base and increase sales growth;</li> <li>• a thorough study of the interests of clients before creating new tour products will reduce the risk of losses from canceled tours due to low demand;</li> <li>• continuous monitoring of new trends in the tourism industry and the interests of clients can expand the target audience of the company;</li> <li>• cooperation with better suppliers (carriers and food establishments) will increase customer loyalty and the likelihood of repeated appeals.</li> </ul>	<p style="text-align: center;"><b>Threats</b></p> <ul style="list-style-type: none"> <li>• high losses from canceled due to low demand tours;</li> <li>• loss of customers due to poor quality of service suppliers;</li> <li>• strong market competition with more successful tour operators that have the same specialization;</li> <li>• lack of resources for quality and effective advertising.</li> </ul>
<p style="text-align: center;"><b>Strength</b></p> <ul style="list-style-type: none"> <li>• 8 years of experience on the tourism market;</li> <li>• popular brand name on the market of tours around Ukraine and thus large customer base;</li> <li>• highly skilled employees, ready to offer the best option for the tourist’s criteria;</li> <li>• positioning tour products as unique and impressive;</li> <li>• high technological equipment of the company allows all departments to work together and verify information about tours and customers on the Terrasoft database.</li> </ul>	<p style="text-align: center;"><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• tours, that are positioned as a unique and full of new experiences, mostly contain standard sightseeing program with a few additions;</li> <li>• incomplete use of strategic marketing tools: the creation of tours without a thorough study of demand, thus all efforts are aimed at increasing the sales of existing tours, which often leads to losses;</li> <li>• the tourist is not able to book a special tour on an individual request, only corporate groups and business segment have such an opportunity;</li> <li>• before the tour, infolists are not sent personally to each tourist by e-mail, they must themselves find them on the site. This way the personal relationship between the company and the customer is lost.</li> </ul>

As already mentioned, the business activity on the tourism market is characterized by a high degree of competition. Thereby, the marketing research of the competitive environment is very relevant. Since “Anga Travel” mainly positions itself as a tour operator who offers tours around Ukraine, it makes sense to consider the

competitiveness of this particular direction. The main competitors of "Anga Travel" among the domestic market tour operators with the same specialization and price positioning are presented in table below (Table 2.5).

*Table 2.5*

**The analysis of the competitive environment of the tour operator “Anga Travel”**

<b>Evaluation parameters</b>	<b>Anga Travel</b>	<b>Ethnotour</b>	<b>Tourbaza</b>	<b>Colokray</b>	<b>Kraina UA</b>	<b>Vidvidai</b>
Prices for tours	8	6	8	10	8	6
The breadth of range of tourist destinations (1-10)	8	8	7	8	10	7
Reputation among clients by reviews (1-10)	5,7	4,4	1	3	6,1	10
Permanent communication during providing services (1-5)	8	10	8	6	10	6
Technical resources of the website (1-5)	8	8	5	6	9	6
<b>Index</b>	<b>7,54</b>	<b>7,28</b>	<b>5,8</b>	<b>6,6</b>	<b>8,62</b>	<b>7</b>

Research on major competitors shows that the leading positions are occupied by tour operators "Kraina UA" and "Ethnotur", and “Anga Travel” has a competitive position in the ranking. Although the feedbacks from tourists on the quality of the services provided by leading companies are unsatisfactory.

In order to automate its work, the tour operator "Anga Travel" uses the Terrasoft CRM program, which allows to keep complete information about clients, enterprises with which the tour operator cooperates, accounts, sales history and so on.

All business processes at “Anga travel” are displayed in Terrasoft database. It allows “Anga Travel” to evaluate the effectiveness of economic activity of the company: sales volumes, amount of held and canceled tours, cost prices of tour products etc.

Based on sales data, “Anga Travel” can evaluate the profitability and effectiveness of the advertising, then to choose the most profitable way and channel for attracting tourists. The automatization of the e-mail allows to constantly maintain contact with clients, inform about new tour products and promotional offers.



One of the advantages of Anga Travel is the availability of on-line booking form, connected with Terrasoft CRM database. The tourist has the opportunity to fill in the application with personal data that is automatically transferred to the Terrasoft CRM database, to the "order" tab and tourist profile, that stores information about the tours and shopping history (Fig. 2.5).

Головна • Залишити заявку

### КРОК 1 ЗАГАЛЬНІ ДАНІ

\* Контактна особа

\* Контактний телефон

\* Назва туру

\* Електронна адреса

\* Дата початку туру

### КРОК 2 СПИСОК ТУРИСТІВ НА ТУР

! НЕ ЗАБУДЬТЕ ВКАЗАТИ ВСІ НЕОБХІДНІ ДАНІ ПРО КОНТАКТНУ ОСОБУ У СПИСКУ ТУРИСТІВ, ЯКЩО ВОНА ТЕЖ БЕРЕ УЧАСТЬ У ТУРІ

\* Ваше П.І.Б.

\* Серія і номер паспорта/свідоцтва про народження

\* Дата народження

*Figure 2.5. The on-line booking form on the website of “Anga Travel”*

Terrasoft CRM is connected to “Oktell” communication platform. The system is used to processing telephone calls, e-mail, SMS etc. This is the main tool of the Sales Department consultant managers, because the processing of orders and the sale takes place by telephone. Based on the fact that the tourism sector is characterized by seasonality and a high level of customization of services, an efficient contact center became a key element for high-quality processing of requests, preventing loss of customers, and ensuring equal distribution of calls to employees.

There are meetings that are held once a week, where each sales manager is obliged to provide the CEO with a report. The report is formed in the Terrasoft system and includes the sales volumes, the number of calls in the Oktell program, arrears in payments for the tours of each client and the payments received. In this way, the automatization helps “Anga Travel” to constantly monitor the operational activity of sales department and to prevent as much as possible all the risks.

### **2.3. Assessment of economic activity of “Anga Travel” according to requirements of experience economy**

The experience economy is focused on the feelings and perceptions of a person, his memories, emotions, and creating an unforgettable experience and emotional connection with a product, service, place, etc. The emotional factor becomes a vital determinant in making purchase decisions in the modern economy. If the client has no any imagery or memories associated with a particular company in his head, then the company does not exist for him.

The tour operator “Anga Travel is already trying to implement the features of experience economy into a number of activities:

- development of tour programs, considering tourists’ needs in impressions and memorable events, because it leads to a strong emotional association between client’s received experience and certain tour operator;
- implementation the customer loyalty program as a tool for increasing people’s favor and adding positive perception to the service process;
- quality control after the end of each tour as a part of evaluation of customer satisfaction, that makes it possible to identify the shortcomings and gaps in tour organization, and to address them.

The key elements of using the experience economy in each of these business processes were analyzed in detail [68]. The results of research are presented below in the Table 2.6.

Analyzing the Table 2.6, it can be argued that the tour operator “Anga Travel” already uses the elements of experience economy in the process of tour development. But also, it’s obviously that there is a lack of awareness about this approach, because there is so small amount of tour products that are oriented on tourist’s experience and emotions.

The company often does not take into account that every person remembers emotional components of the trip much more, that educational, and promoting the tour product only with excursion programs does not make it competitive.

Table 2.6

### The usage of experience economy in tour development in “Anga Travel”

The name of tour	The usage of experience economy in tour product
<p>Tour "Lviv symphony"</p> <p><i>“The main theme of our trip will be the city of Lviv. There will be magnificent palaces, noble architecture, unusual cafes, tasty food, and other colorful places of the unofficial capital of coffee.”</i></p>	<ul style="list-style-type: none"> <li>• City-tour "Night Watch"</li> </ul> <p>Tour guide is the night-time burgomaster (mayor) of Lviv, and the tourists themselves become his assistants - they take a dedication in the night guards of the city. During the tour it is planned to treat the guests with tea and wine, a night fire show, a meeting with the city executioner.</p> <ul style="list-style-type: none"> <li>• Costume show-tour "Lviv through the centuries"</li> </ul> <p>On this tour, tourists, along with the historical characters of Lviv: a wise burgomaster, a cunning Jew, a baron of beggars and a strict monk - can travel in time through the streets.</p>
<p>The tour operator focuses on the involvement of tourists in a theatrical tour, where they themselves become participants of the events. But also, in this trip tourists can see the ancient streets and palaces, try local cuisine etc. So, the tour “Lviv symphony” contains all the elements of experience economy: an esthetic view of old city, an education and escape from reality at the costume excursions, and a memorable performance (entertainment).</p>	
<p>Tour "Delicious Transcarpathia"</p> <p><i>“You will be able to see incredibly beautiful natural sights and places, try a variety of delicious Transcarpathian dishes. You will find many fascinating legends and stories about the palaces and castles of Transcarpathia”.</i></p>	<ul style="list-style-type: none"> <li>• Lunch in the Transcarpathian kolyba</li> </ul> <p>A possibility to taste both traditional Ukrainian dishes and Transcarpathian specials, which are prepared only in this region.</p> <ul style="list-style-type: none"> <li>• Cheese and mulled wine tastings in Vinogradov</li> </ul> <p>Ukraine's largest buffalo farm, where an interesting and rich excursion turns into a tasting of unique products.</p> <ul style="list-style-type: none"> <li>• Wine tasting in the Chardonnay wine room in Uzhgorod</li> <li>• St. Pokrovsky monastery</li> </ul> <p>There are 14 types of cheeses produced; brynza, vurda, made according to traditional technology, as well as real Italian cheeses - mozzarella, ricotta etc.</p>
<p>The tour "Delicious Transcarpathia" allows tourists to immerse themselves in the culture of Transcarpathia, including cuisine, culture and history. It represents all the elements of experience economy: esthetic (the castle "Palanok", that is one of the most beautiful monuments of Transcarpathia); educational (visiting excursions), escape from reality (thermal complex "Kosino") and entertainment (legends and stories from guide). Also, the title of the tour leads to evoking an emotional response from clients.</p>	
<p>Tour “The air balloon festival in Kamyanets”</p> <p><i>“Every year, at the end of May, the Day of the city is celebrated in Kamenets-Podolsky. The festival of aeronautics became traditional for this holiday. You will have the opportunity to see this beauty with your own eyes or to fly on one of the balloons.”</i></p>	<ul style="list-style-type: none"> <li>• Kamyanets-Podilsky fortress</li> <li>• Khotyn fortress</li> <li>• Medzhybizh castle</li> </ul> <p>Tourists will hear a rich centuries-old history of this famous buildings and cities as a whole.</p> <p>Tour’s specials:</p> <ul style="list-style-type: none"> <li>• dozens of colorful balloons in the sky;</li> <li>• the opportunity of flying on the air balloon.</li> </ul>

Continuation of Table 2.6

The name of tour	The usage of experience economy in tour product
	<p>This event tour was in May 2018 and it had the great opportunities for the experience economy implementation. But, in spite of this, the tour description contains only general information about the regular tour program and excursions that are included in it. No additional thematic entertainment for tourists was mentioned here, besides the beautiful views of the flying balloons. Thus, the tour has only educational and esthetic realms, which does not fully comply with the concept of experience economy.</p>
<p>Tour "Romantic Lviv"</p> <p><i>"Want to see Lviv in unprecedented yet form? Then follow us on the roofs and dungeons, aristocratic cafes and exceptional gendeliky!"</i></p>	<ul style="list-style-type: none"> <li>• Costume show-tour "Lviv through the centuries" Tourists see the city along with the historical characters of Lviv, that described earlier in the research work.</li> <li>• Excursion "Medieval Lviv" Visiting "The House of Scientists", St. George's Cathedral - the main Greek Catholic cathedral in Lviv, "High Castle", "Dominicans dungeon" - one of the oldest dungeons in Lviv.</li> <li>• Optional excursion (tourists must choose one option): <ul style="list-style-type: none"> <li>○ Master class on cooking caramel and gingerbread. During the master class, tourists can paint the gingerbread by themselves or make their own colored caramel.</li> <li>○ Lviv night tram ride. Tourists become passengers of the evening tram. Through the windows they can see the old city Lviv, explore its views and listen to interesting stories.</li> <li>○ Excursion "Night Watch". Excursion with the night-time burgomaster, that was described earlier in the research work.</li> </ul> </li> </ul>
<p>The tour program is filled with a variety of interesting actions and excursions. It has an unconditional educational aspect, since the tour program includes 2 excursions with a historical theme. Thus, tourists will learn more about the city and its inhabitants. An esthetic aspect is also presented, as Lviv is full of amazing views of an old city. Tourists can escape from reality at the costume excursions, where they find themselves as a part of the past events. Choosing one of the optional excursions can fully satisfy the entertaining factor.</p> <p>But despite all these properties, reflecting the usage of experience economy, it can't be denied that there is no one romantic attribute, like it is mentioned in the title of the tour. The "Romantic Lviv" implies romantic emotions, powerful love stories of the past, nice and cozy places for dining etc. So, tourists choose it for receiving the certain kinds of impressions. But in the end they only get a good trip with a variety of participations and nothing of what being stated in the title. That issue can be improved by simply changing the title, which leads to right product positioning and targeting.</p>	

The next tool of making positive impression on client is a loyalty program. It's defined as a program that allows consumers to receive free rewards when they make repeated purchases. Such programs stimulate consumers to contact the company for a long time. Due to the positive effect of receiving a reward, customer has a favorable

impression of the relationships with the tour operator. An additional effect is achieved from a positive perception of expectations or anticipation of future bonuses, which increases the likelihood of returning in future. Thus, already at the first stage of providing bonuses, we can see the process of formation of loyal customers [35; 16].

The main provisions of the customer loyalty program in the tour operator “Anga Travel” are as follows:

- discounts for senior citizens (5%), students (3%) and veterans (5%);
- discount "Happy company", when booking a tour for 5 or more people (5%);
- 5% discount "Cheaper by the Dozen" when booking and paying for two (or more) different tours at the same time;
- 5% discount for all tourists who bought tours directly from Anga Travel at least 3 times;
- “Golden card” – 10% discount for all tourists who bought tours directly from Anga Travel at least 5 times;
- 10% “Birthday discount” for the person and 3% discount for his friends, when planning a joint trip.

Thus, this discount system on “Anga Travel” contributes to increasing the attractiveness of the company for customers, creating a positive image that contributes to repeated appeals to the company in the future.

The quality control of “Anga Travel” can be defined as a part of evaluation of customer satisfaction that is measured on a continuous basis. The quality control is made after the end of each tour and carried out in two stages:

- tourists fill in the questionnaires after the tour and give it to the accompanying guide. In the questionnaire tourists should point out their impressions and evaluate with points all the components of the tour product. The questionnaire sheet is presented in Appendix C;
- calling tourists after the tour to identify the shortcomings of the trip, to hear admiration or complaints, and find out recommendations for improving the program. The conversation results are fully entered by the sales managers to the Terassoft database in the section of a particular tour, and thus the managers of Organizational

Department can analyze this review and fix problems.

Measuring customer satisfaction on the “Anga Travel” comes down to gathering customer feedbacks via surveys, questionnaires, calls and reviews on the website. To accurately evaluate customer satisfaction, the company just should ask tourists how their experience was.

To evaluate the current situation, it's necessary to analyze the indicators of efficiency of experience economy, which are the indicators of clients' satisfaction, that already mentioned in the research in the Part 1:

- Net Promoter Score (NPS) as an indicator of the degree of customer loyalty, their readiness to recommend a company to friends;
- Customer Effort Score (CES) as an indicator of the amount of effort that customers must spend to solve their problem, when interacting with the company;
- Customer Satisfaction Index (CSI) as an assessment of how successful the client's experiences was;
- Secure Customer Index (SCI) – as the indicator of reliability, confidence in customers.

For calculating **Net Promoter Score** the customers should be divided into:

- "Detractors" (“critics”) - dissatisfied customers who may give negative feedback about the company;
- "Passives" - satisfied customers, but not adherents of the company, who, in the case of better offers, will move to competitors;
- "Promoters" - loyal customers who recommend a company to their friends.

The NPS index, measured at company level, is self-sufficient and can serve as a good KPI target. For example, a company may set a goal to reach a certain index value, or different values for different departments. It is easy to track the achievement of this goal: it is enough to measure the NPS index with a given frequency (it can be semi-annually, once a quarter, once a month, etc.)

Net Promoter Score is calculated by subtracting the percentage of Detractors from the percentage of Promoters.

The process of calculating NPS index is presented below (Fig. 2.6).

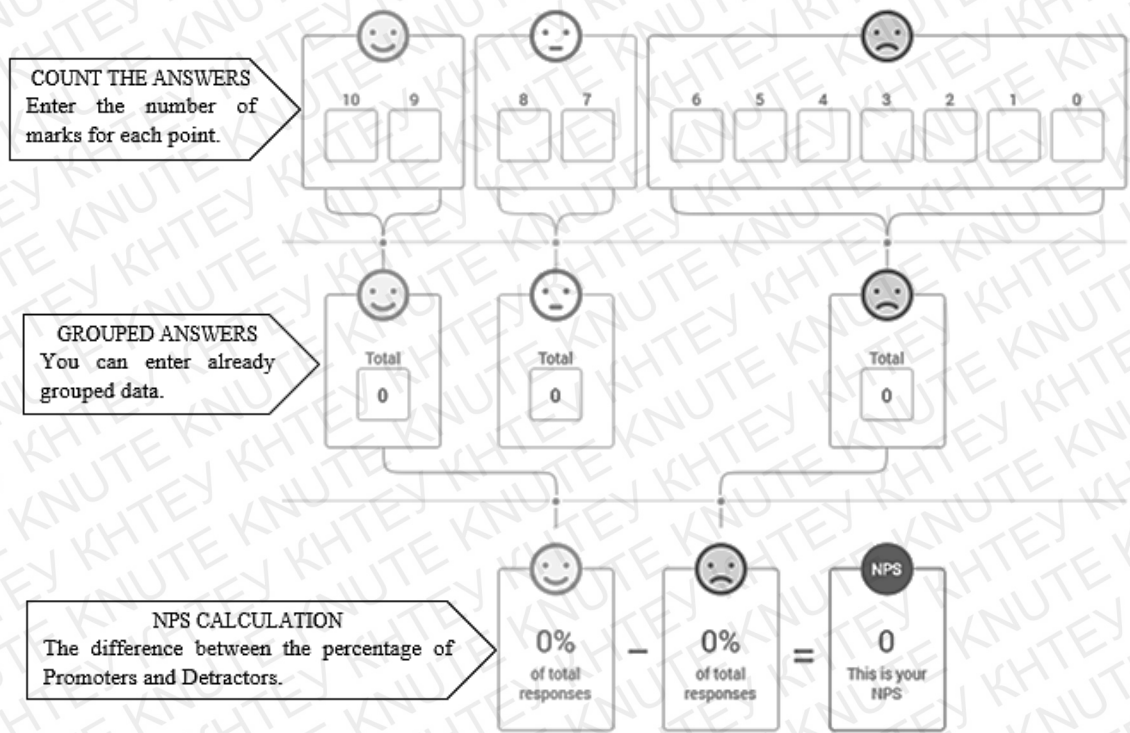


Figure 2.6. The process of calculating NPS index

The data for the calculation was taken from the questionnaires (Appendix C) and reviews with marks on the website “Turpravda”. The results of the analysis are in the Table 2.7.

Table 2.7

**Net Promoter Score calculation**

Type of Customer	Number	Percentage
Promoters	12	44%
Neutrals	4	15%
Detractors	11	41%
Total Responses	27	100%
Net Promoter Score = 4		

Evaluating the results, it should be emphasized, that any NPS score above 0 is positive, because it means that “Anga Travel” has more loyal clients than not. A NPS 4 means that the tour operator has almost equal amount of unhappy and happy clients, so “Anga Travel” should make some changes in the management strategy and customers’ experience.

**CES (Customer Effort Score)** is an indicator of the amount of effort that

customers must spend to solve their problem. The CES is derived by dividing the sum of all individual customer effort scores by the number of customers who provided a response.

$$\text{Customer Effort Score} = \% \text{ High-Level Effort} - \% \text{ Low-Level Effort}$$

In order to assess the level of customer effort in the tour operator “Anga Travel”, the customers were asked to answer the question “On a scale of 1 to 5, how much effort did you have to put to handle the request?” The results are shown in Table 2.8.

Table 2.8

### Customer Effort Score calculation

Indicator	Number	Percentage
1 = Very low effort	10	37%
2 = Low effort	7	26%
3 = Neutral	6	22%
4 = High effort	2	7%
5 = Very high effort	2	7%
Total Responses	27	100%
Customer Effort Score = - 48%		

In calculating CES, the lower the average score the better, because it reduces the chance of customers seeking better service from competitors. Due to the conditions of analysis, the result can be varied from -100 to +100. In the calculation the CES is -48, which means that “Anga Travel” has very good customer service and has an opportunity to hold the client’s loyalty.

**Customer satisfaction index (CSI)** allows to identify the value and ratio of money, quality, availability and other factors affecting customer loyalty.

Measuring customer satisfaction using the CSI index involves 2 steps:

1. Selection of key parameters of the service for the evaluation of the level of satisfaction with them.
2. Consumer survey that includes 2 sections:
  - a. questions to identify the importance of each of the evaluated parameters for consumers (How important is this parameter by a scale from 1 to 7,



where 1 - “not important at all”, and 7 – “very important”);

- b. questions to evaluate customer satisfaction with each of estimated parameters (To what extent you are satisfied with this parameter? Rate on a scale of 1 to 7”).

A research was conducted to evaluate customer satisfaction with the travel services by “Anga Travel”. The survey was made among 15 clients of the company who have bought tours in the last few months (Table 2.9).

Table 2.9

### Customer Satisfaction Index calculation

Estimated parameter	Average importance rating of the parameter (on a 7-point scale)	Value of the parameter in the overall satisfaction rating	The average level of satisfaction with the parameter (on a 7-point scale)	Weighted satisfaction level
Prices of tours, discounts, bonuses, price policy	6,2	17%	6,1	1,037
Assortment of destinations	5,7	16%	6,5	1,04
The simplicity of the process of making a request	6,4	18%	6,3	1,13
The quality of tour organization	6,7	18%	5,3	0,95
Staff qualification	6,1	17%	6,3	1,05
Speed of service	5,3	15%	6,4	0,93
Overall Weighted Satisfaction Level	36,4	100%	-	6,15
Customer satisfaction index = $6,15/7 * 100\% = 88\%$				

According to the results of the research, a CSI index was obtained - 88%, which indicates a high level of customer satisfaction with the service provided. But at the same time, it is clear that the decrease of the indicator is due to poor quality of tour organization, which is extremely important for tourists. It can become a reason of losing a significant part of customers. Analyzing the feedback and surveys, it becomes clear that tourists are extremely dissatisfied with the carries and vehicles, so there is a huge room for improvement.

**Secure Customer Index (SCI)** – the index of confidence in customers. The

survey was conducted among 27 customers. The results are in the Table 2.10.

Table 2.10

**Secure Customer Index calculation**

Indicator	Rate	Number	Percentage
Overall Satisfaction	4 = very satisfied	12	44%
	3 = somewhat satisfied	4	15%
	2 = somewhat dissatisfied	5	19%
	1 = very dissatisfied	6	22%
Willingness to Recommend	5 = definitely would recommend	7	26%
	4 = probably would recommend	5	19%
	3 = might or might not recommend	4	15%
	2 = probably would not recommend	7	26%
	1 = definitely would not recommend	4	15%
Likelihood to Use Again	5 = definitely will use again	8	30%
	4 = probably will use again	4	15%
	3 = might or might not use again	8	30%
	2 = probably will not use again	4	15%
	1 = definitely will not use again	3	11%
Secure Customers	26% very satisfied/definitely would repeat/definitely would recommend		
Favorable Customers	15% giving at least "second best" response on all three measures of satisfaction and loyalty		
Vulnerable Customers	19% somewhat dissatisfied/might or might not repeat/might or might not recommend		
Risk Customers	11% probably or definitely would not repeat/probably or definitely would not recommend/very dissatisfied		

The part of secure customers, that are very satisfied with the service, definitely would repeat their purchase and recommend to others, is near 26%. So, it can be concluded that “Anga Travel” has only a few secure customers (Fig.2.7).

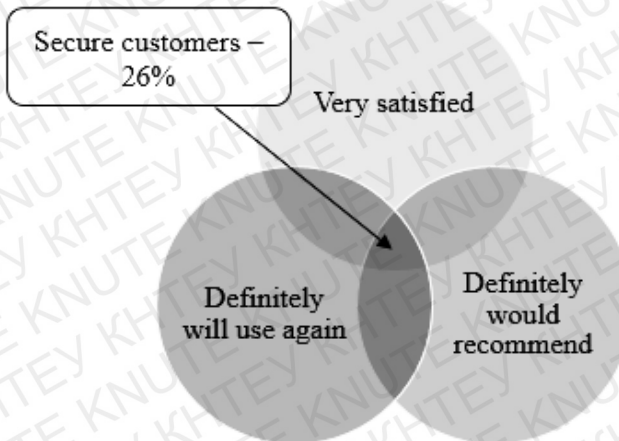
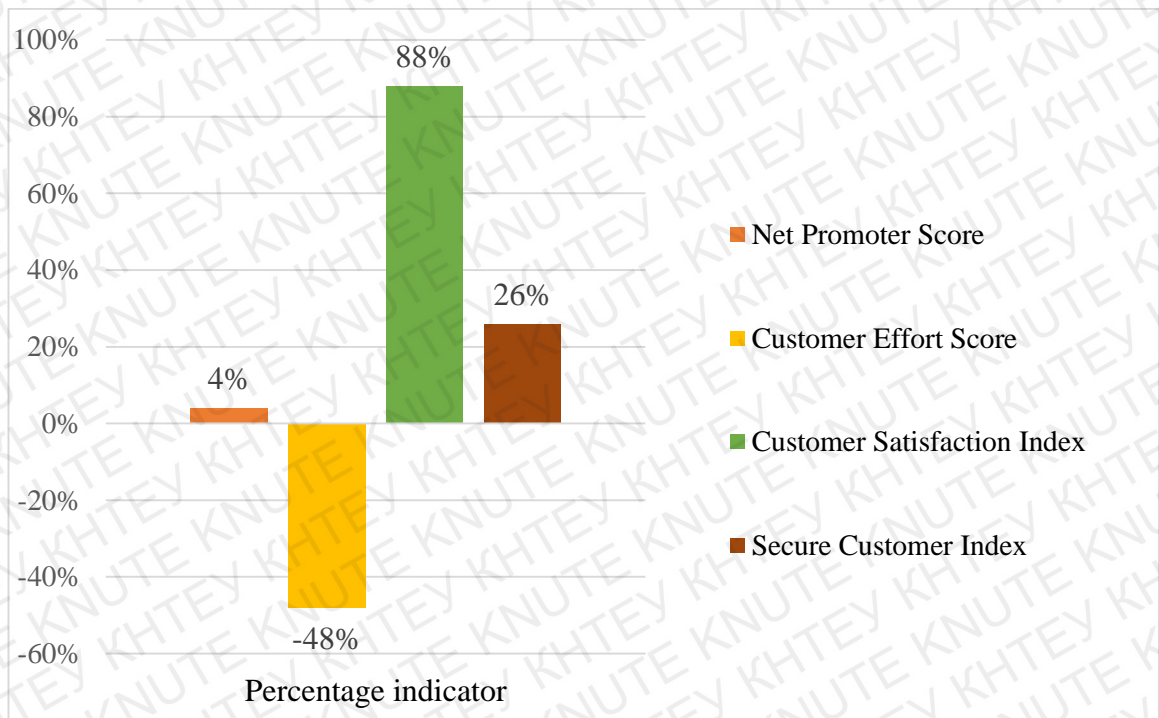


Figure 2.7. A share of secure customers of “Anga Travel”

That means that the company's clients are not loyal and use the competitor's services or ready to move to competitors.

Therefore, the results of the analysis of customer satisfaction can be presented as follows (Fig. 2.8):



*Figure 2.8. The indicators of customer satisfaction on the enterprise "Anga Travel"*

Due to the graphic, "Anga Travel" has good indicators of customer's satisfaction. All of them are in the normal range. But paying attention to the qualitative indicators, it becomes obvious, that clients are not satisfied with such an important parameter like quality of tour product. It poses a serious threat of losing the customers.

## **Conclusions to Part 2**

"Anga Travel" is a tour operator of the Ukrainian domestic market, the primary activity of which is the organization of vacations and creation of tourist products. The directions of activity of "Anga Travel" are organizing tours around Ukraine, including one day trips abroad, Kyiv city tours (for Kiev residents, children, foreign visitors and

business groups), selling vouchers children's camps and tour packages abroad and developing individual (corporate) programs.

Nowadays, “Anga Travel” is trying to use the features of experience economy into a number of activities, that reflects in development of tour programs, considering impressions of tourists, implementation the customer loyalty program and system of discounts, and controlling the quality of services after the end of tour.

Measuring customer satisfaction on the “Anga Travel” comes down to gathering customer feedbacks via surveys, calls and reviews on the website. However, there is a plenty of weaknesses in tour operator’s management system, which are mostly contribute to the low quality of tour product. This is reflected in the calculation of Customer Satisfaction Index, where the parameter of the tour quality organization is only 5,3 points.

It’s needed a thorough study of the interests of clients before creating new experienced tour products to reduce the risk of losses from canceled tours, continuous monitoring of new trends in the tourism industry and the interests of clients and cooperation with better suppliers.

The use of the experience economy approach in the company’s management can solve a number of issues, expand customer base through offering new impressions for tourists, and though increase customer satisfaction.

## **PART 3**

### **IMPROVEMENT THE MANAGEMENT SYSTEM OF THE TOURISM COMPANY ACCORDING TO REQUIREMENTS OF EXPERIENCE ECONOMY**

#### **3.1. The development of management strategy of tour operator “Anga Travel” on the basis of experience economy requirements**

In the time of growing global competition, and especially constantly rising expectations and continuous pursuit of novelty, surprise and delight, the ‘intuitive’ activities offered so far are insufficient.

It’s becoming necessary to construct emotional tourist products in a professional way (purposefully and consciously), gradually and patiently building the customers’ total satisfaction, using the method of ‘small steps’, i.e. providing a number of tiny satisfactions. The most important, which aim at multiplying and intensifying tourists’ experience, include:

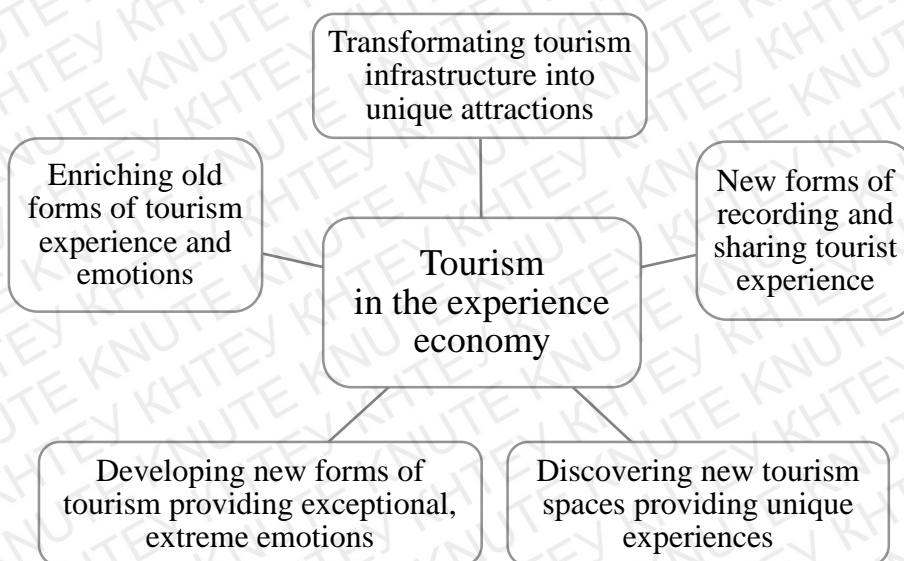
- expanding traditional service packages by elements providing additional emotions, sensations and satisfactions;
- transforming the tourism infrastructure itself into tourism attractions;
- using modern technology in order to expand real tourism space;
- introducing new forms of recording tourist experience and how it can be shared with the wider public.

Efforts to create new sensations and experiences for tourists include various modifications of the tour services. Due to the SWOT analysis that was held before (Table 2.4), the company “Anga Travel” has a weakness in creating standard sightseeing tour packages, that don't match the modern market conditions and tourist’s needs.

Traditional tour packages have a limited potential, even if the latest technologies are used and some emotions are added.

It becomes necessary now to look for completely new directions, as well as developing new forms of tourism to provide its participants with original experience

and extreme emotion (Fig. 3.1) [28].



*Figure 3.1. Tourism development opportunities in the experience economy*

The purpose of development the management strategy of tour operator “Anga Travel” using the experience economy is to increase the indicators of customer satisfaction in order to gain the customer loyalty and thus provide re-sales.

The development of a project on the basis of experience economy requirements can be best realized by organizing creative tour products and selling them in a new way, which should be a part of experience for clients.

Creative tourism is an opportunity to develop creativity through active learning, by participating in courses and other educational events. The examples of creative tourism and how it can be used in the new strategy of “Anga Travel” is presented in the Table 3.1.

The analysis of the Table 3.1 shows that there are a lot of possible ways for the “Anga Travel” to develop in the field of new forms of tourism. Due to the modern trends these directions are extremely popular among youth, so the tour operator can implement it to the management strategy for increasing the targeted market segment.

In order to expand the traditional service package by elements providing additional emotions, a tour operator should add modern technology and internet services to the purchasing process. As it is necessary to detect new ways of making an impression on tourist, “Anga Travel” needs to implement information technologies to

the management system. Such innovations are needed that would excite the consumers, so the tour operator needs to incorporate them into the strategy.

*Table 3.1*

### **New forms of tourism to provide the experience**

<b>Type of tourism</b>	<b>Example of implementing at “Anga Travel”</b>
Event tourism	<p>The main purpose is to take part in an organized cultural-entertainment event. Such events include festivals, fairs, open-air shows, carnivals, parades, concerts, art exhibitions and so on. Personal attendance guarantees maximum experience intensity. The possible tours can include:</p> <ul style="list-style-type: none"> <li>• Wine Festival "Transcarpathian Beaujolais" in Uzhgorod;</li> <li>• Celebrating New Year in Lviv or the Carpathians;</li> <li>• Humor festival in Odessa;</li> <li>• The pancake week (Maslenitsa) on Poltavschina;</li> <li>• Sorochinska Fair and Museum of Gogol.</li> </ul>
Sports tourism	<p>Nowadays, crowds of sports fans travel not only on the occasion of grand sports events (e.g. Olympic Games), but also popular regular events on a European or even global scale (e.g. UEFA Champion League). Fans are attracted above all by the sports spectacle itself – a planned and directed show with an unpredictable ending, gradually increasing emotion culminating at the end of the show. The upcoming events that can be used as a part of experience economy implementation are:</p> <ul style="list-style-type: none"> <li>• Sumy Airport Autumn Run at November 4, 2018;</li> <li>• Football match «Dinamo» (Kyiv) — «Renn» (France) in Kyiv at November 8, 2018;</li> <li>• Kharkiv New Year Run at January 1, 2019;</li> <li>• Run festival “Strong Run” in Kharkiv at September 7, 2019.</li> </ul>
Culinary tourism	<p>Gastronomy can be a source of satisfying needs of a higher order: acquiring new skills, celebrating special moments, seeking unique flavors and esthetic experiences, and even having the sense of prestige. “Anga Travel” is already successfully using this direction in the tout “Delicious Transcarpathia”. But the assortment of culinary tours can be expanded as follows:</p> <ul style="list-style-type: none"> <li>• Visiting Lviv as the first city that established itself as the capital of Ukraine's gastronomic tourism. Tasting Austrian-brewed coffee, world-famous Lviv chocolate and visiting 5 themed restaurants, where the visitor receives not only delicious food, but also its presentation in the form of a show ("Gasova Lampe", "Kriivka" and "House of Legends");</li> <li>• A trip to Poltava for traditional Ukrainian cuisine: dumplings, vareniki and borsch. The gastronomic traditions of Ukraine, described in the “Evenings on a farm near Dikanka” and “Natalka-Poltavka” are still observed here.</li> </ul>

Continuation of Table 3.1

Type of tourism	Example of implementing at “Anga Travel”
Literary and film tourism	<p>There are all journeys during which tourists follow the traces of great artists (writers, actors) and their masterpieces. The fact that tourists have been placed in the world of fiction, gives them an unusual, magical dimension. Such tours can become extremely interesting for fans of Ukrainian literature. The places of interest can be:</p> <ul style="list-style-type: none"> <li>• Novomoskovsk Cathedral in Dnipropetrovsk region (“Sobor” by Oles Gonchar);</li> <li>• The Carpathians in "Tini zabutyh predkiv" by Mikhail Kotsyubinsky;</li> <li>• Trace the heroes of the early 20th century in Ivano-Frankivsk at “Felix-Austria” by Sofia Andrukhovych;</li> <li>• Visiting the grave of Taras Shevchenko in Kaniv, the first folk museum "Tarasova Svitlytsia" and the large and quite modern Kaniv Museum of Taras Shevchenko [59].</li> <li>• Gogol's places in Poltava region which can include: <ul style="list-style-type: none"> <li>○ The village of Dikanka;</li> <li>○ The State Museum of Mykola Gogol;</li> <li>○ Velyki Sorochintsy: Literary and Memorial Museum;</li> <li>○ Sorochinsky Fair;</li> <li>○ The alley of Gogol heroes.</li> </ul> </li> </ul>
Adventure tourism	<p>The features which describe adventure tourism are: an elevated level of risk, uncertainty of results, challenge, experiencing something new, excitement, stimulation of the senses, escape and isolation, involvement in and concentration on the activities etc. “Anga Travel” already has one of the adventure tours – rafting tour to Mykolaiv region, which includes multiple shooting the rapids of Pivdenny Bug river on different routes. Although, it can be added such tour product like a trip to the archaeological site of Pontic Olbia in Mykolaiv region:</p> <ul style="list-style-type: none"> <li>• Tourists can arrange themselves an active and cognitive rest and join the group of archaeologists. They will be admitted to a number of simple areas of excavation. And right on their own eyes, masters will work with brushes and tassels, and perhaps very important things will be found.</li> </ul>
Extreme tourism	<p>This type of tourism consists in experiencing very strong emotions, which are often accompanied by physical exhaustion and a high risk of losing the health or even life. This type of activities includes canyoning, survival, cross-country car racing, bungee jumping or extreme skiing. Such positions can be included into the assortment of tours of “Anga Travel”:</p> <ul style="list-style-type: none"> <li>• One-day tour to Chernobyl allows tourists to see with their own eyes the place of the atomic disaster in the Chernobyl nuclear power plant and get incredible experience of being in a former disaster site.</li> <li>• Forest Survival Course – tourists should try to spend the night in a forest in the proper hand-made shelter, find fuel and make fire without matches; try to arrange a real hunt and gather mushrooms and berries for subsistence [57].</li> </ul>



Thus, there are a lot of possible ways for the “Anga Travel” to develop in the field of new forms of tourism. Due to the modern trends these directions are extremely popular among youth, so the tour operator can implement it to the management strategy for increasing the targeted market segment.

In order to expand the traditional service package by elements providing additional emotions, a tour operator should add modern technology and internet services to the purchasing process. As it is necessary to detect new ways of making an impression on tourist, “Anga Travel” needs to implement information technologies to the management system. Such innovations are needed that would excite the consumers, so the tour operator needs to incorporate them into the strategy.

A high technological potential of the tour operator “Anga Travel” allows it to implement the innovations on the basis of existing website.

In the travel segment, the potential of emotional purchases is underused. As a part of experience economy approach, the essence of the strategy of development for “Anga Travel” lays in determining the interests of the tourist in obtaining certain emotions from the tour.

The idea of the project is development of online platform with a survey for finding a real experience tour, not just a package tour with accommodation and transfer. The destination of the tour should be a secret, so the tourist himself mustn’t know actually what tour package he will receive (Fig. 3.2).



Figure 3.2. An interface of the online platform with a survey

Talking about the way it works, the person, who is looking for extraordinary experience, should answer some simple questions in an interactive survey in the tab “Experience travel” on the website of tour operator (Appendix D). Then the manager will pick up the tour that will fit the request.

In that way, firstly the customer feels excitement from non-acquaintance the destination, and then he is impressed by the trip, that meet all his needs and contributes to the interests.

A generalized scheme of conducting the survey is depicted below (Fig. 3.3).

### How it works?

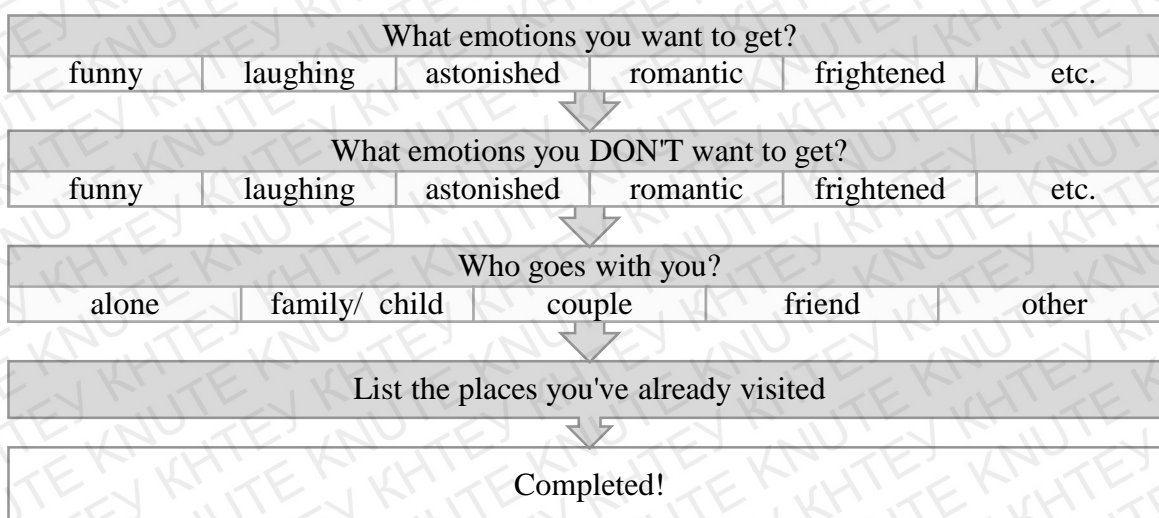


Figure 3.3. The process of conducting the survey in the tab “Experience travel”

Also, it can be useful to add the point with a question about some tourist’s interests. It will help the manager with a comprehensive study of the route and allow to add a number of impressive excursions, which fit a concrete customer. For example, considering the one’s interests can assume the following aspects in the tour product:

- Culinary:
  - Excursions to enterprises (for example, to a family cheese factory or an old winery);
  - Master classes from popular chefs;
  - Gastronomic tours dedicated to one product - coffee or chocolate in Lviv;
- Spiritual:
  - Trips that combine spiritual practices, familiarity with authentic cultures

and visiting sacred places;

- Practices of individual self-improvement, the purpose of which is self-knowledge;
- Trips to sacred “places of power” – so called places on the planet, which are famous for their special and strong energy.
- Photography:
  - the photo tours as a combination of active rest and photo school. The main chip of tours is concentrating not on famous routes and public sights, but on the picturesque locations that are wanted to imprint.

This point is also related to new forms of creative tourism that provide experience, that mentioned in the Table 3.1. Those forms can be used as a part of tour product, that is chosen by manager for the tourist, with considering his interests.

### **3.2. The program of implementation of the strategy**

During the implementation of the project, a company should decide what the service process will look like on the website.

The first variant is approximately traditional form. A manager shows client one or more tours, which look suitable for tourist according to his answers. Then client decides if he wants to buy this tour or not.

The second variant is more innovative. A manager chooses a tour for client by himself, using the answers in questionnaire. He selects the trip, which can fully satisfy tourist with all needed emotions. Tourist will know where he is going only at the time of departure (or arrival). Each variant has its own advantages and disadvantages, that are presented in the Table 3.2.

Analyzing these variants, it can be concluded that both variants have the threats of client’s dissatisfaction, as well as an opportunity of increasing customer loyalty if the client will be satisfied.

Table 3.2

### The advantages and disadvantages of each type of purchase

Variant	Advantages	Disadvantages
Client's decision	<ul style="list-style-type: none"> <li>• Client knows where he's going, all the decisions he made by himself. So, he can think about if he can get needed emotions from this trip.</li> <li>• The possibility of staying unsatisfied is excluded.</li> </ul>	<ul style="list-style-type: none"> <li>• All the idea of "experience tour" is disappeared, so the way to increase client's satisfaction is missed.</li> <li>• The project became very similar to a traditional form of tourism service, where tourist should just choose a tour from a selection. An emotion of astonishment is missing.</li> </ul>
Secret trip	<ul style="list-style-type: none"> <li>• The project is innovative, it's something new in the tourism market and interesting for a skilled tourist.</li> <li>• The client feels astonishment from the first sight at a new place.</li> <li>• Positive experiences increase customer loyalty and indicators of client's satisfaction.</li> </ul>	<ul style="list-style-type: none"> <li>• There is always a possibility for tourist to stay unsatisfied.</li> <li>• The possibility of not satisfying all the emotions by the chosen trip or not fully satisfying.</li> </ul>

Therefore, the choice of the type of purchase the experience tour at the "Anga Travel" will only depend on the particular customer and tour, and after a competent risk assessment.

Starting the project means confronting the possibility of failure. Understanding risks is the first and most important step in overcoming these risks and trying to exceed them. A risk assessment of the experience tours project implementation by "Anga Travel" is displayed in the Table 3.3.

Considering these risks, the tour operator can more accurately determine what may have the highest probability of negative impact and consider mitigating factors to solve problems that make threats to the project.

For the successful implementation of the project, it is necessary to clearly define the possible market share, to more distinctly understand the needs and demands of consumers, to know who the products are designed for. Market segmentation is the first step in this direction. It's necessary to build a strong targeting policy, because the idea of secret tour can be interesting not for all people.

Table 3.3

### The risks of the experience tours project implementation by “Anga Travel”

Chance of Failure	There is a chance the project will fail and the tour operator will be out the time, money and effort it was put into development.
Development risk	The risk that development of the web-platform will not be completed on time, within budget or to defined specifications.
Target market demand risk	The actual target market’s demand for the service may will not match the projected.
Funding Risk	The risk that financing will not be available at a level or timing required.
Management Risk	The risk that the staff lacks the skills to use the new approach.
Research Risk	The risk that the quality of the research upon which key assumptions were based was flawed in an impactful way.
Technology Risk	The risk that less than optimal technology is developed or that a competitor leapfrogs the company’s technology.

A market segment is a group of consumers who possess one or several common features that determine the behavior of consumers in the market. The market segmentation for the innovative project is presented below (Fig.3.4).

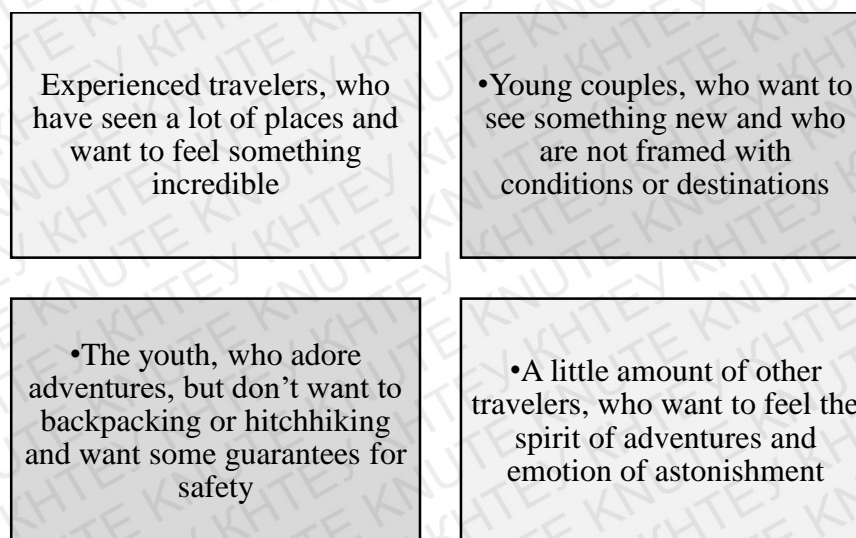


Figure 3.4. Market segments of the experience economy project

So, the consumer market was divided into 3 particular segments and one mixed. And now the tour operator can concentrate all the efforts on the target audience.

One of the key factors for successful project implementation is the presence of a clear predetermined plan. Summarizing all the research, a project schedule was drawn up (Table 3.5).

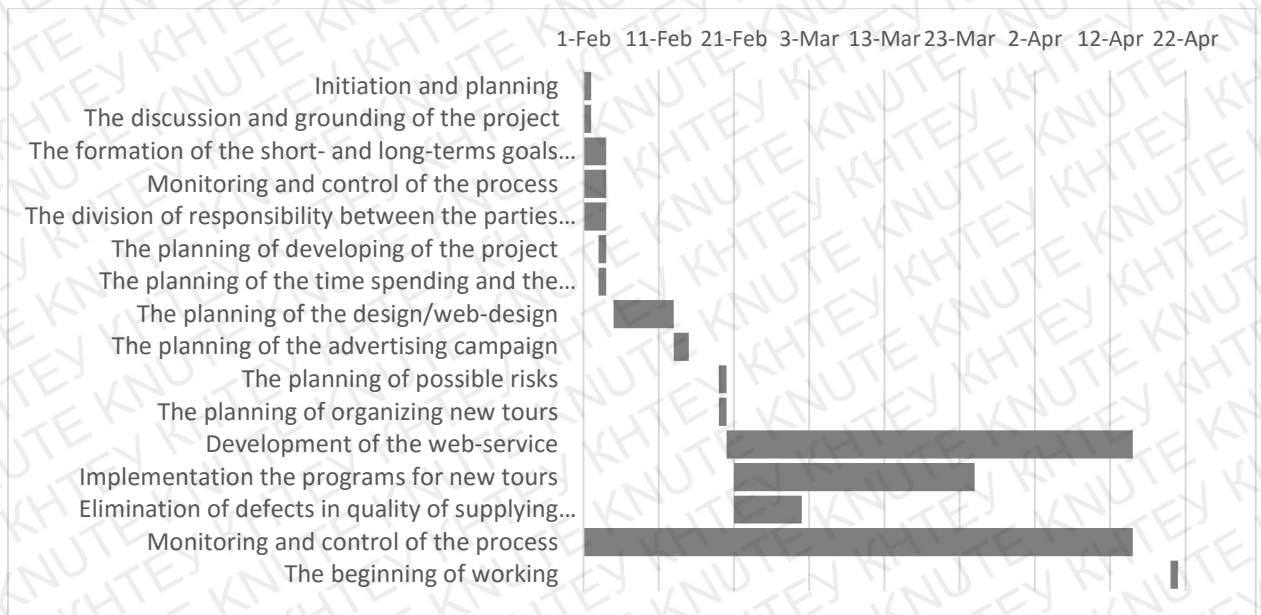
Table 3.5

### The program of the project implementation

№	The name of work	The beginning date	The ending date	The number of days	Days for reserve
Stage 1. The initiation of the project.					
1	Initiation and planning	01.02.2019	01.02.2019	1	0
2	The discussion and grounding of the project	01.02.2019	01.02.2019	1	0
3	The formation of the short- and long-terms goals of the project	01.02.2019	03.02.2019	3	0
4	Monitoring and control of the process	01.02.2019	03.02.2019	3	0
Expected Result: Resolved organizational issues, set goals.					
Stage 2. The planning of the project.					
5	The division of responsibility between the parties of the project	01.02.2019	03.02.2019	3	0
6	The planning of developing of the project	03.02.2019	03.02.2019	1	0
7	The planning of the time spending and the sequence of operations	03.02.2019	03.02.2019	1	1
8	The planning of the web-design	05.02.2019	12.02.2019	8	5
9	The planning of the advertising campaign	13.02.2019	14.02.2019	2	2
10	The planning of possible risks	19.02.2019	19.02.2019	1	1
11	The planning of organizing new tours	19.02.2019	19.02.2019	1	1
Expected Result: divided responsibilities between employees, ready website design template, risk assessment, selected new types of tour products corresponding to experience economy, established the time schedule.					
Stage 3. The realization of the project.					
12	Development of the web-service	20.02.2019	15.04.2019	54	10
13	Implementation the programs for new tours	21.02.2019	25.03.2019	32	15
14	Elimination of defects in quality of supplying services	21.02.2019	02.03.2019	9	7
15	Monitoring and control of the process	01.02.2019	15.04.2019	73	0
Expected Result: quality tour product, ready tour packages of new types of tourism, ready to work online purchase platform, permanent control of the development process.					
Stage 4. The ending of the project.					
16	The beginning of working	20.04.2019	20.04.2019	1	0

It can be concluded, that the project implementation will take 73 days to develop. On the base of this data it can be build a Gantt chart for visualization of work schedule (Fig.3.6).

The Gantt chart allows to visually see what needs to be done (tasks scale) and when (timeline scale).



*Figure 3.6. The Gantt Chart*

Using the chart, the managers of the tour operator can see what works does the project include, dates of beginning and end of the project, task durations and ways to combine tasks.

The terms and costs of the implementation the innovative service at “Anga Travel” are heavily dependent on the type of this innovation. As well as the project is an online platform for choosing a tour, the terms and costs will depend only on the development of it. The best supplier for developing this project will be “SiTe-LiNe” Web Studio due to a lot of competitive advantages:

- the price, functions, terms, payment under the contract;
- many years of experience – it is on the market since 2008;
- the studio carried out more than 1000 works of various subjects;
- IT development is the main activity of the “SiTe-LiNe” studio;
- possibility to request for the search promotion and advertising further;
- development includes analysis of key phrases, building a structure etc.

The terms and costs of the development the online platform “Experience Travel” are presented at the picture (Fig.3.5):

The prices in web studio SITE-LINE		11900 UAH
Individual design - no templates! Design elements are drawn by the designer.		✓
Verification by the W3C standard.		✓
Hosting		✓
Domain Name		✓
Control system		✓
Terms		1-2 month
Payment		10%/90%

#### THE ORDER OF WORKS DURING THE PROCESS OF DEVELOPMENT THE LANDING PAGE



Figure 3.5. Terms and costs of the development

So, the expenses for the implementation the program will be 11900 UAH. The price includes – the development of the site, connection to the control system, individual design, domain name and hosting and adaptation for mobile devices.

Also, it will be needed the advertising campaign for spreading of information about the new service. The approximate cost of it is 10000 UAH as a one-time payment (Table 3.4).

Table 3.4

#### Expenses for the implementation the program

№	Expenses	Amount (UAH)
Fixed costs		
1	Advertisement expenses	10000
4	Development expenses and hosting	11900
Total expenses		21900

Thus, we can summarize that the Total Expenses on the project implementation are 21900 UAH.



### 3.3. Justification of implementation of the strategy

The purpose of developing a new management strategy using experience economy on the tour operator “Anga Travel” is to increase customer satisfaction rates in order to gain customer loyalty and thus ensure re-sales.

It is known that quality customer service creates customer loyalty. A significant part of the companies’ management is done to impress customers, making them more loyal. Thus, customer loyalty consists of three specific types of behavior:

- Repurchasing – where tourists continue to buy from the tour operator without cancelling;
- Advocating – where tourists tell their friends about the company and refer new business to it;
- Expanding share of wallet – where customers spend more money and purchase more from the particular company.

With the purpose of justification, it’s extremely needed to evaluate the dynamics of customer satisfaction indicators in the conditions of implementing the experience economy approach. To evaluate the degree of influence of experience economy approach on the indicators of clients’ satisfaction, it’s necessary to forecast the possible future indicators and compare them with current ones. In the calculation it is pretended to be among 30 total responses in each indicator. The results are presented in the Tables 3.7 – 3.11.

*Table 3.7*

#### Net Promoter Score (forecasting)

Type of Customer	Number	Percentage
Promoters	16	53%
Neutrals	8	26%
Detractors	6	20%
Total Responses	30	100%
Net Promoter Score = 33		

Table 3.8

**Customer Effort Score (forecasting)**

Indicator	Number	Percentage
1 = Very low effort	14	47%
2 = Low effort	7	23%
3 = Neutral	6	20%
4 = High effort	2	7%
5 = Very high effort	1	3%
Total Responses	30	100%
Customer Effort Score = - 60%		

The Customer Satisfaction Index is calculated considering that the importance rating of each parameter left at the same level and the assortment and the quality were increased due to the implemented program.

Table 3.9

**Customer Satisfaction Index (forecasting)**

Estimated parameter	Average importance rating of the parameter (on a 7-point scale)	Value of the parameter in the overall satisfaction rating	The average level of satisfaction with the parameter (on a 7-point scale)	Weighted satisfaction level
Prices of tours, discounts, bonuses, price policy	6,2	17%	6,5	1,11
Assortment of destinations	5,7	16%	6,8	1,09
The simplicity of the process of making a request	6,4	18%	6,3	1,13
The quality of tour organization	6,7	18%	6,8	1,22
Staff qualification	6,1	17%	6,3	1,07
Speed of service	5,3	15%	6,5	0,98
Overall Weighted Satisfaction Level	36,4	100%	-	6,60
Customer satisfaction index = $6,60/7 * 100\% = 94\%$				

Table 3.10

**The comparison of current and forecasted average level of satisfaction with the parameters**

<b>Estimated parameter</b>	<b>The current average level of satisfaction with the parameter</b>	<b>The forecasted average level of satisfaction with the parameter</b>	<b>Deviation (in numbers)</b>
Prices of tours, discounts, bonuses, price policy	6,1	6,5	+0.4
Assortment of destinations	6,5	6,8	+0.3
The simplicity of the process of making a request	6,3	6,3	0
The quality of tour organization	5,3	6,8	+1.5
Staff qualification	6,3	6,3	0
Speed of service	6,4	6,5	+0.1

Table 3.11

**Secure Customer Index (forecasting)**

<b>Indicator</b>	<b>Rate</b>	<b>Number</b>	<b>Percentage</b>
Overall Satisfaction	4 = very satisfied	15	50%
	3 = somewhat satisfied	10	33%
	2 = somewhat dissatisfied	4	14%
	1 = very dissatisfied	1	3%
Willingness to Recommend	5 = definitely would recommend	16	53%
	4 = probably would recommend	8	27%
	3 = might or might not recommend	4	14%
	2 = probably would not recommend	1	3%
	1 = definitely would not recommend	1	3%
Likelihood to Use Again	5 = definitely will use again	12	40%
	4 = probably will use again	10	33%
	3 = might or might not use again	6	21%
	2 = probably will not use again	1	3%
	1 = definitely will not use again	1	3%
Secure Customers	40% very satisfied/definitely would repeat/definitely would recommend		
Favorable Customers	27% giving at least "second best" response on all three measures of satisfaction and loyalty		
Vulnerable Customers	10% somewhat dissatisfied/might or might not repeat/might or might not recommend		
Risk Customers	3% probably or definitely would not repeat/probably or definitely would not recommend/very dissatisfied		

The comparison of all the current and forecasted indicators of customer satisfaction and its deviation are presented in the Table 3.12.

Table 3.12

**The comparison of current and forecasted indicators of “Anga Travel”**

Indicators	Current indicator	Forecasted indicator	Deviation (in numbers)	Deviation (%)
Net Promoter Score	4	33	+29	825%
Customer Effort Score	-48	-60	-12	125%
Customer satisfaction index	88	94	+6	107%
Secure Customers	26	40	+14	154%

Therefore, the results of the analysis of forecasted future indicators of customer satisfaction can be presented as follows (Fig. 3.7):

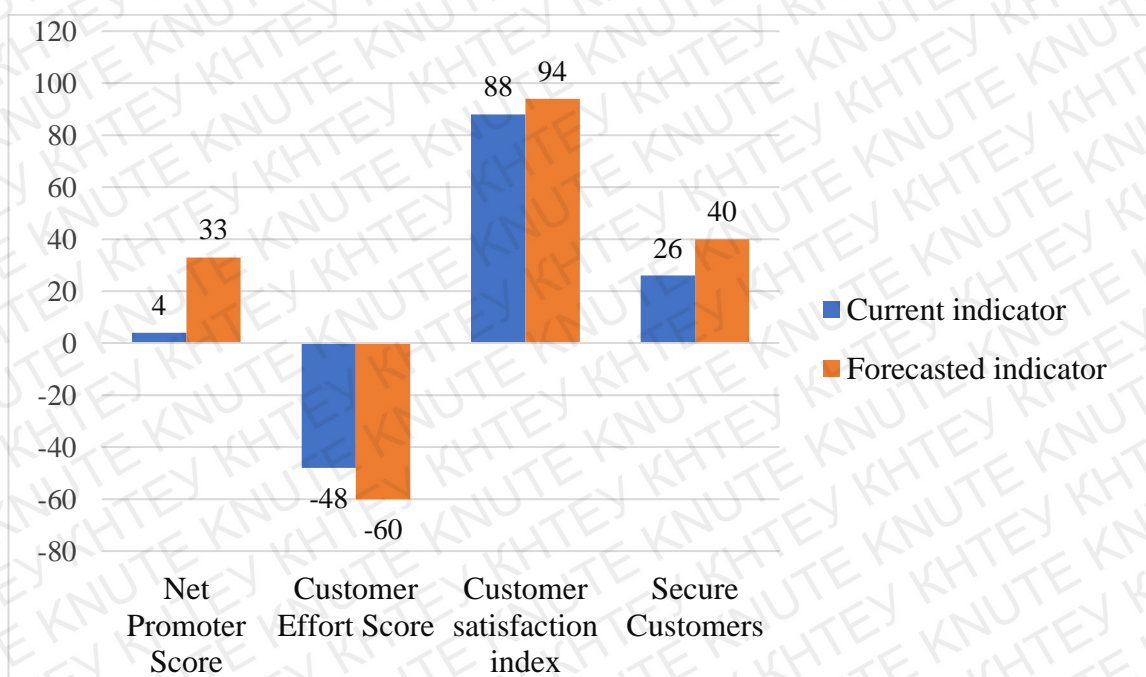


Figure 3.7. The comparison of current and forecasted future indicators of customer satisfaction on the enterprise “Anga Travel”

According to the forecasting, Net Promoter Score increased in 29 points, which means that there are more promoters now and less detractors. The higher the number of promoters, the more positive information about the company's services the market receives and the more potential customers choose this tour operator.

Customer Effort Score decreased in another 12 points and now it is -60. That means that after implementing the strategy of experience economy, it becomes easier

for customers to get what they want from the tour operator's service. Analyzing it, "Anga Travel" can work towards to decrease or retain the Effort Score, and it leads to more loyal customers.

A number of Secure Customers increased from 26 to 40%. That means that the reliability of customers grew significantly. Secure Customer Index affects such indicators of the company's activity as profitability, market share and constant customers ratio.

Customer satisfaction index CSI is one of the most important indicators of customer satisfaction. In the forecasting this index increased in 7 points and now it shows the result 94%. It can be realized only by improving and making changes for each of the components of the survey:

prices of tours, system of discounts and bonuses is at sufficiently level, so there are not need of improvements;

assortment of destinations should be expanded by adding tour programs according to the recommendations of implementation of the experience economy strategy on the enterprise "Anga Travel";

the simplicity of the process of making a request, staff qualification and speed of service are also at a sufficient level, so there is no need to improve, just maintain the current level;

The quality of tour organization increased in 1,5 points of customers' satisfaction after implementing the new strategy. That result can be achieved by cooperation with better suppliers (carriers and food establishments), because the huge part of negative reviews is on this parameter.

So, analyzing these forecasted parameters, it becomes clear that the implementation of a project for the development of a tour operator "Anga Travel" with an experience economy approach is highly effective.

### Conclusions to Part 3

Efforts to create new sensations and experiences for tourists include various modifications of the tour services. Due to the SWOT analysis that was held before, the company “Anga Travel” has a weakness in creating standard sightseeing tour packages, that don't match the modern market conditions and tourist's needs. Traditional tour packages have a limited potential, even if some emotions are added.

The purpose of development the management strategy of tour operator “Anga Travel” using the experience economy is to increase the indicators of customer satisfaction in order to gain the customer loyalty and thus provide re-sales.

The development of a new strategy on the basis of experience economy requirements can be best realized by organizing creative tour products and selling them in a new way, which should be a part of experience for clients.

In the tour operator “Anga Travel” it can be realized in adding such types of tourism like: event tourism, sports tourism, culinary tourism, literary tourism, adventure tourism and extreme tourism, which was described in the Table 3.1.

Also, one of the components of the experience economy strategy in “Anga Travel” is creating an online service for secret tours. The idea of the project is that the company determines the interests of the tourist in obtaining certain emotions from the trip. At the same time, the tourist himself does not know actually which tour he will receive, so he feels astonishment from the first sight at a new place.

The Total Expenses on the project implementation are 21900 UAH, which includes – the development of the service, connection to the control system, individual design, domain name and hosting and the advertising campaign.

The implementation of the innovative project will take 73 days to develop, where the longest tasks are:

- Development of the web-service;
- Implementation the programs for new tours;
- Elimination of defects in quality of supplying services.

As a result, positive experiences increase customer loyalty and indicators of

client's satisfaction. A comparison of the current and forecasted parameters on the Figure 3.7 and in Tables 3.7-3.11 shows, that the implementation of a project on the base of experience economy approach at "Anga Travel" will increase a plenty of parameters of client satisfaction. Customer Satisfaction Index (CSI) is one of the most important indicators. In the forecasting this index increased in 7 points and now it shows the result 94%. Thus, the client's loyalty increases, and the company can receive attract customers and increase a number of re-sales.

## CONCLUSIONS

According to the results of research the organizational and economic opportunities of the management strategy of tour operator “Anga travel” on the basis of experience economy, the following conclusions can be drawn:

1. Nowadays, every second company declares its total customer orientation. In the context of overabundance of goods and services in the market, it is very important for consumer not just to get the goods with some practical purpose, but to receive positive emotions from the purchase. So, the activities of the companies should be organized in the way where customers can get impressions. One of the effective economic proposals in modern society is the use of the experience economy, when the sale of products and services is carried out with the help of competently organized impressions.

2. In today's world there is a generation of travelers who demand more from their tourism experience. Companies strive for "repeat business" and constant clients, distributing positive feedback about the work of the travel company. Thus, the activities of any institution should be organized in the way where customers can feel unusual impressions and then associate it with the company. The experience economy approach implies adding such a characteristic to the tourist product, that can surprise a client, make him admire and convey his experience to others. It can be achieved through esthetic, educational, entertaining and escapist components.

3. In the conditions of the market, the positive experience of the client from communicating with the company is of great importance. Therefore, the measuring customer satisfaction is a fundamental tool in determining the efficiency of experience economy on a particular enterprise. There are few indicators of efficiency of experience economy: the measurement of NPS (Net Promoter Score – index of client loyalty), CES (Customer Effort Score), CSI (Consumer Satisfaction Index) and SCI (Secure Customer Index). All these parameters allow to develop and implement the improvements in time, that not only guarantee a stable profit for the company, but also can increase it.

4. The Ukrainian tour operator "Anga Travel" is a small business, that specializes



in organization of trips around Ukraine and abroad, also offering assistance in team-building, corporate meetings, exhibitions, creating city tours etc. The organizational structure of “Anga Travel” is linear-functional and includes 5 departments. Each department in the company is responsible for a series of business processes, like tours development, marketing, sales, booking and others.

5. “Anga Travel” has both strength and weaknesses in its activity. There are four products positioned as unique and impressive and high-skilled personnel. Besides, the creation of tours is without a thorough study of demand, that often leads to losses. The financial potential of “Anga Travel” showed that the company has large sales volumes of tourism products, but receives minor profits for the business, reasoned by constant increase in costs. The company has a competitive position on the market, the major competitors are "Kraina UA" and "Ethnotur". Although the feedbacks from tourists on the quality of the services provided by leading companies are unsatisfactory.

6. The company “Anga Travel” already uses the features of experience economy in a number of activities, like supplying tour programs, that include some performances. Measuring customer satisfaction on the “Anga Travel” comes down to gathering customer feedbacks via surveys, calls and reviews on the website. According to the results of the research, a Customer Satisfaction Index was obtained in 88%, which indicates a high level of customer satisfaction with the service provided. However, most of tourists complain about the low quality of tour product, which parameter is only 5,3 points. It can become a reason of losing a significant part of customers.

7. The development of a project on the basis of experience economy requirements can be best realized in “Anga Travel” by organizing creative tour products and selling them in a new way, which should be a part of experience for clients. Such innovations are aimed at solving a number of issues, expanding customer base through offering new impressions for tourists, and though increasing customer satisfaction to gain the customer loyalty and provide re-sales.

8. The idea of the new strategy for “Anga Travel” lies in creating an experience for tourists both at the moment of purchase and consumption. This project will be

realized like an online platform with a survey for finding a real experience tour, not just a package tour with accommodation and transfer. The destination of the tour should be a secret, so the customer will feel excitement from non-acquaintance the destination, and also from the trip, that meet all his interests. The new service of secret tour will be interesting for youth, who like to discover new destinations and not tied to something ordinary.

9. As a result of the implementation this project of the experience economy, the clients, by obtaining emotions, will better remember the information about the tourism products and connect impressions with the tour operator “Anga Travel”. Thus, the image of the company will be formed and sales will be stimulated. After implementation of the experience economy strategy the Customer Satisfaction Index will increase to 94%. A number of Secure Customers will increase from 26 to 40%, which also affects profitability, market share and constant customers ratio. Net Promoter Score will increase in 29 points, which leads to appearing more potential clients. So, analyzing these forecasted parameters, it becomes clear that the implementation of a project for the development of a tour operator “Anga Travel” with an experience economy approach is highly effective.

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