

**ХАРКІВСЬКИЙ НАЦІОНАЛЬНИЙ ЕКОНОМІЧНИЙ УНІВЕРСИТЕТ
ІМЕНІ СЕМЕНА КУЗНЕЦЯ**

ФАКУЛЬТЕТ МІЖНАРОДНИХ ЕКОНОМІЧНИХ ВІДНОСИН

КАФЕДРА ТУРИЗМУ

Комплексний консультаційний проект

БАКАЛАВР

(освітній ступінь)

на тему: " Впровадження стратегії сталого розвитку в туристичній галузі"

Виконала: студентка 4 курсу

групи 6.06.67.16.03

спеціальності 242 "Туризм"

(прізвище та ініціали)

Мяснікова А. А.

Керівник: к.е.н., доц. Погуда Н. В.

(посада, вчене звання, науковий ступінь, прізвище та ініціали)

Національна шкала _____

Кількість балів: _____ Оцінка: ECTS _____

Члени комісії

(підпис)

(прізвище та ініціали)

(підпис)

(прізвище та ініціали)

(підпис)

(прізвище та ініціали)

Харків – 2020 рік

" Implementation of a sustainable development strategy in the tourism industry"

CONTENT

INTRODUCTION	4
1. THEORETICAL BASIS OF SUSTAINABLE DEVELOPMENT.....	6
1.1. The concept of sustainable development and its historical background.....	6
1.2. Main ideas, theories, and principles of sustainable development.....	13
1.3. Foreign and Ukrainian experience of implementing sustainable development ...	23
Conclusion of the first part.....	27
2. ANALYSIS OF CORAL TRAVEL'S BUSINESS ACTIVITY	29
2.1. General characteristics of the enterprise	29
2.2. Internal Environment of the travel agency Coral Travel	37
2.3. External environment of the travel agency Coral Travel.....	41
Conclusion of the second part	48
3. RECOMMENDATIONS ON IMPLEMENTATION OF THE SUSTAINABLE DEVELOPMENT STRATEGY	50
3.1. Development of a sustainable development strategy for Coral Travel.....	50
3.2. Assessment of the sustainable development strategy efficiency	60
3.3. Role of the government in promoting sustainable development of tourism.....	62
Conclusion of the third part.....	65
CONCLUSION	67
REFERENCES	69
Appendix	Ошибка! Закладка не определена.

INTRODUCTION

Sustainable development is one of the most *relevant* issues businesses face today. More and more economic entities are starting to realise that their activity has certain negative effects on the environment and can be quite damaging to the economy and the society's wellbeing in the long run. This is especially true for the tourism industry, because tourism largely depends on uncontaminated natural resources (clean water, air, and landscapes) and has significant environmental footprint (pollution from transportation, overcrowding of popular tourist sites, and etc.). Thus, creation and implementation of sustainable strategies is crucial for long-term development of the tourism industry.

The subject was previously researched by a number of scientists. The term 'sustainable' was coined by Donella Meadows, Dennis Meadows and Jorgen Randers in their work "Limits of Growth" in 1972. However, the first economist who touched upon the subject was Adam Smith. He introduced the concept of steady-state economy in his paper "An Inquiry into the Nature and Causes of the Wealth of Nations" in the 18th century. Economists John Mill and Herman E. Daly further explored the concept in their works. An example of integration of sustainable practices into tour operator business was described by Ghada Khairat and Azza Maher in their article "Integrating sustainability into tour operator business: an innovative approach in sustainable tourism".

The *goal* of the paper is to create a sustainable development strategy for the tourist company Coral Travel. In order to reach this goal, the following *tasks* are to be solved:

- consider historical background of the concept 'sustainability';
- analyse international cooperation in the field of sustainable development;
- consider theoretical and methodological basis of sustainable development;
- analyse internal and external environment of the travel agency Coral travel;
- suggest a sustainable development strategy for Coral Travel;

-assess the efficiency of the suggested strategy.

The *object* of this research is sustainable development of a tourist enterprise. The *subject* is implementation of a sustainable development strategy on the basis of a tourist company Coral Travel.

Theoretical and methodological basis of the project is provided by scientific work of economists, international agreements, and regulatory documents.

In the project different *methods* were used. Historical analysis was used to describe historical background of the sustainability concept. Space analysis was used to determine a strategic position of the enterprise. SWOT analysis was used to describe external and internal environment of the travel agency.

Informational basis of the paper is presented by textbooks, academic articles, conference material, reports of international organisations, and Internet sources.

Scientific novelty of the paper is a suggested sustainable development strategy with three defined stages of implementation and assessed efficiency.

Practical significance of the project is determined by the fact that the results of the project can be used improve an existing or implement a new development strategy for a tourist enterprise. The ideas described in the paper can significantly improve the quality of company's activity and benefit both society and the environment.

The author has published an article "*The importance of sustainability for the tourism industry*" that touches upon the concept of sustainability. In the article, the relation of sustainable performance of some countries and the development of their tourism industry was analysed and environmental issues that can negatively affect the tourism sector were identified.

1. THEORETICAL BASIS OF SUSTAINABLE DEVELOPMENT

1.1. The concept of sustainable development and its historical background

Nowadays, the notion of sustainable development is one of the central directions of economical development.

In its literal definition, sustainability is an ability to maintain certain properties, outcomes and processes over time. Modern scholars use this concept implying a sustainable social, environmental and economic system. Stoddard describes sustainability as the efficient allocation of natural resources among socio-economic processes within the limitations of the ecosystem. Ben-Eli defines sustainability as a capacity of the population to reach its full potential without causing irreversible detrimental changes to the environment. Thomas states that sustainability is the ability to satisfy human needs and wants without exhausting natural resources at our disposal [1].

The goal of sustainable development is to reach the right balance between economic growth and environmental protection. The main idea of sustainable development is that long-term economic and social prosperity is possible only if we cautiously utilise natural resources and limit our negative environmental impact. Traditionally the idea of economic growth didn't take into account the fact that extensive economic development poses an ecological threat, which can negatively affect long-term well-being of the society. In the modern world, we already experience negative environmental consequences of extensive economic expansion. So, more and more businesses begin to realise the necessity of sustainability.

The UNWTO introduced a concept of sustainable tourism. According to the UNWTO, sustainable tourism is tourism activity in which management of resources satisfies economic, social, and aesthetic needs of the people and maintains objects of cultural importance, environmental processes, biodiversity, and ecosystems [2].

The concept of sustainable development has a rather long history. Mankind has begun to think that the Earth's resources are limited and that sooner or later the Earth would no longer be able to sustain an increasing number of people. The question of the overexploitation of natural resources was raised as early as in 1913 at the International Conference on Environmental Protection in Berne. Later, in 1962, at the UN General Assembly "Nature Protection and Economic Development" it was concluded that it was unacceptable to uncontrollably exploit ecosystems for the development of economic and social spheres were made [3].

The danger of a global environmental crisis became evident in the early 1970s. But it took political leaders and general population some decades to realize that it is a real natural process that wasn't made up by scientists.

A similar term – 'eco-development' - was coined in 1972 by Maurice Strong, a Secretary General of the Stockholm Conference of the Human Environment. Eco-development can be described as improving human welfare without impairing the natural environment. Although the term 'sustainable development' wasn't used at the conference, principles and ideas that are essential to the modern concept of sustainability were recognised. It is at the Stockholm Conference that the concept of sustainable development received recognition for the first time [4].

The term 'sustainable' was used in its modern meaning for the first time in the book "Limits of Growth" by Donella and Dennis Meadows and Jorgen Randers in 1972. In the book, the author analyses 12 scenarios of world development. Each scenario has its own social, economic, and environmental outcomes. One of the scenarios explored the idea of limiting industrial growth due to inability of the nature to cope with the environmental pressure. At the time, the idea was brand-new and seemed controversial to many people. In 1972, the economy still operated within the Earth's carrying capacity, so the team of researchers concluded that there was still room for safe economic growth.

In 1992, there was already strong evidence that the population was moving fast towards unsustainable future. The authors of "Limits to Growth" wrote an update to

their previous work and named it “Beyond the Limits”. According to the book, humanity had overrun its limits in many spheres and created demand on the natural resources that could not be sustained over time. The authors argued that the main challenge for humanity was to return to sustainable territory [5].

The concept of sustainable development strategy emerged in 1980 and was used in the document “World Conservation Strategy: Living Resource Conservation for Sustainable Development” by the International Union for Conservation of Nature and Natural Resources. The document declared that nature conservation is inextricably linked to the development of society and the development of society should take place in the conditions of nature conservation. In the strategy, three main objectives of resource conservation were identified: to maintain essential processes and life-support systems, preserve genetic diversity, and ensure the sustainable utilisation of species and ecosystems. In the document, it was also argued that it is imperative to form new environmental ethics and environmental consciousness in order to change the human attitude towards the environment [6].

The most popular and cited definition of sustainable development was given in the report “Our Common Future” by the World Commission on Environment and Development also known as the Brundtland Commission in 1987. According to report, sustainable development is "development that meets the needs of the present without compromising the ability of future generations to meet their own needs". In addition to this, sustainable development is based on two crucial components: a concept of needs and a concept of limits. These concepts are defined by the impact of technological and social factors on the environment's capacity to satisfy current and future demands. The report acknowledged that human resource development in the form of wealth redistribution, gender equality, and poverty reduction was necessary for creating strategies for environmental conservation. It was also recognised that economic advances in industrialised society had environmental limits. One of the main contributions of the document to the idea of sustainable development is the recognition of the fact that many crises facing the society are connected and are part

of a single problem and that the need for active participation in reaching sustainability is vital [7].

In 1990, the International Union for Conservation of Nature, together with the United Nations Environment Programme and the World Wildlife Fund prepared the report "Caring for the Earth". The report considered sustainable development as improving the quality of human life within the potential capacity of ecological systems to provide living conditions for humans. According to the UN World Committee on Environment and Development, sustainable development can be seen as the obligation of society to act in a way that could allow future generations to live comfortably in a clean and healthy environment [8].

The concept of sustainable development was the basis for the UN Conference on Environment and Development, also known as the "Earth Summit", held in Rio de Janeiro in 1992. The Summit marked the first international attempt to develop action plans and strategies for transition to a more sustainable development framework. As a result of the conference, principles of sustainable development were officially declared. These principles argued that unlimited and uncontrolled use of natural resources and contamination of the planet are unacceptable.

The same year, a concept of sustainable society that included social, informational, and institutional mechanisms that can be efficient for sustainable development, emerged. Scientists argued that a more equitable distribution of authority could improve the quality of the environment. Sustainable functions were defined based on a combination of income inequality index, literacy, political rights and civil liberties and other factors.

Also, in 1992, the UN presented a programme "Agenda 21", which contained an action plan for sustainable development in the 21st century. The programme was created on the basis of the results of the "Earth Summit" conference. This programme of global cooperation aims to achieve objectives such as a high quality environment and a healthy economy for all peoples worldwide.

In 1996, a concept of sustainable human potential development defined by the United Nations Development Programme became widely used. This concept included such values as justice and freedom. Some scientists point out that during this period, sustainable development had a symbolic rhetoric with contradicting interests, and everyone defined sustainable development from a perspective of their political preferences. In general, people didn't consider sustainable development as a basis for the development of sustainable policies of the state.

In 1998, a need for a precise definition of sustainable development became clear. It was important in order to avoid politicisation of the concept and to further develop and study the idea [9].

In 1999, at the Helsinki European Council in 1999, the heads of the EU's member countries offered the European Commission to develop a sustainable development strategy for the EU. The strategy was developed with specific indicators and targets and was approved by the European Council in Gothenburg.

The EU's Sustainable Development Strategy offered a path of progress that integrated and balanced the social, economic and environmental aspects. The Commission came up with several key ideas based on the Brundtland's definition of sustainable development. These ideas are:

- Paying attention to the level of life. Sustainable development should imply striking the right balance between environmental, social, and economic factors that influence the general level of life.

- Responsible usage of natural resource. Sustainable development implies that future generations require resources that can ensure an opportunity to have at least the same level of life as the modern society. This idea suggests that there should be limitations to exploitation of natural resources and damage to ecosystems.

- Policy-making coherence. As there is a high level of interdependency between different sectors of the economy, certain problems can be solved only with policy changes in other sectors. It is especially true for the environment protection,

because it depends largely on regulation of such spheres as entrepreneurship, transport, production, and, of course, tourism.

- List of main tasks and political initiatives. The strategy focuses on four main spheres: climate change, natural resources, society's health, and transport. Tasks of the strategy include: environmental reform of the economy, stopping biodiversity loss by 2010, reduction of atmosphere emissions, and reduction of possible risks of chemical contamination by 2020.

- In the future, all spheres of economy must be judged from the perspective of ensuring the transition to the sustainable development. The Commission also suggested some recommendations for more systematic cooperation with businesses and individuals.

- Control of strategy implementation. Success of the strategy will depend on how effectively it is adhered to and how willing the authorities and businesses are to implement it [3].

In 2001, the concept of sustainable development has become dominant in the study of the interaction between the economy and the natural environment. It became to be seen as a generally accepted goal of environmental policy. Sustainable development became to be interpreted as economic development that is consistent with long-term environmental quality and resource availability.

In 2002, sustainable development was also explained as a way to achieve a balance in different spheres of economy, allowing any conflicts that may arise between them to be resolved. The same year, the World Summit on Sustainable Development in Johannesburg focused on commitments related to sustainable consumption and production, water, sanitation, and energy. In this context, a sustainable society is understood as one in which broader issues of social needs, equity, well-being and economic welfare are intrinsically linked to environmental constraints.

Also, at the World Summit, it was emphasized that the tourism industry has a rather intensive effect on the environment and therefore this sector of the economy requires embedding sustainability principles [2].

In 2012, a sustainable development conference “Rio+20” was held by the UN, 20 years after the “Rio Declaration” was presented at the Earth Summit. Methods of solving challenges of urban development, water and energy conservation, and ecosystem protection were addressed. Participants of the conference discussed the following ways to implement these methods:

- Transition to a greener economy with a focus on poverty eradication.
- Protecting the oceans from fishing, destruction of marine ecosystems and the adverse impacts of climate change.
- Sound urban design and better living conditions.
- Increased use of renewable energy sources, which can significantly reduce carbon emissions and indoor and outdoor pollution while contributing to economic growth.
- Better management of forests, reducing deforestation by two times by 2030 in order to avoid the damage from climate change caused by greenhouse gas emissions.
- Finding ways of preserving and managing water resources to promote development and protection against desertification [10]

The main result of the conference was a document "The future we want". In the document, 192 state leaders reaffirmed their political commitment to sustainable development and stated that they would promote a sustainable future [11].

At the conference, an attempt to support the UN’s Environmental Programme was made. They also intended to make the UN a leading global environmental authority, strengthen its management and increase its financial resources.

As a result of the conference, an agreement was reached to explore alternatives to GDP as a measure of wealth that would consider environmental and social factors such as sustainability, equity, dignity, and happiness. As some speakers pointed out, progress should be assessed in a broader way and account for human development as

well as economic growth. One of the alternative indicators that were discussed was the Human Development Index (HDI) [12].

Also, countries participants reaffirmed their commitments to cancel fossil fuel subsidies. In addition, the text resulted in over 400 voluntary sustainable development commitments from member countries.

In 2015, the UN prepared a document “The 2030 Agenda for Sustainable Development”. The document contains sustainable development goals for the period from 2015 to 2030. These goals replaced the Millennium development goals accepted by the UN previously for the period from 2000 to 2015. The sustainable development goals include a set targets grouped into 17 goals. These goals are not limited to environmental issues. The goals include such challenges as poverty, hunger, well-being, quality education, gender equality, clean water and sanitation, affordable and clean energy, economic growth, industry and innovation, social inequality, sustainable cities, responsible consumption and production, climate change, life on land, international peace, and world partnership in reaching these goals. The Sustainable Development Goals identify the main challenges that face humanity and reflect the need to address these challenges [13].

1.2. Main ideas, theories, and principles of sustainable development

Different scientists came up with their own ideas concerning the limits of natural resources and economic development within the nature’s capacity.

One of the theories that explored a similar concept is a steady-state economy. The steady-state economy can be characterised as an economy with stable indicators of population and consumption, the size of which doesn’t exceed the capacity of the ecosystem [14].

In the 18th century, Adam Smith touched upon a similar topic of transition of a growing economy into a steady economy. In his famous work “An Inquiry into the Nature and Causes of the Wealth of Nations”, Smith recognised that production and

consumption growth had limits. He believed that at some point a free market economy reaches a stationary state when capital accumulation stops and there is no growth of the economy. According to Adam Smith, it happens for two reasons. First, natural resources at our disposal are limited and when they are fully used further growth becomes impossible. Second, as a result of competition, profits fall and it reduces motivation to invest further. Thus, demand for more capital accumulation decreases, which leads to decline in labour demand and wages. When these two conditions are met, economy reaches stationery state.

Thus, the steady-state economy tends to have stable or insignificantly fluctuating numbers of population, energy and materials consumption. Fertility is equal to mortality and investments are equal to depreciation [15].

A political economist, John Stuart Mill further elaborated on the concept of stationery state in 1857. In his textbook “Principles of Political Economy”, he states that the growth of wealth is not infinite and always leads to a stationary state [16]. He also believed that the stationary state of capital and population didn’t imply a stationary state of human improvement and there would be more space than ever for all kinds of spiritual culture, moral and social progress.

In other words, John Mill described sustainable development as development without growth, where qualitative improvement of life should take place without quantitative increase of population. At the same time, like some other classical economists Mill believed that this concept primarily concerns "developed" or "mature" economics.

In general, classical economists recognised demographic and environmental limitations. In the days of classical economists, there was not yet such awareness of general environmental constraints as there is today. At the same time, economists didn’t ignore these constraints in their theories [3].

American ecologist and economist, Herman Daly, one of the theorists of ecological economics, defines the economics of sustainability as an economy with constant numbers of people and objects maintained at some desired level of

sufficiency at the expense of the minimum possible level of auxiliary activity. In other words, maintaining a certain level with the least possible movement of materials and energy from the first stage of production to the final stage of consumption.

Daly's understanding of a steady-state economy was based on the idea that the economy is a subsystem of a finite and non-growing natural environment. According to this idea, a component of a non-growing system must one day also become non-growing. Daly also divided natural resources into finite and renewable or endless. For instance, solar energy is endless but mineral resources are limited. It is the limited resources that constitute the scarcity and therefore determine the future of our economy.

Herman Daly argues that before the Industrial Revolution, the society lived at the equilibrium with the rest of the biosphere. After the Industrial Revolution, the situation changed drastically and the resource deposits began to be exploited at an increased rate. As the author puts it in his book: "Natural cycles have become overloaded, and new materials have been produced for which no natural cycles exist. Not only is geological capital being depleted, but the basic life-support services of nature are impaired in their functioning by too large a throughput from the human sector" [17].

There are some similar to the steady-state economy concepts that are also focused on exploring the possibility of reaching the level of economic development that is optimal for all the people and the ecosystem. One of such theories is the theory of de-growth.

De-growth was discussed by Christian Kerschner in his article "Economic de-growth vs. steady-state economy". Kerschner's view of the problem was to some extent based on the work of Herman Daly. The author of the article believed that the rich industrialised countries should consider de-growing their economies and when the poor countries reach the same level there would be an equal steady-state economy worldwide [18].

It is also important to mention that there are critics of the concept steady-state economy. They argue that technological development and unrestrained market activity can overcome overpopulation, resource scarcity, and environmental issues.

An environmentalist Paul Hawken created a concept of natural capitalism in 1999. His key idea is that traditional industrial capitalism can no longer be viable and becomes harmful because it does not take into account some important things: natural resources, living systems, human capital. From a fundamental point of view, the position of natural capitalism is that business should take into account these important factors because the world's resources are rapidly depleting and nature will not be able to renew them.

The author of the concept recommends the adoption of new technologies that add value to natural resources, prevent pollution of production systems and do everything possible to mitigate the damage caused to nature by economic activities. Paul Hawken points out that business must learn to work in harmony with nature because in the condition of damaged ecosystems and resource depletion economic and social progress is impossible [19].

The members of the Club of Rome, a non-profit organization that deals with global warming, well-being, and humanitarian challenges, decided to model the development of mankind. The model takes into account the assumption that the existing trends in human development will continue in the future. The members of the Club of Rome tried to determine the consequences of such development. For the analysis scientists used system approach and method of mathematical computer modeling. The most important conclusion of this work is that if the existing tendencies of population growth, acceleration of industrialization rates and environmental pollution, as well as food production and natural resources depletion will be continued, then already at the end of the twenty-first century the world will come close to the limits of growth. The result is likely to be a sudden, uncontrollable decline in population as well as a sharp decline in production. Such situation is catastrophic for humankind. However, if we manage to change growth trends now,

the negative consequence may be avoided and the world may reach a state of global equilibrium. The state of global equilibrium implies that the needs of the entire population of the Earth are satisfied and there is no threat to sustainability. And the sooner mankind begins to work on the transition to this other way of development, the more chances we have to achieve success and the less time it will take to achieve stability both in the economy and social sphere [3].

In order to reach sustainability, we must implement a certain course of actions and set some clear goals. This course of action is referred to as sustainable development strategy.

The strategy of sustainable development must comply with certain principles. The main principles of sustainable development were defined in 1986 at the International Conference on Environment and Development in Ottawa. These principles are:

- combination of principles of environmental conservation and development of the society;
- maintaining the integrity of ecosystems;
- meeting basic human needs;
- achieving equality and social justice;
- ensuring social self-determination and cultural of diversity.

The concept of sustainable development still seems utopian, as it lacks clear, scientifically based criteria and does not allow for the identification of ways and means of approaching the ultimate goal, which also lacks clearly defined attributes. Because of this, it is important to consider the main approaches and indicators of sustainable development. A necessary condition of society's transition to sustainable development is the implementation of the five main principles.

1.The principle of ecologising the economy. According to this principle, economy requires legislative support for innovative environmental policy which should include emissions quotas, eco-labour tax reform, and organic sector development. The principle also implies transforming external environmental and

social factors associated with the depletion of natural resources and environmental pollution into internal costs of production and integrating them into the process of market pricing.

2.The principle of eco-resource capacitance. There are certain limitations of the exploitation of natural resources. They are primarily related to the biosphere's limited capacity for self-recovery.

3.The principle of entropic resource flow. No economy can exist without an entropic flow (circulation of resources). Thus, economic activity is fundamentally dependent on the availability of natural resources, sources of energy, and etc. These resources are of two types. The first is a renewable resources and the second is non-renewable. For instance, the first is related to the modern transformation of the solar energy flow, and the second is related to the Earth's mineral resources.

4.The principle of sustainable consumption and production. It is necessary to harmonize the way of life of society, especially of those who use surplus resources in particular regarding the use of energy and material resources. It is important to ensure the implementation of the principle of self-limitation of consumption and production. The size and rate of population growth must be aligned with the production capacity of the Earth's global ecosystem. The basic needs of all people must be met and all must be given the opportunity to implement their aspirations for a better life. Without this, the sustainable, long-term development of society is simply not possible.

5.The principle of co-evolution. The co-evolutionary development of mankind and nature lies in the symmetrical co-evolution of human systems (culture, technologies, and etc) and natural systems. Co-evolution implies constant interaction, interdependence and adaptation to changes in these two systems. According to the "co-evolutionary paradigm", humanity's capacity to adapt will always remain vital. Thus, we require environmentally sound policies to preserve biological and landscape diversity [3].

Implementation of a sustainable development strategy depends largely on the actions being taken. Such actions can be referred to as eco-policy. Eco-policy is a

system of activities related limiting and regulating the impact of society and economy on the environment.

There are five types of environmental policy:

1. Global - conduction of international, political and foreign economic actions taking into account environmental restrictions in social and economic development, reserves of natural resources available in the world and their distribution among countries.

For instance, Ukraine has signed more than 40 international legal documents, among which: The Treaty Banning Nuclear Weapons Tests in the Atmosphere, in Outer Space and Under Water; the WHO Convention on Protection against Ionizing Radiation; the Convention on Long-range Air Pollution; the Protocol to Limit Sulphur Emissions; the Vienna Convention for the Protection of the Ozone Layer; the Convention on Biological Diversity; the Convention on the Protection of the Black Sea against Pollution; the Convention on Climate Change; and etc.

2. Public - social and economic policy including elements of the international one. Public environmental policy is based on understanding the effects and disadvantages for the population and businesses associated with the ecological state of the territory.

For example, the Black Sea is characterized by a high level of pollution, so it hinders the development of recreation and tourism at the international level. It significantly reduces the competitiveness of the region, especially from the perspective of tourism industry. Therefore, if we address environmental issues and implement environmental control on this territory, the social and economic attractiveness of the Black Sea and Azov region will increase.

3. Regional eco-policy - the policy of the state oriented towards certain regions as well as the eco-policy implemented by the regions themselves.

The regional level environmental policy includes:

- regulation of use of natural resources of local importance;

- determination of environmental pollution standards (for instance, setting waste disposal standards);
- introduction of the economic mechanism of natural resources management at the regional level;
- monitoring and accounting natural resources management and environmental pollution;
- conduction of the state ecological expertise;
- state control over compliance with the environmental legislation;
- development of programs for environmental protection, definition and implementation of the investment policy;
- informing the population, business entities, institutions and organizations about environmental issues and environmental legislation.

4. Local level – monitoring local territories and certain objects; state control over compliance with environmental legislation; organization of development of local environmental programs and projects.

Improving the environmental situation on the local level may involve changes in property relations and the transfer of natural resources to the society or to local authorities.

5. Environmental policy at enterprise level. Once sustainable development becomes one of the main directions of economical and societal development, sustainable strategies are reflected in the eco-policy of enterprises and their long-term plans.

Ecological factors influence a number of financial indicators of a company:

- the gross and net profit ratio;
- indicator of cost of goods sold;
- the turnover ratio of fixed assets;
- the turnover of inventories;
- profit on average capital and earnings per share.

Thus, for a stable advantage over competitors, the management of a company or firm must rely not only on market efficiency, but also on ecological efficiency. In doing so, it is important to take environmental competitiveness into account. The environmental responsibility of companies is manifested in their attitude towards minimising environmental costs. It is reflected in the following processes:

- adaptation of the production process according to the environmental requirements;
- creation of products according to the environmental requirements;
- implementation of resource saving technologies [20].

Rules and principles of sustainable tourism development can be applied to all forms of tourism and types of accommodation and transportation. According to the UNWTO, principles of sustainable development of the tourism industry should take into account environmental, economic and socio-cultural aspects of tourism activity. State authorities and tourism enterprises should try to balance these three spheres for long-term sustainability.

Sustainable tourism should be based on the following principles:

- conservation and renewing of biodiversity;
- attracting investments in order to eliminate damage done to the environment;
- encouraging local population to be environmentally responsible;
- implementation of sustainable management concept;
- supporting the economy without causing damage to the environment;
- balanced use of natural resources [2].

The main tasks of the sustainable tourism are:

1. rational use of natural resources, conservation of natural heritage and biodiversity;
2. support of socio-cultural and historical heritage of the region;
3. ensuring economic profitability and contributing to the development of the population.

In order to monitor and assess implementation of sustainable development, certain criteria and tools were introduced. These criteria and tools can be referred to as indicators of sustainable development. The following projects of creating such indicators were created:

- system of sustainable development indicators that was introduced by the UN and consists of 132 indicators;
- system for integral environmental and economic accounting introduced by the Statistical division of the UN;
- programme of environmental indicators, and etc.

Today, there is a set of sustainable development indicators for tourism. This set includes the following:

- indicators of early prevention that consist of calculation of an optimal amount of tourism pressure on the region and reduction of the number of tourists;
- indicators of environmental stress that consist of assessing air and water quality, noise levels, waste management;
- indicators of current state of tourism sphere that includes a level of employment in the industry and level of economic efficiency;
- indicators of tourism impact on the environment, society, and economy that include assessing level of damage to the natural resources, loss of employment and income;
- indicators of management efficiency that include changes in levels of environmental pollution, quality of guest reception, numbers of tourists that return to the destination, and etc.

Other indicators that can be used in the strategy of balanced tourism include the following:

- scale of tourism (number of tourists and vehicles, time spent in the destination, projects of tourism development that are being implemented, and etc.);
- satisfaction of tourists (number of tourists that return to the destination, number of complaints, and level of satisfaction);

- quality of tourist enterprises' activity and satisfaction of tourists' needs (hotel occupancy, improvement or deterioration of tourist services' quality, level of employment in tourism, and etc.);

- reaction of local community (portion of local population that are satisfied with the level of tourist services, dissatisfaction with local tourism activity);

- impact on the environment (quality of air, soil, and water resources, environmental contamination; number of tourists that use public transport, number of companies that implement sustainable practices).

Indicators of sustainable development help monitor changes in the economic development of the tourism industry and its environmental impact.

In Ukraine, there are certain issues concerning making tourism more sustainable. These issues include:

- absence of an effective regulatory framework that reflects and regulates principles of sustainable development and features of sustainable development implementation;

- lack of funding;

- lack of personnel with expertise in sustainable development;

- lack of organizational expertise in ecological forms of tourism [2].

1.3. Foreign and Ukrainian experience of implementing sustainable development

Sustainable development is one of the priorities of the German government. Germany started to implement its first national sustainable development strategy in 2000. According to the national sustainable development strategy for Germany, the idea of sustainable development implies responsibility not only for the current generation but also for future generations within the country and the world.

Management of sustainable development includes management rules, goals and indicators that serve as a basis for constant monitoring. The main values that the national sustainable strategy aims to protect are equality of generations, quality of

life, social integrity, and international responsibility. The strategy focuses on the following spheres:

- Financial sustainability (stability of governmental budget, limiting the growth of national debt, creating the basis for stable euro in the whole EU).
- Sustainable economy (transition to the low-carbon production, rational use of materials, supporting the concept of corporative social responsibility).
- Climate and energy (reduce CO₂ emissions by 20% by 2020, maximize the share of renewable energy by 20% and increase its energy efficiency by 20%, reduce long-term energy consumption).
- Sustainable water policy (provide permanent access to clean and affordable water, management of water resources, sanitation).

Germany strives to become the most energy efficient country in the EU. This goal manifested itself in the national energy programme “Energiewende”. Some of the tasks listed in the programme are:

- Shutting down all 19 nuclear plants in the country;
- Increasing the tax on business activity that threatens the environment;
- Decreasing the amount of carbon emissions by the industrial and energy sectors and aviation;
- Increase the share of renewable energy by 20%.

The objectives of the programme were reached and some results even exceeded the set targets. For example, Germany aimed to decrease the amount of carbon emissions by 21 % by the end of 2012 from the level of 1990. As a result of the strategy, Germany managed to decrease the emissions by 24.7% [21]

Sweden's National Sustainable Development Strategy was developed in 2002. The strategy describes the current state of sustainable development and the country's future goals. The main issues addressed in this document are:

- Organizing effective interaction between economic, social and environmental development;
- Global sustainable development issues;

- Analysis of international and national activities in the field of sustainable development.

In its national sustainable development strategy, Sweden focuses on the following spheres: future environment, limiting the climate change, population and its health, social justice, well-being and safety, employment and education. Content of the Sweden's national strategy of sustainable development can be seen in the table 1.1 [22].

Table 1.1

National Sustainability Strategy of Sweden [22]

Main spheres	Goals
Future environment	Non-toxic environment, balanced marine environment, thriving coastal areas and biodiversity conservation.
	Efficient use of energy and transport, policy of materially efficient production cycles, efficient management of water and land resources.
Limiting the climate change	Reduce total CO2 emissions by 4.5 tonnes by 2050.
	To approve the program of cooperation with companies of machinery manufacture, according to the existing energy and transport structures, taxes on carbon dioxide emissions, reduction of worker taxes.
Population and its health	Motivate the older generations to work, support the mobility of labour and opportunities for employment, guarantee economic security in the event of a loss of income.
	Enable further work for people of retirement age, approve the plan of health and work activities.
Social justice, well-being and safety	Reduce the level of crime and increase individual security, provide quality education in a safe environment, support policy of gender equality.
	Make gender equality a priority, provide equal rights to national minorities.
Employment and education	Prepare an action plan for education on the topic of sustainable development, support scientific projects, research, and innovation in the sphere of environment, agriculture, spatial planning.
	Become a leading nation in sustainable development research through the allocation of financial resources, guaranteeing more social recruitment and supporting sustainable disciplines on the academic level.

Thus, we can see that Sweden has a well-developed sustainable development strategy with clearly defined goals.

In 2015, Ukraine signed its national sustainable development strategy “Ukraine – 2020”. The main task of the document was to introduce European standards of living.

Implementation of the goals described in the document was planned to be carried out according to the following vectors:

- development vector (ensuring sustainable development of the state, implementation of structural reforms and, as a result, higher standards of living);

- vector of security (providing guarantees of security of the state, business and citizens, security of investment and private property);

- vector of responsibility (ensuring that every citizen, regardless of race, nationality, political, religious and others characteristics will have access to high-quality education, health care and other services in the public and private sectors);

- vector of pride (ensuring mutual respect and tolerance in society, pride for the state, its history, culture, science, and sport).

Ukraine also accepted a project “Sustainable development strategy of Ukraine till 2030”. The document reflects 17 sustainable development goals defined by the UN strategy in 2015. Two main aspects of the project are guarantee of the national interests and transition to the sustainable development.

In the document the following goals are listed:

- overcoming imbalances in the economic, social and environmental spheres;
- transformation of economic activity, transition to the principles of "green economy";

- building a peaceful and safe, cohesive society with good governance and inclusive institutions;

- institutional partnership of state authorities, local government bodies, business, science, education and organizations of civil society;

- full employment of the population;

- high level of science, education and health care;

- maintaining the environment in condition that will ensure the quality of life and well-being of present and future generations;
- decentralization and the introduction of a regional policy that provides for a harmonious mix of national and regional interests;
- preservation of national culture, values, and traditions [23].

Thus, we can see that Ukraine intends to implement the sustainable strategies set by the UN in 2015. Nevertheless, there are certain issues that can hinder the transition of Ukraine to sustainable development. For instance, a lack of personnel with the needed expertise and a lack of funds for implementing the strategy can have significant impact on how well the programme is being realised.

Conclusion of the first part

There are different approaches to describing the concept of sustainable development but all these approaches imply that such development allows humanity to meet all its needs and at the same time limits its environmental footprint to allow future generations to have a decent level of life.

Ideas similar to the concept of sustainability were described by economists as early as in the 18th century. For instance, Adam Smith introduced a concept of stationery state of the economy, and many other scholars after him further elaborated on such theories as steady-state economy and etc. Some economists believe that at some point economic development has to reach a stable level, because constant economic growth cannot be supported by the limited resources of the environment. Nevertheless, modern economists and policy makers argue that with implementation of certain restrictions and energy and material efficient technologies, the economy can grow within the limits of the Earth's capacity. Also, international conferences recognise that we should reduce our impact on the environment not by inhibiting the development of the economy but by implementing new technologies and regulations.

In order to monitor implementation of sustainable development strategy, indicators of sustainable development can be used. Indicators of sustainable development in the sphere of tourism include indicators of early prevention of environmental damage, indicators of environmental stress, indicators of current state of tourism sphere, indicators of tourism impact on the environment, society, and economy, and indicators of management efficiency.

We considered national sustainable development strategies of Sweden, Germany, and Ukraine. After this, we can make a conclusion that European countries reflect sustainable goals defined by the UN for 2030 in their national strategies but also add country specific features to their strategies.

In 2015, Ukraine introduced its first national sustainable development strategy “Ukraine – 2020”. The strategy aimed at ensuring European standards of living by adopting reforms, fostering mutual respect and tolerance in the society, providing security and sustainable development of the economy, and creating equal opportunities for people regardless of their racial, religious, political, or other characteristics. Also, Ukraine adopted a project “Sustainable development strategy of Ukraine till 2030” that reflected 17 sustainable development goals introduced by the UN. The project also guarantees protection of national interests and transition to sustainable development.

The UNWTO recognizes that tourism, as an industry that intensely exploits the environment, needs certain regulations and improvement. Also, tourism is one of the industries that are rather vulnerable to environmental issues. Thus, tourism enterprises should have special interest in adopting sustainable development strategies.

2. ANALYSIS OF CORAL TRAVEL'S BUSINESS ACTIVITY

2.1. General characteristics of the enterprise

The tour operator Coral Travel is a limited liability company that started its business activity in 1994 in Russia. In 2008, the company was registered in Ukraine. The operator has 5 offices in Ukraine: the main office is in Kiev and regional offices are located in Odessa, Kharkiv, Lviv, and Zaporizhia. Today, Coral Travel also operates in Poland, Belarus, Georgia, and Turkey. The company deals both with domestic and outbound tourism and is oriented towards a market segment with middle and upper-middle level of income. It offers tours to Austria, Andorra, Bulgaria, Vietnam, Greece, Dominican Republic, Egypt, Israel, India, Indonesia, Jordan, Spain, Italy, Cyprus, Cuba, Mauritius, Maldives, Morocco, Mexico, UAE, Seychelles, Singapore, Thailand, Tanzania, Tunis, Turkey, and Sri Lanka. Coral Travel focuses mainly on traditional sun and sea trips, but can also provide other types of tours. The tour operator organizes group and individual tours with its own charter programs and regular flights, develops incentive and business trips, sport and other types of tourism. In Ukraine, the operator offers sun and sea, health, rural, and urban tours.

Coral Travel is one of the largest tourism firms of Ukraine. In 2018, Coral Travel was the fifth largest tour operator in Ukraine in terms of the number of tourists served. Ukrainian tour operators with the largest number of tourists served in 2018 are listed in the table 2.1

Table 2.1

Ukrainian tour operators with the largest number of tourists served, 2018 [24]

№	Tour operator	Number of tourists
1	2	3
1	LLC "Join Up!"	902 600
2	LLC "Tourism company "Anex tour"	515 582

End of the table 2.1

1	2	3
3	LLC “Accord-tour”	297 744
4	LLC “Tez tour”	284 956
5	LLC “Coral Travel”	243 729
6	LLC “TTVK”	230 462
7	LLC “Travel Professional Tour”	229 484
8	LLC “Pegas Touristik”	115 887
9	LLC “GTO”	66 400
10	PJSC “Obriy Inc.”	41 576
Total:		3 376 350

Also, the same year, the company was the seventh largest tour operator in Ukraine in terms of the number of employees with 132 staff members. [24].

According to the license register of travel companies, sum of financial guarantee of Coral Travel is EUR 20000 [25]. Coral Travel’s entry in the register can be found in the appendix B.

According to the company’s official webpage, a screenshot of which can be found in the appendix A, the mission of Coral Travel is to contribute to the creation of a civilized tourist market where the relationship between clients, travel agencies, and the tour operator is based on mutual trust and respect. The ultimate goal of the company is to make high-quality tourism product accessible for everyone in Ukraine.

The main objective of Coral Travel is to further improve the efficiency of the company's operations and its competitiveness in the market, which implies targeted work in four areas:

- management of market expectations by strengthening loyalty to the company's products and effective measures to further improve brand awareness of Coral Travel;

- improvement of the company's performance by higher sales volumes and differentiation of tourist products, continuous monitoring of the current market situation and operational adjustment of plans;

- improving the quality of the company's management through effective planning and improving the accuracy of performance forecasts;

- working according to the highest international standards, introduction of innovative tourism technologies [26].

Coral Travel's future plans include increasing its market share, expanding its business by improving quality, developing new destinations, and expanding the range of services provided. Also, one of the aims of the company is to keep its position among the leading tour operators in Ukraine.

Coral Travel is owned by a large international corporation OTI Holding. The OTI Holding was founded in 1992. The Holding consists of some of the leading brands of the international tourism sector that operate as tour operators, travel agencies, hotel businesses, Destination Management Centers (DMCs), aviation business, and companies that deals with security in the tourism sphere [27].

The following trademarks currently operate as subsidiaries of OTI Holding: OTI Hotels & Resorts, ODEON Tours, Coral Travel, Wezyr Holidays (Poland), Sunmar (Russia), Ferien Touristik (Germany), Odeon Software & Technology, Blue Connect, and Odeon Security.

At the moment, OTI Holding mainly focuses on markets of such countries as Turkey, Ukraine, Georgia, Russia, Belarus, Azerbaijan, Albania, Kazakhstan, and Germany.

According to the company, its aims are creating maximum benefits for its customers, employees, society as a whole, and shareholders through efficient and regular investment in the development of a quality product and environmental awareness. Also, OTI Holding aims to become one of the five main tourism companies in the European region and transition to the global market [28].

In 2017, OTI Holding became a leader in the tourism sector of Turkey and specifically Antalya. In total, it brought 1,196,616 tourists to the country. These tourists purchased their tours in the company's home markets in Ukraine, Russia, Poland, Germany, Belarus and Georgia. In total, in 2017 OTI Holding provided a wide range of its services for 2.7 million tourists. Package tours constituted 2.3 million of the total number of sold tours.

OTI Holding maintained its leading position in 2018, bringing a total of 1,524,704 tourists to Turkey. Antalya was visited by 1,377,345 of them. In the same year, OTI Holding sold services to a total of 3.1 million tourists. Package tours constituted 2.8 million of sells and the remaining 0.3 million sells consisted of airline tickets only. In 2018, the most popular destinations were Turkey, Thailand, Egypt, Greece, UAE, Tunisia and Spain [29].

According to the data collected by Turkish researchers, Turkish branch of Coral Travel and Odeon Tours together received 271,091 tourists in 2016, 1,079,442 in 2017, and 1,377,345 in 2018. Coral Travel is the leading receiving tour operator in Turkey with a market share of 11.3%.

Also, in 2018, Coral Travel held the second position among Ukrainian tour operators with the largest number of sold tours to Antalya. Out of 715,011 Ukrainian tourists sent to Antalya this year, 118,496 were sent by Coral travel. The first position was held by Anex with 175,000 tourists and the third one was occupied by TUI with 112,539 tourists. These figures made Ukraine the third most important market for Antalya after Russia and Germany [30].

Coral Travel sells its tour product together with the company Odeon Tours which was the first company established by OTI Holding in 1992. In 2011, Odeon Tours received the international certificate ISO 9001:2000 for management quality from one of the world's leading organizations for inspection, testing, and certificate Bureau Veritas.

Odeon Tours provides services of inbound tourism and receives tourists in Turkey, Egypt, Spain, Thailand, UAE, and Greece. The company works with tour

operators from Ukraine, Belarus, Russia, Turkey, Georgia, Poland, Germany, and Balkan countries.

In 2009, Odeon Tours established Environmental Management System as part of the general environmental policy of the OTI Holding.

OTI Holding states that tourism entities must fulfill their responsibility to protect the environment and improve the quality of living conditions, because the tourist sector extensively exploits the environment and benefits a lot from it. Therefore, in 2009, the company set out certain guidelines regarding environmental protection. These guidelines are to be followed by all structures and subsidiaries of the company.

OTI Holding issued the Environmental and Green Manifest that states the following: “OTI Holding accepts and applies the sustainable tourism principles as a part of its corporate quality standards. One of the most important targets of our establishment is to contribute to the development of tourism and maintain its activities in cooperation with the relevant establishments regarding this subject. As OTI Holding, we believe that it is possible to maintain tourism only via persons and establishments who respect the history and varied cultural structure of the lands in which we live, and produce global strategies without losing local values. For this reason, we take the protection of natural sources as a field of producing unique and participant projects instead of a means of marketing.”

Also, the company has developed the “OTI Forest” project in order to compensate for a part of the amount of carbon dioxide that is released into the atmosphere by the company’s business activity [31].

As we can see, the company recognizes significance of sustainability but, nevertheless, there is no publicly accessible information about any clearly defined sustainable goals or results. It is important to note that although the tour operator Coral Travel as a subsidiary of the OTI Holding has to follow the same principles, the operator hasn’t reflected these ideas on its official sources. It might mean that there is

no clearly defined sustainable strategy on the enterprise and, therefore, such strategy should be developed.

Ukrainian association of travel agencies (UATA) made a survey among managers of Ukrainian travel agencies. Managers were inquired about tour operators that have their own programmes for the most popular destinations of mass tourism. The list of tour operators included Coral Travel, Pegas Touristik, Kompas, TUI, ALF, TEZ Tour, Anex Tour, Join UP!, and TPG. Tour operators were evaluated in terms of their convenience for tourists. The following criteria were assessed: compliance of announced charter programme, flight cancellations and delays, frequency of a failing to provide booked accommodation, guides' work evaluation, confirmation of orders (speed, frequency of refusals), guarantee of better price for early booking, and assistance in solving controversial issues. Each criterion was assessed on a scale from 1 to 5. Out of 9 tour operators, Coral Travel held the third position in the rating with the general score of 4.02. The lowest score of the operator was 3.51 for guarantee of better price for early booking. The highest score of the operator was 4.44 for compliance of announced charter programme. The results of the survey are showed in the table 2.2 [32].

Table 2.2

Rating of tourist-friendly Ukrainian tour operators, summer 2019 [32]

Tour operator	Compliance of announced charter programme	Flight cancellations and delays	Frequency of a failing to provide booked accommodation	Guides' work evaluation	Confirmation of orders (speed, frequency of refusals)	Guarantee of better price for early booking	Assistance in solving controversial issues	Final score
1	2	3	4	5	6	7	8	9
TEZ Tour	4.82	4.51	4.65	4.35	4.24	3.73	4.21	4.36
Pegas Touristik	4.51	4.09	4.58	4.19	4.14	3.59	4.01	4.16

End of the table 2.2

1	2	3	4	5	6	7	8	9
Coral Travel	4.44	4.13	4.36	3.89	4.07	3.51	3.77	4.02
Kompas	4.39	4.11	4.30	3.84	3.71	3.48	3.65	3.93
TUI	4.28	3.83	3.95	3.76	3.93	3.72	3.63	3.87
ALF	4.09	3.95	4.06	3.69	3.39	3.18	3.44	3.69
Anex Tour	3.90	3.03	4.38	2.73	3.97	3.39	2.89	3.47
Join UP!	3.00	2.31	4.04	3.45	3.55	3.97	3.88	3.46
TPG	3.77	3.56	3.48	3.37	3.08	3.28	3.17	3.39
Average score	4.13	3.72	4.20	3.70	3.79	3.54	3.63	3.82

The UATA also made a similar survey about tour operators regarding convenience of their cooperation with travel agents. The following criteria were assessed: fairness of commission programme (size, scale), Internet site (convenience, speed), relevance of prices of booking, use of Promo Price, hidden payments (additional flight fee), confirmation of orders, call-centre's work evaluation, assistance in solving controversial issues, conditions of payment for early booking, and invoicing. The results of the survey are showed in the table 2.3 [33].

Table 2.3

Rating of agency-friendly Ukrainian tour operators, summer 2019 [33]

Tour operator	Fairness of commission programme (size, scale)	Internet site (convenience, speed)	Relevance of prices of booking	Use of Promo Price	Hidden payments (additional flight fee)	Confirmation of orders	Call-centre's work evaluation	Assistance in solving controversial issues	Conditions of payment for early booking	Invoicing	Final score
1	2	3	4	5	6	7	8	9	10	11	12
TEZ Tour	4.27	3.92	4.52	4.55	4.36	4.26	4.07	4.20	4.22	4.56	4.29
Join UP!	4.36	4.55	4.14	4.70	4.34	3.51	3.77	3.72	4.47	4.71	4.23

End of the table 2.3

1	2	3	4	5	6	7	8	9	10	11	12
Pegas Touristik	4.19	4.00	4.43	4.05	4.14	4.12	3.69	3.90	4.21	4.60	4.13
Kompas	3.87	3.71	4.04	4.24	4.13	3.64	3.57	3.65	3.97	4.30	3.91
TUI	3.97	3.89	3.59	2.32	3.10	3.75	3.39	3.43	4.29	4.56	3.63
Coral Travel	3.40	3.20	4.08	1.87	3.64	4.10	3.44	3.55	4.16	4.34	3.58
ALF	3.68	3.43	3.47	2.83	3.40	3.28	3.42	3.43	3.78	4.10	3.48
Anex Tour	3.98	3.93	3.07	4.28	1.74	4.11	1.87	2.62	3.48	4.20	3.33
TPG	3.51	3.34	3.10	1.88	3.10	2.75	3.33	2.94	3.89	4.25	3.21
Average score	3.91	3.77	3.83	3.41	3.55	3.73	3.39	3.49	4.05	4.40	3.75

In this rating, Coral Travel held the sixth position with the general score of 3.58. The lowest score of the operator was 1.87 for use of Promo Price. It is necessary to point out that it is also the lowest score for the use of promo price among all 9 tour operators. The highest score of the operator was 4.34 for invoicing.

As we can see, Coral Travel has high scores in terms of convenience for tourists and somewhat mixed scores in terms of convenience for travel agencies. For instance, its scores for fairness of commission programme, performance of the Internet site, hidden payments, call-centre's work evaluation, and assistance in solving controversial issues are quite mediocre. Its score for use of promo price is rather low, which can be beneficial for tourists but disadvantageous for a travel agency, as it reduces the price for travellers at the expense of travel agency's commission.

2.2. Internal Environment of the travel agency Coral Travel

Tour operator Coral Travel offers franchise rights for Coral Travel travel agency and Coral Elite Service travel agency. Coral Elite Service provides specialized tour programmes for customers of high income. Elite Service programme offers travellers an extended range of services beyond the traditional tour package. An ordinary Coral Travel agency is oriented toward middle and high middle income clients.

The tour operator also provides promotional tours to managers of its agencies as well as business trainings (Coral School of Leadership), adaptation trainings for new agents (Welcome trainings), support in advertising, call-centre support, and provides brochures and souvenir production.

Requirements that must be fulfilled in order to open a travel agency under the trade mark of Coral Travel and royalties are listed in the table 2.4.

Table 2.4

Requirements for opening a Coral Travel office [34]

Region	Entrance fee, UAH		Royalty UAH/month	Plan GOLD people/year	Plan PLATINUM people/year
	Operating travel agencies	New travel agencies			
Kiev	14000	28000	2500	350	700
Kharkiv, Odessa, Dnepr, Lviv, Zaporizhia	8000	28000	2000	220	500
Cities with population over 100 thousand people	8000	28000	1000	200	500
Cities with population under 100 thousand people	8000	28000	1000	180	500

As we can see, the requirements differ depending on the city where you intend to set up a Coral Travel franchise and on whether you already have an operating agency or want to open a new one.

Basic commission for agencies that sell tours provided by the tour operator Coral Travel is 10%. Travel agencies that belong to the Coral travel agency branch receive the maximal possible commission of 13% [34].

There are 15 Coral Travel travel agencies in Kharkiv. Coral Travel travel agency of a private entrepreneur V. B. Yemelianenko is located on Nauki Avenue, 13.

The travel agency carries the same mission as the operator and this mission is to create in Ukraine a civilized tourist market where the relationship between clients, travel agencies, and the tour operator is based on mutual trust and respect. The ultimate goal is to produce an accessible tourist product of high-quality.

The main goals of the agency are increasing efficiency of the business and its competitiveness. These goals are expected to be reached by improving customers' loyalty and brand awareness, increasing sales and differentiating tourist products, improving efficiency of management, and ensuring that the service complies with the highest international standards.

It is important to note that sustainability is not considered to be one of Coral Travel's objectives and is not included in the company's strategy. It means that such strategy is to be developed and implemented.

The travel agency performs the following tasks:

1. Advertising.

The travel agency advertises tours offered by the tour operator in the local market at the travel agent's own expense and bearing financial responsibility for it. Thus, the agent independently decides which of the tours will be positively received in the local market and then advertises them by all means available to the agency using its own money.

2. Providing information.

Sharing reliable information about the tourist product is one of the main tasks of the travel agency. Managers of the agency use their working experience and professional knowledge in order to advise clients on choosing the right product that would satisfy their needs and wants. Managers provide details on accommodation, transfer, catering, excursions, and other services that make up a tourism product.

3. Sale of tours.

The travel agency acts as a mediator between the tour operator and tourists and sells tours created by the tour operator. For selling tours, the agent receives a certain percent of commission from the operator. For completing the plans of sale developed by the operator, the agency receives monetary rewards.

4. Purchase of additional services.

In order to ensure that a tourist will receive the maximal possible comfort from the tour, the travel agency purchases additional services from the tour operator or directly from suppliers (hotels, transport companies, and etc.).

The main service of the travel agency is selling tours to clients. As the company is oriented toward mass tourism, its most popular directions are Turkey and Egypt. The most popular type of tours are sun and sea and SPA tours, family vacations, and tours for children.

The agency provides tours to such Turkish tourist centres as Istanbul, Kemer, Antalya, Belek, Side, Alanya, Didim, Marmaris, Fethiye, Izmir, Kusadasi, and etc. Because of its geographic location and access to four seas (Black, Marmara, Aegean, and Mediterranean seas), Turkey is one of the most popular places for tourists who prefer traditional sun and sea holidays.

The agency also sells SPA and wellness tours to Turkey, because the country has a wide range of SPA and health resorts with mineral springs, healing muds, and etc.

Tours for active travellers are also available. Such tours include ski holidays in winter resorts in Turkish mountains, visiting caves, rafting, bicycle tours, sailing, and climbing.

Coral Travel provides tours to such Egyptian tourist centres as Hurghada, Sahl-Hasheesh, Makadi Bay, Soma Bay, Safaga, Marsa Alam, Port Galib, El Gouna, Aharm El Sheikh, Taba, Nuweiba, and Dahab. Along with sun and sea and SPA tours, Egypt is also known for its excursion programmes. Traditional tours to the seaside usually also include visiting places of cultural and historical importance.

The agency provides the following additional services:

1. Visa support.

The travel agency provides its clients with information about visa requirements for all travel directions and advises on what type of visa a tourist has to get and on what procedures must be undergone in order to obtain the visa.

2. Booking services.

The travel agency provides booking of accommodation, flights, tickets, excursions, and other tourist services that can either be purchased separately or supplement the tour as additional services.

3. Travel insurance.

The travel agency advises its clients on the insurance programme that is suitable to the chosen tour and helps to pick up an insurance policy.

In the travel agency, there are two members of staff that regularly work in the office. The functions of each position are shown in the table 2.5.

Table 2.5

Analysis of functions distribution inside the enterprise [created by the author]

№	Name of the position	Main functions
1	2	3
1	managing director	manages the enterprise bears financial risks studies demand manages the development of business plans ensures that the agency achieves planned financial performance organizes the work of the agency manages the personnel

1	2	3
		supervises the agency's performance
2	tourist manger	collects, studies, and analyzes customer requirements for tourist services picks up the most suitable services for clients establishes contacts with hotels and organizations that provide sightseeing and transport services provides the client with necessary information provides information support for travelers during a trip

As we can see, managing director deals with the majority of strategic and managerial issues and a tourist manager mainly works with clients.

In terms of marketing, as a franchise the travel agency only engages in advertising and the rest of marketing activities (organization of presentations, participation in professional conferences and exhibitions, creation of marketing strategy, and etc.) is performed by the tour operator.

The travel agency advertises its services through social media, messengers, and e-mailing its customer base. The agency shares information about new tours, special offers and sales, descriptions of destinations, hotels, and etc.

2.3. External environment of the travel agency Coral Travel

External environment consists of factors and forces that affect the organization from outside. Analysis of external environment is of crucial importance. Usually, external environment is rather dynamic. Therefore, studying external environment allows an enterprise to adapt to changing conditions, which ensures the efficiency of business and its competitiveness. External environment of the travel agency consists of the following elements:

- Demand. Because of the low average income of the population, purchasing power of customers has also been low. Especially after the implementation of quarantine measures in the country, many people face significant or complete loss of income. As a result, purchasing power will likely remain low for a rather long period of time.

- Competitors. Local market is oversaturated with travel agencies that sell similar services. Also it is important to note that there are 15 Coral Travel travel agencies in Kharkiv and they all sell the same product. So, the competition in this sphere is quite harsh.

- Global events. COVID-19 pandemic and travel restrictions that have been imposed worldwide have already seriously affected travel industry and are likely to have a rather long-term impact.

-Economy. Depreciation of the national currency will result in increased cost of services and products provided by suppliers.

In order to identify a strategic position of the enterprise, we will use SPACE analysis. SPACE analysis is a method that can be used in planning and management to make strategic decisions and choices. SPACE stands for Strategic Position and Action Evaluation [35].

The analysis assesses the external environment using criteria of environmental stability and industry attractiveness and helps to identify an appropriate strategy for an enterprise. The internal environment is assessed using criteria of competitive advantage and financial strength. Each criteria has 6 factors that can be specific for a particular enterprise. Each factor is assessed on a scale from 0 to 6 points. 0 points indicates very unfavourable conditions for a factor and 6 points indicates favourable conditions.

Assessment of the factors that determine strategic position of the travel company Coral Travel is presented in the table 2.6.

Table 2.6

**Assessment of the factors that determine strategic position of the
enterprise [created by the author]**

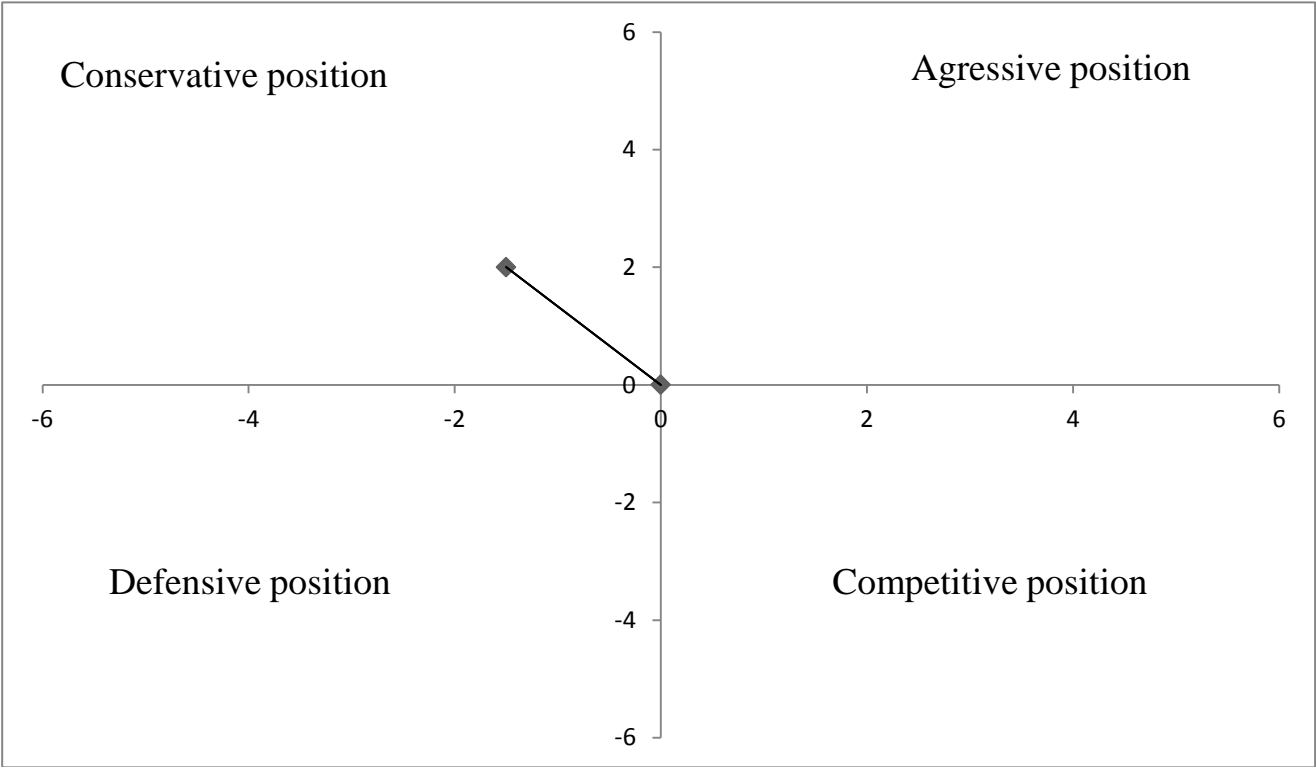
Criteria	Factor	Points
Financial capacity (FC)	funds	4
	debt	6
	available versus required capital	6
	profit	2
	franchise	4
	possibility to reduce expenses	1
	average	3.8
Environmental stability (ES)	taxation policy	3
	demand	1
	Inflation rate	2
	competitors	1
	transportation	1
	legislation	3
	average	1.8
Competitive advantages (CA)	diversity of products and services	5
	company image	5
	quality of services	5
	specialists	5
	technology	3
	innovation	3
	average	4.3
Industry attractiveness (IA)	growth potential	3
	resource utilisation	3
	profit potential	2
	financial stability	2
	labour	4
	complexity of entering the industry	3
	average	2.8

To identify the company’s strategic position, we should put the results into axes of the matrix. To get the figure on the X axis we subtract the mean of IA from the mean of CA. In order to get the figure on the Y axis we subtract the mean of FC from the mean of ES. By doing so we will get the following:

$$X = 2.8 - 4.3 = -1.5$$

$$Y = 3.8 - 1.8 = 2$$

Results of the analysis are demonstrated by the graph 2.1.



Graph 2.1. Strategic position of the enterprise [created by the author]

The result of SPACE analysis shows that the travel agency currently has conservative position in the market. It means that the industry now undergoes low growth rate and potential course of action for the enterprise is to support its most profitable products and services and reduce costs.

In order to analyse external and internal environment of the travel agency we can also use SWOT analysis. SWOT analysis implies identifying factors of external

and internal environment of an organization. These factors can either help or hinder a business in reaching its goals.

In SWOT, S and W stand for strengths and weaknesses of the internal environment of the object of analysis. Internal factors are something the enterprise usually can influence. O and T stand for opportunities and threats. These are factors of the external environment. They have certain impact on the object but can't be controlled by it [36].

SWOT analysis is often used in strategy development, assessing competitiveness of a business, and its overall potential.

Travel agency Coral Travel has the following strengths:

1. Brand awareness.

Coral Travel is one of the largest tourist companies in Ukraine. It is also one of the most well-known. Travel agencies that operate under this trademark are present in many cities of Ukraine. Brand awareness is important as customers tend to trust brands that they've hear. Such brands are perceived by many as more stable, successful, and, therefore, trustworthy.

2. Personnel qualification.

According to the rules of Coral Travel, only people with at least 2 years of experience in the tourism sphere can work travel agencies of Coral Travel. Thus, personnel of the travel agency have significant experience in the industry. The personnel also have knowledge of one or more foreign languages.

3. Customers' loyalty.

The travel agency has already been operating for several years. Over this period of time, it earned its own client base of regular customers. These clients express their loyalty by regularly using services of the agency.

4. Location

The travel agency is located in the centre of the city and can easily be reached with public transport. Also, the distance between travel agencies of the Coral Travel

branch is regulated by the tour operator in order to ensure that there is no oversaturation in one place.

5. The operator has developed its own information system for travel agencies.

The system significantly facilitates the process of booking accommodation and transportation services.

Travel agency Coral Travel has the following weaknesses:

1. Tour operator's use of promo price.

According to the survey performed by the UATA, tour operator Coral Travel often uses promo prices for its tours. It can be rather harmful for the agency, because promo price makes tours cheaper for tourists at the expense of the operator's commission.

Travel agency Coral Travel has the following opportunities:

1. Although the agency works under the trademark of Coral Travel, it is allowed to work with other tour operators.

According to the rules of the tour operator, travel agencies must prioritise selling tours created by Coral Travel but also have a right to sell products of other tour operators. Nevertheless, there are certain conditions:

- The tour operator Coral Travel has developed a list of alternative tour operators with which a travel agency can work. The list also contains the size of commission that a travel agency can get from these alternative operators.

- Sales of tours by Coral Travel must not be lower than 65% of the total number of tours sold.

- The agency can sell tours created by alternative tour operators only if the tour operator Coral Travel can't provide a product requested by a tourist.

Travel agency Coral Travel has the following threats:

1. Impact of COVID-19 pandemic.

Tourism industry is one of the hardest-hit by the current pandemic. The majority of countries have imposed travel bans or restrictions and it is very probable that certain travel restrictions will remain in effect for a rather long period of time. As

of the beginning of April 2020, it is estimated that this year international tourist arrivals may decrease by 20-30%. It is also worth keeping in mind, that because the situation continues to rapidly evolve, all current estimates are premature and can't accurately forecast the consequences of the pandemic. The UNWTO also estimates that the world's tourism market will be experiencing loss in a number of tourists for the next 5 to 7 years [37].

2. Reduction of clients' income and buying capacity.

Because of the quarantine measures, many potential customers experience significant or complete loss of income. Therefore, their buying capacity is low and will probably remain so for a long period of time. The travel agency will definitely continue to face a considerable drop in sales long after the quarantine restrictions are lifted.

3. Depreciation of UAH exchange rate.

Depreciation of UAH exchange rate contributes to the increase of the cost of tourist product, tickets, visa fees, and etc. It becomes disadvantageous for customers to exchange national currency.

4. Competition

The local market is saturated with travel agencies that also specialize on mass tourism. Moreover, there are 14 other Coral Travel travel agencies in Kharkiv that sell the exact same tourist product.

5. Uncertainty.

Under the current circumstances, it is difficult both for tourists and tourism business to plan ahead and make decisions. Therefore, it isn't clear when the industry will come back to normal.

According to the analysis, travel agency Coral Travel has a rather strong internal environment. Nevertheless, the business is being negatively affected by the challenges in the external environment. A table that presents a brief summary of the SWOT analysis can be found in the appendix C.

Conclusion of the second part

Tour operator Coral Travel is one of the largest tourism firms of Ukraine. In 2018, Coral Travel was the fifth largest tour operator in Ukraine in terms of the number of tourists served. That year, the operator served 243 729 tourists.

Coral Travel is a mass tourism tour operator and focuses mainly on traditional sun and sea trips, SPA and wellness tours, family holidays, and tours for children. Its main directions are Turkey and Egypt. In Ukraine, the operator offers sun and sea, health, rural, and urban tours. The operator is oriented towards a market segment with middle and upper-middle level of income but also has an Elite Service travel agency branch that focuses on customers with high income.

The mission of Coral Travel is to contribute to the creation of a civilized tourist market where the relationship between clients, travel agencies, and the tour operator is based on mutual trust and respect.

Coral Travel is owned by a large international corporation OTI Holding. OTI Holding also has other subsidiaries such as OTI Hotels & Resorts, ODEON Tours, Coral Travel, Wezyr Holidays (Poland), Sunmar (Russia), Ferien Touristik (Germany), Odeon Software & Technology, Blue Connect, and Odeon Security.

The travel agency Coral Travel works as a franchise. The main goal of the agency is to increase efficiency of the business and its competitiveness. This goal is to be reached through improving customers' loyalty and brand awareness, increasing sales and differentiating tourist products, improving efficiency of management, and ensuring that the service complies with the highest international standards.

After analyzing internal and external environment of the travel agency with SPACE and SWOT analysis, we can make a conclusion that the agency has a rather strong and favourable internal environment (service and its quality, personnel, etc.) but external environment is being seriously affected by very challenging events and changes in the economy and the world as a whole.

As it's already been mentioned, sustainability is not considered to be one of Coral Travel's objectives and is not included in the company's strategy. So, absence of such strategy gives us an opportunity to suggest our own vision of sustainable development for Coral Travel.

3. RECOMMENDATIONS ON IMPLEMENTATION OF THE SUSTAINABLE DEVELOPMENT STRATEGY

3.1. Development of a sustainable development strategy for Coral Travel

As we have already mentioned in the analytical part, Coral Travel lacks a specific stance on the topic of sustainability. Although OTI Holding issued the Environmental and Green Manifest in 2009 and claims to have certain sustainable guidelines that are to be followed by all of its subsidiaries, the tour operator Coral Travel doesn't consider sustainable development to be one of its objectives. Absence of sustainable development strategy at the enterprise gives us an opportunity to develop such strategy.

The main aim of the project is to develop a sustainable development strategy for a tourist company Coral Travel taking into account features of its business activity, potential constraints, available resources, and other elements of the external and internal environment of the enterprise. Key objectives of the project are the following:

1. Develop a sustainable development strategy of the tour operator Coral Travel;
2. Give recommendations for implementation of the sustainable development strategy;
3. Assess possible results of the implementation of the sustainable development strategy.

It is necessary to emphasise that all recommendations in the project part are to be implemented primarily by the tour operator. As a result of sustainable strategy implementation by the operator, the same principles and course of action will be adopted by the travel agency.

Strategy development is the process of forming a promising direction for the enterprise which describes the achievement of certain long-term goals taking into account the factors of internal and external environment of the enterprise.

Ensuring sustainable development of the enterprise requires considering external factors (economic, social, legal, environmental, and etc.) and internal factors (funds, resources, personnel, social and environmental constraints, corporate mission, strategic goals, etc.) of influence on the activities of the company.

According to the Organization for Economic Cooperation and Development (OECD), an efficient strategy for sustainable development both for an enterprise and for a particular region is a set of objectives and capacities of the private sector, society, and government to create sustainable future and move tactically towards it.

The organisation states that sustainable development doesn't always imply creating a completely new model or strategy but rather taking already existing initiatives and bringing them closer to an efficient sustainable development strategy by combining them with a new vision and a set of processes and mechanisms [38].

The key to a successful strategy is to focus on environmental, social and economic factors. Implementation of sustainable development strategy will have a positive impact not only on a particular enterprise but also improve the ecosystem in which it operates, social sphere, and economy. The main points to consider when implementing the sustainable development concept are:

- macro-level sustainable development risks and opportunities often appear over a longer time period than most medium-term strategic plans;
- sustainable development trends may affect operational capability;
- environmental, social and economic factors are a necessary component of consequences analysis which is a useful way to predict and test the future strategy's feasibility;
- clear criteria will help evaluate the feasibility of the proposed initiatives including analysis of costs and benefits ratio, social and environmental impact, quality, and productivity.

Principles of company's sustainable development strategy should become the basis for building company's social responsibility. Key principles of corporate sustainable development strategy include:

1. Precautionary principle.

This principle implies protection of the environment against irreversible changes.

2. Principle of anticipation and prevention.

The principle of anticipation and prevention implies that an enterprise evaluates possible consequences of its actions in order to prevent potential negative environmental impact.

3. Principle of production ecologization.

This principle implies that a company's transition to environmentally friendly technologies in production process in order to reduce its negative impact on the environment.

4. "Polluter pays" principle.

According to this idea, an enterprise that causes significant damage to the environment is obliged to compensate the full cost of environmental damage.

5. Principle of accountability.

The principle implies mandatory environmental impact assessment and audit at the enterprise. It is important that the company determines its environmental impact and takes responsibility for it.

6. Principle of humanity.

According to this principle, a company should aim to create optimal conditions for the intellectual and social development of workers, recognition of the right of each individual to freedom, individuality, social security and development of abilities [39].

The Tour Operators' Initiative for Sustainable Tourism Development – a voluntary and non-profit organisation that aims to provide management tools and expertise to tour operators in order to facilitate implementation of sustainable

business practices – has identified some benefits of adopting sustainable strategy for tour operators[40]. These benefits are:

1. Improved service.

Sustainable management makes destinations safer and healthier both for personnel and tourists.

2. Revenue growth.

Sustainable image of the tour operator increases customers' loyalty and gives access to new markets.

3. Cost saving.

Operating costs can be lowered by reducing resource use and increasing efficiency.

4. Access to capital.

Because sustainable screening is a new standard of lending risk assessment for many banks and investors, it is sometimes easier for sustainable tour operators to receive capital from investors and banks.

5. Human capital.

Sustainable development strategy implies investments into human capital which helps the company retain and attract talented and skilled personnel.

6. Brand value and reputation.

Sustainability, as any other form of corporate responsibility, increases the company's reputation and brand value.

7. Risk management.

Sustainable management ensures high quality of services and can reduce possible damage to reputation.

8. Pre-empting government regulations.

It is inevitable that the government will at some point impose sustainable regulations in every sphere of the economy. Companies that already follow principles of sustainability won't have to adapt to new regulations in the future [41].

Sustainable strategy can be integrated in different areas of the tour operator's activity. In each of these areas, the operator has either a direct impact on the environment or an appreciable influence on it. Some of these areas are:

1. Relations with customers.

Communication with clients is key to successful provision of tourist services. As travellers are usually unaware of their environmental and social impact during the trip, it is important to inform them about the destination and local cultures and how they can avoid causing negative impact on the local environment. Tourists should be encouraged to behave in a responsible manner throughout the trip.

2. Development of tours.

This area consists of selecting a destination, package tour components, programme of visit, and etc. Tour operators should prioritise destinations that have an efficient sustainable management and choose tour components that have minimal impact on the environment. It is essential to make sure that the tour is beneficial for the local community. When the operator develops tours, environmental, social, and economical impact of the final product should be accurately assessed and possible negative outcomes should be prevented.

3. Supply chain management.

Supply chain management includes choosing service providers ranging from transportation companies to accommodation and excursion services at the destination. Supply chain often consists of a large number of participants. Each participant of the chain possesses a set of approaches to business and uses different strategies. At this stage, Coral Travel has an opportunity to significantly influence sustainability of its tours by choosing service providers with efficient sustainable strategies. The tour operator can also encourage already existing providers to implement sustainable practices and include sustainable conditions and criteria into contracts with new providers.

4. Internal management.

Internal management consists of all administrative and operational activities and processes that take part at the company’s premises. It includes implementation of sustainable practices in the office. Internal management is also responsible for personnel issues such as compliance with human rights principles and national labour legislation, staff training, improving working conditions, increasing performance, and ensuring employee commitment to sustainable practices.

5. Cooperation with destinations.

Cooperation with destinations in this context means promoting sustainability of destinations and local businesses, supporting and protecting local culture, and providing benefits for local community and economy. This also includes cooperating with local authorities and ensuring that the tour operator’s economic activity complies with local laws and guidelines of local governments [42].

In order for a sustainable development strategy to be more efficient, it is important to apply sustainable changes in each key area of the tour operator’s activity. Sustainable practices that are suggested to be implemented as a part of the strategy are shown in the table 3.1.

Table 3.1

Sustainable practices that can be implemented in different areas of Coral Travel’s activity [created by the author]

Areas of the tour operator’s activity	Sustainable practices that can be implemented
1	2
1. Internal Management	Appoint a specialist (or a group of specialists) with experience in similar projects to assist in coordination of the company’s transition to sustainable development.
	Reduction of resource consumption (cutting down on the amount of energy and water used in the company’s office) by installing low-energy equipment and encouraging staff to save resources.

Continuation of the table 3.1

1	2
	<p>Reduction of paper use by avoiding printing when possible and efficient use of printed promotional materials (keeping an up-to-date client base and prioritising sharing promotional material online).</p> <p>Responsible disposal of waste and reduction of the amount of waste production.</p> <p>Purchasing office supplies from local providers with a positive sustainable record.</p> <p>Educate the personnel on the subject of sustainability, its importance for business and society, and the company's strategy of sustainable development.</p> <p>Provide professional training and education for its employees.</p> <p>Ensure that all employees are given equal opportunities of career growth, education, and level of payment.</p> <p>Improving labour conditions in order to ensure employees' wellbeing and their physical and mental health.</p> <p>Climate compensation by supporting or taking part in sustainable projects, tree-planting, and etc.</p>
<p>2. Development of tours</p>	<p>Ensure that tour components are provided by local suppliers in order to make sure that the tour benefits local community and the revenues stay in the destination.</p> <p>Assess social and environmental impact of tourist activity, especially sensitive excursions (excursions that include animal activities, marine activities, and visiting protected areas).</p>

End of the table 3.1

1	2
	When selecting a destination, it is important to give preference to sustainable destinations and take into account their carrying capacity.
3. Supply chain management	Selecting suppliers with a positive sustainable record.
	Encouraging current suppliers to adopt sustainable practices.
	Promote public transportation use at tourist destinations.
	Prioritising transportation providers that use environmentally friendly technologies and fuel (biofuel, energy-efficient equipment, and etc.).
	Prioritise train alternatives to airplane for short distance travel.
	Ensure that occupancy levels of coaches and charter flights are as high as possible in order to lower the amount of emissions per person.
4. Relations with customers	Informing tourists about the destination and local cultures and how they can avoid causing negative impact on the local environment.
	Informing tourists that it is important to avoid buying illegal souvenirs (elephant ivory, sea turtle products, coral and seashells, and etc.) and warn them about local laws concerning these products.
5. Cooperation with destinations	Influencing local environmental planning and management.
	Supporting and taking part in local sustainable development projects.

In this project, we mainly focus on obtaining social and environmental benefits. Social and environmental benefits will in turn contribute to economic stability and new opportunities in the long run. The strategy should be implemented gradually over the course of several years. We can distinguish 3 stages of strategy's implementation:

1. At the initial stage, it is crucial to educate the personnel on the subject of sustainability and provide travelers with information about sustainable principles that should be followed at the destination. In order to coordinate the whole process of transitioning to sustainability, a specialist (or a group of specialists) with experience in similar projects should be appointed. Also, it is important to make the company's premises more sustainable (reduction of resource use, installation of energy-saving technologies, separating waste for recycling, and etc) at this stage.

2. At the second stage, the company starts prioritising sustainable service providers and transport alternatives when they are available. The tour operator develops new tours in accordance with the new sustainable principles and promotes them. These tours consist primarily of activities with low environmental impact (hiking, biking, etc) and include services of providers that participate in sustainability in one form or another.

3. At the third stage, the majority of tours comprises of services provided by sustainable providers. The company actively takes part in ensuring sustainability of its destinations. The operator participates in and supports sustainable and charity projects at the destinations.

Let's consider some recommendations in detail. Making sure that tourists are aware of local sustainable guidelines that must be followed is crucial. As we can see now, such information is sometimes provided to tourists already in the place of excursion or in case of a request from a client. It is important to provide this information in a comprehensive manner to everyone before the departure. It can be done through consultation with a tourist agent when signing an agreement. For example, a travel company Expert Africa sends Responsible Travel Policy to its

clients before they departure. The policy contains codes of conduct and guidelines for sensitive excursions and activities. The company encourages its travelers to read the rules and welcomes any feedback and ideas regarding responsible tourism [43].

Also, before departure from Ukraine, every tourist should be informed about the importance of avoiding buying illegal souvenirs in the place of stay.

For instance, if we consider exports restrictions in Turkey, which is the most popular traveling direction among Coral Travel clients, we can see that the country has rather strict restrictions concerning exporting antiquities. In order to protect cultural and historical heritage of the country, it is prohibited to export antiquities (coins, carpets, ceramics, paintings, tiles, decor objects, and etc.) more than one or two centuries old [44]. Violation of the law can be punished with a fine or a prison sentence.

Other destinations have their own lists of illegal souvenirs. Countries of Amazon Region (Brazil, Venezuela, Peru, Ecuador, and etc.), for example, prohibit sale of wild animals and products that include their parts. Yet, handicraft items that are freely sold in popular tourist spots can often include parts of wild animals. Sale of some kinds of coral is also restricted in certain places. For instance, in the Caribbean, you require a special permit to export products made from stone coral [45]. Trade in turtle shell products is banned internationally, because the majority of sea turtle species are considered endangered or critically endangered [46].

As we can see, selling and buying certain souvenirs can disrupt well-being of ecosystems and have negative impact on cultural heritage.

Prioritisation of more environmentally friendly transportation means that the operator will use public transport and avoid using airplanes. Because air transport has largest environmental impact among all other parts of the tourist sphere, it is recommended to use rail or sea transport when it's possible.

Tour operator Gro-Tour is a good example of public transportation use in tours. The company develops tours where sightseeing and excursions are done using trams, trains, metro, and etc.

Another example is S-Cape Travel. At S-Cape Travel transportation from the airport by taxi is offered as an optional service and has a higher price. It is done in order to discourage tourists from using it and instead to motivate them to use public transportation options [43].

Also, a good example of a sustainable practice would be participating in carbon compensation programmes. The point of this practice is to reduce carbon dioxide or other greenhouse gases emissions to compensate for emissions made elsewhere [47]. It can be done through donating to organisations that deal with climate protection, participating in reforestation programmes, and etc.

3.2. Assessment of the sustainable development strategy efficiency

Evaluating the efficiency of implementing the sustainable strategy is important from a theoretical and practical point of view. Efficiency is a complex category which reflects the measure of achievement of social and economic activity goals. Efficiency can be characterized by the following indicators:

- efficiency (degree of achievement of the goals and objectives that were set by the strategy);
- cost-effectiveness (the ratio of results and costs);
- economy (degree of use of the necessary resources);
- quality (a set of properties or characteristics of products or services that give them the ability to meet specific needs);
- productivity (productivity largely depends on the efficiency of resource use and reflects the number of tours sold during a particular period of time) [48].

Here, we will focus on social and environmental benefits that the strategy can bring. In order to assess efficiency of the project, we evaluate quality of some components of the key areas of the tour operator's activity before and after the implementation of the strategy. Quality of each component is evaluated on the scale from 1 to 5 points. If an area of the operator's activity gets 1 point, it means that the

operator’s performance in this sphere is poor from the social and environmental perspective. If an area gets 5 points, it means that performance in this area is satisfactory. The results of assessment are presented in the table 3.2.

Table 3.2

Assessment of the project’s efficiency [created by the author]

Components of the tour operator’s activity	Current quality, points	Future quality, points
1. Sustainability of the main office	2	5
2. Personnel management (training, opportunities, etc)	3	4
3. Sustainability of suppliers	3	4
4. Environmental impact of transportation	4	5
5. Environmental and social impact on destinations	3	4
6. Resource use	2	4
7. Availability of excursions and activities with low environmental impact	3	4
8. Handling of sensitive excursions and activities	3	5
9. Clients’ awareness of code of conduct	3	5
Average:	2.9	4.4
Total:	26	40
Rate of increase:	-	53.8%

Of course, the assessment is approximate, but it shows the general picture of the results. Points for the current quality were determined with the help of specialists from the travel agency. We can see that now the operator has an average score of 2.9 out of 5 points, and the strategy promises to increase this score to 4.4 points. The current total is 26 out of 45, and the future total will reach 40 out of 45. Increase in points will be reached by implementing the practices described in the previous part of the project. In order to find the rate of increase, we work out the difference between the two totals:

$$40 - 26 = 14$$

Then we divide the answer by the original number and multiply it by 100:

$$14 \div 26 \times 100 = 53.8\%$$

We can make a conclusion that the strategy can increase quality of the tour operator's activity approximately by half.

3.3. Role of the government in promoting sustainable development of tourism

Effective implementation of economic, social, and environmental changes to ensure the sustainable development of enterprises requires proper investment, organizational, and institutional support. It should be noted that the basic requirements for the implementation of the mechanism for sustainable development are ensuring stable financing of measures aimed at harmonious social, ecological, and economic development, taking into account the expectations of stakeholders, and improving economic instruments. It is also important to mention that development of sustainable economy is nearly impossible without an active participation of the state. State authorities should take part in supporting innovation and investment support for enterprises actively engaged in the implementation of environmental and social programs.

Central, regional, and local authorities that support environmentally friendly tourism activities and tourist companies play an important role in this context. In order to lower the negative impact of large tourist flows, measures should be taken to distribute tourists and visitors evenly, thereby, reducing the effect of the seasonality factor. Planning of new tourist infrastructure objects should be carried out taking into account the peculiarities of the area and ensuring the preservation of the usual way of life of the local population. Sustainable development of the territories involved in tourism activities is ensured through development of tourism infrastructure, creation of new jobs, and initiating new activities in the field of tourist services. As a result,

the living standards of the inhabitants of the regions are increased. Because of the environmental nature of tourism, preservation of biodiversity of recreational areas is especially important for the industry. For this purpose, environmental technologies, practical improvements, and recommendations of fundamental and applied sciences can be used.

A significant role in this context is played by the formation of ecological worldview of both the population of recreational regions and tourists. It is important to understand that recreational attractiveness of the natural landscape and its ecological and aesthetic values can bring economic benefits and, therefore, natural resources require protection and careful treatment. In other words, in order to foster careful, responsible, and sustainable use of resources, it is crucial to spread awareness about negative circumstances of neglectful treatment of the environment among local population. For tourists, it is also important to understand the need to treat the nature responsibly and follow environmental laws and principles set by the destination. Local governments should ensure that the arriving travellers are well-informed about local principles of sustainability.

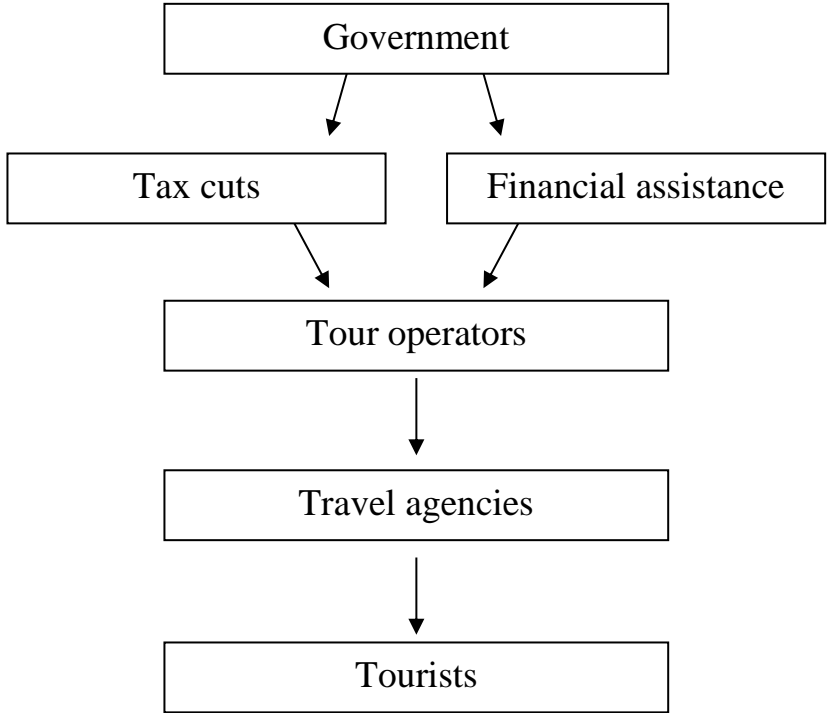
Thus, for the sustainable development of tourism, all recreational resources are used and directed in a way that allows meeting economic, social and aesthetic needs, while maintaining cultural identity, ecological balance, biological diversity and life-support systems of the recreation region.

Although Ukraine has signed a number of international agreements concerning environmental security, it has not achieved much in the practical application of sustainable development principles. Some areas that require improvement measures are:

- state approval of sustainable development regulations, in particular regarding tourism;
- cooperation and exchange of experience with the international community regarding theoretical and practical knowledge of sustainable development and adaptation of international approaches and measures in Ukraine;

- raising the level of environmental awareness among the population and spreading information on environmental issues and methods of environmental protection;
- economic and legal support for environmental activities;
- stimulating environmental initiatives of the population by supporting non-governmental organizations [49].

In order to facilitate implementation of sustainable development on the basis of Ukrainian travel companies, the government can provide support in form of financial assistance or tax cuts for businesses that integrate sustainable practices and technologies into their activity. It can make transition to sustainability easier and encourage businesses to take action in this direction. Impact of the government on the tourism industry and its relation to the elements of the industry is shown in the picture 3.1.



Graph 3.1. Impact of the government on the tourism industry [created by the author]

As we can see, the government can encourage tour operators to adopt sustainable practices through different forms of assistance. Tour operators in turn influence travel agencies they work with. Finally, tourists implement sustainable practices by buying tours from such companies.

Of course, implementation of sustainable development strategy is possible even without governmental assistance. Nevertheless, help from the government can seriously facilitate the process.

Conclusion of the third part

In this part, a sustainable development strategy for Coral Travel was created and recommendations for its implementations were given. All the recommendations are to be adopted by the tour operator Coral Travel. Consequently, the same principles are to be followed by all travel agencies that work under the same brand name.

According to the Tour Operators' Initiative for Sustainable Tourism Development, implementation of a sustainable strategy can bring a travel company the following benefit: improved service, revenue growth, cost saving, access to capital, human capital, increase of brand value and of reputation, improved risk management, and pre-empting governmental regulations. The sustainable development strategy suggested in the project primarily focuses on getting social and environmental benefits.

The developed strategy can be applied to every area of the operator's business activity, but in this work five key areas were chosen. These areas are: relations with customers, development of tours, supply chain management, internal management, and cooperation with destinations.

Efficient implementation of practices that can help ensure the sustainable development of enterprises requires proper investment and institutional support. In this context, an important role may be played by central, regional, and local

authorities that support environmentally friendly tourism activities and tourist companies.

To facilitate transition to sustainability at Ukrainian tourism enterprises, the government can support implementation of sustainable practices with tax cuts or financial assistance for companies that adopt sustainable development principles. Although such changes can be done without governmental aid, support of national or local authorities can make the transition easier and encourage more businesses to integrate sustainable practices into their business.

CONCLUSION

In this work, one of the most relevant issues facing businesses and society today – sustainability – was considered. Economic activity has certain negative effects on the environment and can cause damage to the economy and the society's wellbeing in the long-term.

The idea of sustainability implies that long-term economic and social prosperity is possible only if the planet's resources are used cautiously and humanity's negative impact on the environment is limited.

The UNWTO was the first to use the term “sustainable tourism”. As the organization states, sustainable tourism is tourism activity in which management of resources satisfies economic, social, and aesthetic needs of the people and maintains objects of cultural importance, environmental processes, biodiversity, and ecosystems.

In this paper, we explored the historical background of the sustainability concept. We considered how the view on the topic developed and changed from the steady-state economy theory coined by Adam Smith in the 18th century to the official introduction of the term “sustainable” in its modern meaning by Donella Meadows, Dennis Meadows and Jorgen Randers in 1972.

We analysed the most important international conferences for cooperation in the field of sustainable development such as the Earth Summit held in Rio de Janeiro in 1992 and others. Also, we considered international documents and programmes concerning the topic of sustainability such as “Agenda 21” and “Our Common Future”.

We analysed economic activity of the tour operator Coral Travel. Its general characteristics were considered in detail. It was discovered that the company lacks a sustainable development strategy.

Business activity of the travel agency Coral Travel was studied. We considered tasks of the agency, functions distribution among the personnel, main and additional

services, and etc. Internal and external environment of the travel agency Coral Travel were analysed with the help of SWOT and SPACE analysis. As a result of SPACE analysis, we found out that the company currently occupies conservative position in the market, which means that the industry undergoes low growth rate, and it is advisable for the enterprise to focus on its most profitable products and services and reduce costs. According to the results of SWOT analysis, the travel agency has a strong internal environment but is negatively affected by the challenges in the external environment.

A sustainable development strategy was created for the tour operator Coral Travel. Subsequently, the strategy is to be implemented by all the travel agencies that work under the franchise of Coral Travel. Recommendations for the main areas of the tour operator's activity (relations with customers, development of tours, supply chain management, internal management, and cooperation with destinations) were given. Among these recommendations were raising clients' awareness of code of conduct at the destination and sustainable principle that must be followed, increasing energy-efficiency of the company's offices, reducing resource use, improving personnel management, prioritising working with sustainable service providers, using more environmentally friendly types of transportation when possible, supporting social and environmental well-being of destinations, and etc.

Efficiency of the project was assessed by evaluating current and future quality of some components of the key areas of the tour operator's activity. A point scale of 1 to 5 points was used. According to the results, a potential quality increase rate is 53.8%, which means that the strategy can increase quality of the tour operator's activity approximately by half.

REFERENCES

1. Mensah J. Sustainable development: Meaning, history, principles, pillars, and implications for human action: Literature review / J. Mensah // *Cogent Social Sciences*. - 2019. - Volume 5, Issue 1.
2. Ісаєнко В.М. Стратегія сталого розвитку: навч. посібн / В.М. Ісаєнко, К.Д. Ніколаєв. - К.: Видавництво Національного педагогічного університету імені М.П. Драгоманова, 2014. - 300 с.
3. Стратегія сталого розвитку: навч. посібн. / [В.М.Боголюбов, М.О. Клименко, Мельник Л.Г., та ін.]. – К.: ВЦ НУБІПУ, 2018. – 446 с.
4. Joshi M. V. Theories and Approaches of Environmental Economics / M. V. Joshi // *Nice Printing Press Dehli*. - 2005. – 227 p.
5. Meadows D. A synopsis. Limits to Growth: the 30-Year Update / D. Meadows, D. Meadows, J. Randers. // *Chelsia Green Printing Company*, 2004. - 28 p.
6. World Conservation Strategy: International Union for Conservation of Nature and Nature Resources, 1980. – 77 p.
7. Свистун К.О. Генезис поняття «сталий розвиток» та підходи до його впровадження / К.О. Свистун // *Молодий вчений*. – 2007. - №2 (42).
8. Caring for the Earth: International Union for Conservation of Nature and Nature Resources, 1986. – 236 p.
9. Jabareen Y. A New Conceptual Framework for Sustainable Development / Y. Jabareen // *Environmental Development and Sustainability*, 2008.
10. Report of the United Nations Conference on Sustainable Development (20-22 June 2012, Rio de Janeiro). – 92 p.
11. Future We Want – Outcome Document [Electronic resource] - Access mode: <https://sustainabledevelopment.un.org/rio20/futurewewant>
12. Going beyond GDP, UNDP proposes human development measure of sustainability [Electronic resource] - Access mode: <https://www.undp.org/content/undp/en/home/presscenter/pressreleases/2012/06>

[/20/oing-beyond-gdp-undp-proposes-human-development-measure-of-sustainability.html](#)

13. Sustainable Development Goals [Electronic resource] - Access mode: <https://sustainabledevelopment.un.org/?menu=1300#>
14. Steady State Economy Definition [Electronic resource] - Access mode: <https://steadystate.org/discover/definition/>
15. Smith's A. Theory of Economic Development [Electronic resource] - Access mode: <http://www.economicdiscussion.net/economic-development/theories-economic-development/adam-smiths-theory-of-economic-development-economics/30039>
16. Analysis and Summary of "Principles of Political Economy" by John Stuart Mill [Electronic resource] - Access mode: <https://www.articlemyriad.com/analysis-summary-principles-political-economy/>
17. Herman E. Daly, Steady-state economics (2nd ed.) / E. Daly Herman. - Washington, D.C.: Island Press, 1991. – 318 p.
18. Kerschner C. Economic de-growth vs. steady-state economy / Christian Kerschner // Journal of Cleaner Production. – 2010. - 18.
19. Natural Capitalism Book Excerpts [Electronic Resource] - Access mode: <http://www.natcap.org/sitepages/pid20.php>
20. Семенов В. Ф. Екологічний менеджмент / В. Ф. Семенов. — Київ. Центр навчальної літератури. - 2004. — 407 с.
21. Бурик З. М. Досвід державного регулювання сталим розвитком і впровадженням енергоефективності Німеччини / З. М. Бурик // Серія: Державне управління. - 2016. - № 3.
22. Макосій С. Д. Зарубіжний досвід реалізації стратегії сталого розвитку / С. Д. Макосій // Молодий вчений. - 2016. - №6 (33).
23. Стратегія сталого розвитку України до 2030 року [Електронний ресурс] - Access mode:

https://www.undp.org/content/dam/ukraine/docs/SDGreports/UNDP_Strategy_v06-optimized.pdf

24. Довідка за результатами опрацювання статистичних звітів туроператорів за 2018 рік [Електронний ресурс] - Access mode: <https://www.me.gov.ua/Documents/List?lang=uk-UA&id=be44a1a7-69b3-4a77-a86a-447499abcd6&tag=Analitika>

25. Ліцензійний реєстр суб'єктів тур операторської діяльності [Electronic Resource] - Access mode: <https://www.me.gov.ua/Documents/Detail?lang=uk-UA&id=5386d976-11e4-4eb1-abdf-2948a2017c17&title=LitsenziiniiRestrSub-ktivTuroperatorskoiDiialnosti>

26. Company activity [Electronic Resource] - Access mode: <https://www.coraltravel.ua/main/coraleng/abouten.aspx>

27. OTI Holding [Electronic Resource] - Access mode: <https://www.otiholding.com/>

28. Development. Market shares. Targets. [Electronic Resource] - Access mode: https://www.otiholding.com/EN/development_market_shares_targets/

29. Група компаній ОТІ [Електронний ресурс] - Access mode: <https://www.coraltravel.ua/main/coral/oti-group>

30. Анталия из Украины в цифрах [Електронний ресурс] - Access mode: <https://uata.com.ua/2019/05/turkey-stat-march19/>

31. Protection of natural environment [Electronic Resource] - Access mode: https://www.otiholding.com/EN/whyoti/socialresponsibilities/protect%C4%B1on_of_natural_env%C4%B1ronment/

32. Рейтинг tourist-friendly туроператорів. Літо 2019 [Електронний ресурс] - Access mode: <https://uata.com.ua/2019/11/tf-summer-2019/>

33. Рейтинг agent-friendly туроператорів масового туризму. Літо 2019 [Електронний ресурс] - Access mode: <https://uata.com.ua/2019/11/af-summer-2019/>

34. Франчайзинговий пакет Сети Турагентств Coral Travel [Електронний ресурс] - Access mode: <http://franchising.coraltravel.ua/>

35. Space analysis [Electronic Resource] - Access mode:
<https://thinkinsights.net/strategy/space-analysis/>
36. Strength, Weakness, Opportunity, and Threat (SWOT) Analysis [Electronic Resource] - Access mode:
<https://www.investopedia.com/terms/s/swot.asp>
37. Tourism and COVID-19 [Electronic Resource] - Access mode:
<https://www.unwto.org/tourism-covid-19>
38. The DAC Guidelines. Strategies for Sustainable Development, 2001. – 73 p.
39. Гальчак Х. Р. Забезпечення сталого розвитку підприємства як основа формування соціальної відповідальності / Х. Р. Гальчак // Національний університет “Львівська політехніка”. – 2016.
40. The Tour Operators’ Initiative – a partnership involving UNEP, UNESCO, UNWTO and the tourism industry [Electronic Resource] - Access mode:
<https://business.un.org/en/documents/376>
41. Font X., Competitive strategy in sustainability in the tourism industry / X. Font, R. Tapper, J. Cochrane // Emerald group publishing – 2006.
42. Khairat G., Maher A. Integrating sustainability into tour operator business: an innovative approach in sustainable tourism / G. Khairat, A. Maher // Tourismos: an international multidisciplinary journal of tourism. – 2012. – Volume 7, № 1.
43. Sustainability for Travel Companies. Best practices from Croatia, Greece, Latvia, Poland, Netherlands and UK [Electronic Resource] - Access mode:
https://www.travelife.info/uploads/csr/1423212993_I1815015%20CSR%20TOUR%20Travelife%20Best%20Practices.pdf
44. Turkish Antiquities Warning [Electronic Resource] - Access mode:
<https://turkeytravelplanner.com/details/Shopping/AntiquitiesWarning.html>
45. The wildlife souvenirs guide [Electronic Resource] - Access mode:
https://ec.europa.eu/environment/cites/info_souvenirs_en.htm

46. Holiday shopping with the environment in mind [Electronic Resource] - Access mode: <https://www.worldwildlife.org/pages/holiday-shopping-with-the-environment-in-mind>
47. Understanding Carbon Offsets [Electronic Resource] - Access mode: <http://www.offsetguide.org/understanding-carbon-offsets/>
48. Лебедев І. Сталый розвиток туризму: досвід Європейського Союзу і Завдання для України / І. Лебедев // Вісник соціально-економічних досліджень. – 2018. - № 3 (67).
49. Смірнов І. Комплексна логістична стратегія сталого розвитку урботуризму: український та світовий досвід / І. Смірнов // Вісник київського національного університету культури і мистецтв. – 2018. – Серія: туризм №1.
50. Coral Travel [Electronic Resource] - Access mode: <https://www.coraltravel.ua/>