

**COMPETITIVENESS FACTORS AND EFFECTIVE MANAGEMENT
MECHANISMS OF TOURIST BUSINESS**

Teshabaeva Odina Nasridinovna

dotsent, Department of Economics and tourism, Phd
Fergana State University,
Odina_0505@mail.ru

Abstract: This article analyzes the role and importance of the tourism sector in the economy of the Republic of Uzbekistan, its contribution to the growth of gross domestic product (GDP), increased budget revenues and the creation of new jobs. Based on data from the World Tourism Organization (UNWTO), the role of tourism in increasing employment and reducing poverty around the world is highlighted.

Keywords: tourism, competition, services, tourism market, Tourist Product, income, business, management, value, investment

Introduction

The tourism sector is regarded as one of the strategic components of the national economy, exerting a significant influence on gross domestic product (GDP) growth, the expansion of public budget revenues, and job creation. According to the World Tourism Organization (UNWTO), tourism accounts for one out of every ten jobs globally and is recognized as one of the most effective tools for employment generation and poverty reduction, particularly in developing countries. In this context, the development of tourism as a key pillar of the economy has become a priority area of public policy in Uzbekistan.

Tourist expenditures incurred during travel are transformed into stable income sources for service providers within the economic circulation process. This, in turn, stimulates the development of hospitality, catering, transportation, trade, cultural, and entertainment sectors. As a result, tourism generates both direct and indirect economic effects: direct effects are reflected in increased revenues from tourism-related activities, while indirect effects emerge through the growth of related industries.

Moreover, tourism plays an important role in regional development strategies. The formation of tourism clusters, efficient utilization of local resources, preservation of ecological and cultural heritage, and the adoption of digital technologies contribute to service diversification. Currently, digital tourism, smart mobility systems, and green tourism are emerging as global development trends.

The intensification of competition in global markets, uncertainty in international economic relations, and geopolitical factors necessitate deeper diversification of national economies. Therefore, the modernization of tourism infrastructure, the implementation of innovative management approaches, and the adoption of international service quality standards (ISO, HACCP, ESG) have become increasingly important.

Literature review

Contemporary research increasingly considers tourism as a rapidly developing and independent industry. Studies on enhancing competitiveness and designing strategic development approaches in tourism encompass diverse theoretical perspectives. Notably, M.

Porter's "Five Forces" model identifies the entry of new competitors, buyer power, supplier power, substitute products, and rivalry among existing firms as key determinants of industry competitiveness.

P. Kotler emphasizes that successful competition in the tourism sector requires strong brand development, continuous improvement of service quality, and in-depth analysis of consumer needs. In assessing destination competitiveness, the model proposed by J. Ritchie and G. Crouch offers a comprehensive framework that integrates economic, socio-cultural, technological, and environmental factors.

In the context of Uzbekistan, improving tourism competitiveness is a complex and multidimensional process centered on enhancing the attractiveness of tourism and recreational products. According to A. Mirzayev, effective management of the country's historical and natural resources can significantly strengthen its competitive position in international markets. Furthermore, aligning hospitality and hotel services with international standards, implementing customer-oriented marketing strategies, and adopting modern technologies considerably enhance competitiveness—an approach also supported by O. Usmonov.

Consequently, improving competitiveness in the tourism industry requires the integration of established theoretical frameworks (Porter, Kotler, Ritchie & Crouch) with local scholarly insights, alongside comprehensive measures aimed at brand development, service quality enhancement, and the modernization of marketing and management systems.

Methodology

This study aims to identify and assess the key factors shaping the competitiveness of tourism business entities, to optimize their management mechanisms, and to improve service quality and marketing strategies. In addition, the research seeks to explore opportunities for enhancing the economic efficiency of tourism enterprises through the development of modern management systems aligned with contemporary requirements.

The research methodology is based on the application of statistical analysis methods, systemic and logical approaches, as well as a comprehensive review of existing academic literature and scholarly articles in the field of tourism. On this basis, a methodological framework was developed to determine the competitiveness factors of tourism businesses and to design effective management mechanisms.

Discussion and results

In the development of the tourism sector in the Republic of Uzbekistan, economic, organizational, and institutional factors play a crucial role. In recent years, state-adopted concepts, national strategies, and development programs aimed at positioning tourism as a strategic sector have become a key driver of sustainable growth in this field. In particular, the "Tourism Development Strategy of the Republic of Uzbekistan until 2030" emphasizes improving service quality, introducing innovative approaches, expanding digital tourism infrastructure, and ensuring international competitiveness as priority areas.

The influence of external economic and social conditions on the management of tourism services is primarily determined by competitive factors. Decision-making processes in tourism management are largely based on a thorough analysis of the competitive environment. This interdependence can be conditionally expressed through an analytical or economic model.

$$Z = F(K),$$

In this model, **Z** represents the outcome of managerial decisions, **F** denotes external factors, and **K** reflects the level of competition. In the tourism sector, managerial decision-making is

strongly influenced by service pricing, seasonality, transport accessibility, the quality of accommodation services, the structure of tourism packages offered, and the effectiveness of marketing strategies.

However, empirical studies indicate that the impact of competition in tourism management accounts for approximately 50–70 percent, making it one of the most significant determinants of sectoral development (UNWTO, 2024).

The widespread nature of competition has led to its extensive examination in both academic and practical contexts. In the tourism industry, competition should not be interpreted merely as an economic barrier or a struggle for market share, but rather as a systemic process encompassing market interactions, cooperation, innovation, and service diversification mechanisms.

Tourism companies seeking to operate effectively continuously analyze competitors' behavior, employ strategic marketing approaches, and take into account not only customers' functional needs but also their cultural, environmental, and ethical values. In today's global tourism industry, competitiveness is determined not solely by pricing policies but increasingly by service quality, the level of innovation, and customer trust.

As an integral feature of a market economy, competition encourages firms to develop innovative products and services, adopt new technologies, and improve service efficiency and quality. Therefore, competition acts as a key driving force and motivational factor for development in the tourism sector.

This approach further reinforces the importance of tourism in gross domestic product (GDP) growth. According to global experience, tourism contributes approximately 10 percent to GDP on average, and this share has been gradually increasing in Uzbekistan as well. Consequently, effective management of competition contributes to sustainable national economic development, diversification of the service sector, and the strengthening of Uzbekistan's tourism brand in international markets.

Addressing many economic challenges thus requires an in-depth analysis of the competitive environment in the tourism services market, as well as a systematic examination of the factors influencing the competitiveness of business entities operating in this sector.

According to I.V. Sergeev, enterprise competitiveness refers to the ability of a firm to utilize its financial, production, and human resources efficiently in order to create competitive products and services. The author emphasizes that competitiveness assessment should be conducted in close relation to the structural elements of a firm's economic potential.

Similarly, N.K. Moiseyeva defines producer (enterprise or industry) competitiveness as a relative economic characteristic reflecting the degree to which consumer needs are satisfied compared to competitors, as well as differences in production efficiency.

Based on these approaches, competitiveness in the tourism services sector encompasses not only economic efficiency but also a deep understanding of consumer demand, the introduction of new service offerings, and flexibility in responding to market changes. Key criteria for tourism competitiveness include service quality, pricing policy, corporate image, brand identity, human resource capacity, service culture, and the effectiveness of marketing communications.

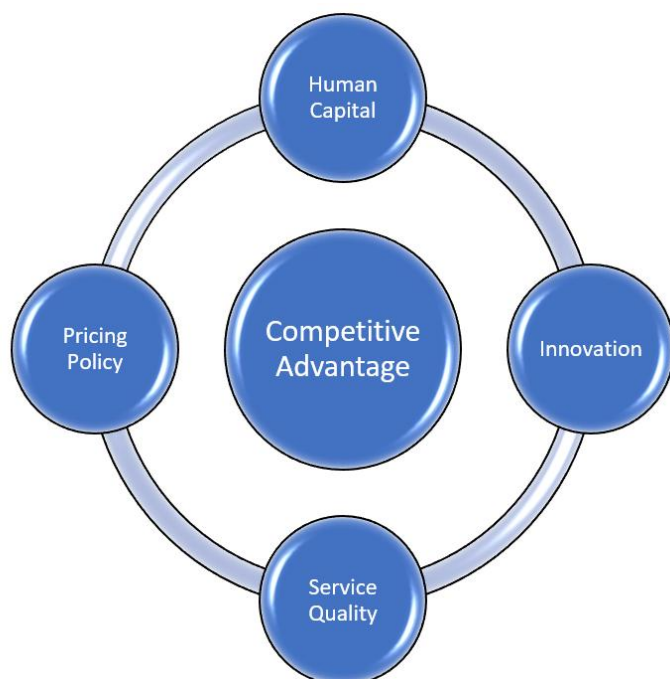


Figure 1. Economics and the competitive advantages and interrelationships of objects

Today, international experience shows that to increase competitiveness, tourism entities focus on the implementation of digital transformation, innovative service models, environmental sustainability principles and customer-oriented management systems. Therefore, when assessing competitiveness in the tourism services market in Uzbekistan, it is necessary to take into account not only economic indicators, but also social, environmental and innovative factors.

G.L. Azoyev interprets competitiveness in his research as a determining result of the existence of competitive advantages. The scientist believes that competitiveness cannot exist without competitive advantages, since it is the advantages that determine the potential of the enterprise to operate stably in market conditions. Azoyev not only directly associates competitiveness with advantages, but also points out that they have different shapes and types depending on the object to be applied (Figure 1).

On the example of a tourist enterprise, competitiveness is determined by indicators that are significant for consumers. These include aspects such as quality of service, price-ratio, comfort level, transportation options, location, brand reputation, and speed of Service.

The competitiveness of a tourist enterprise is the ability to maintain an advantage in accordance with the values and needs of consumers. These advantages are determined through the personal experience of consumers, trends in the tourism market or marketing research. Therefore, in the process of increasing competitiveness, it is necessary for enterprises to actively use marketing analysis methods, study consumer priorities and adapt service strategies.

Conclusion

The competitiveness of an enterprise directly depends on the competitiveness of its products or services. Travel companies use various criteria and indicators in determining their competitiveness, their financial and economic status is determined in the short term, and in the long term it is assessed through investment attractiveness. Competition encourages businesses to develop continuously by creating new products and services or differentiating existing products.

The development of the competitiveness potential of tourism activities, which is important in the domestic economy, is one of the urgent tasks. The need to put into practice the concept of competitive potential and its structural elements requires the introduction of modern economic approaches to the activities of enterprises and the development of mechanisms for their assessment.

World experience shows that the development of the tourism sector makes it possible to effectively solve a wide range of socio-economic problems, such as increasing employment, activating entrepreneurship, increasing the total income, including the income part of territorial budgets.

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