
Financing Innovations in Tourist Enterprises

Nargiza Khakimovna Ruzibaeva

Samarkand Institute of Economics and Service, "Investment and innovation" department, Acting Associate Professor

Abstract: Tourism is currently one of the most promising sectors in the world, and there is a need for a broader understanding of the nature of financing innovation in this sector. This article focuses on innovations and their financing in enterprises operating in the field of tourism. In addition, the development of entrepreneurship in the field of tourism through the allocation of structural funds implies not only the creation of conditions that encourage the establishment of new business entities, but also the support of any initiative aimed at increasing the competitiveness of existing enterprises and innovations.

Keywords: sustainable development, tourism enterprise, tourism business, tourist services, innovation.

Introduction. The need to develop the tourism industry for every country is explained by its functioning as a means of increasing foreign exchange earnings, balance of payments and contribution to the gross domestic product, diversifying the economy, and increasing the income and well-being of the population. The rapid development of tourism has a multiplier effect on other sectors of the economy, where investment and innovation activity increases, new jobs are created, and the circulation of funds expands. At the same time, tourism is an activity that requires favorable economic conditions to develop and attract a large amount of financial resources.

At the current stage of society's development, innovation is a characteristic quality sign of tourism development. This aspect has a special place in the field of tourism. It is undesirable to leave the created tourist product unchanged, it should be constantly improved, modernized and optimized. This is evidence of the growing demand of tourists, the increasing demand, the initiative to use the advanced achievements of science and technology, and the introduction of new technologies of food and service. To effectively manage the tourism business, first of all, it is necessary to understand the "essence of innovation in tourism" and to determine the main directions of innovation in this field.

Tourism has a positive effect on the socio-economic development of the entire country and, in particular, helps to establish a positive image of the country in the world market of services; therefore, one of the urgent problems is the effective use of investments in tourism activities. The successful solution of this problem depends on the correct investment policy of the enterprise. However, due to limited financial resources, investment processes require appropriate management and regulation at both the state and corporate levels. State support for investment in the tourism sector should be based, first of all, on the assessment of the feasibility of activating the tourism business at the regional level, taking into account the attractiveness of the region for investors and the availability of resource potential.

Financial and economic regulation of the development of tourist flows should be carried out through an active investment policy and lending, improvement of the payment mechanism for the use of natural recreation resources, effective tax and price policy. Effective investment

principles and selection of investment sources is an important factor. Thus, investments and financing of tourism should be accompanied by the principles of science, consistency, adequacy, balance, sustainability. Financial support should solve the main tasks of the tourism industry, such as achieving maximum efficiency in the use of available financial resources, establishing optimal ratios for distribution and redistribution of the produced product. Innovation is created through the process of introducing new ideas into the enterprise, which increases efficiency.

Literature review. A review of the main research findings in the tourism innovation literature shows that tourism enterprises have no choice but to innovate. The most important factor stimulating the introduction of innovations is market competition[1].

The concept of innovation was introduced to science by the Austrian economist Joseph Schumpeter. He considered innovation as introducing new products to the market or improving existing ones, introducing new methods of buying or selling, opening a new market for sale, introducing a new source of semi-finished products or raw materials or making changes to the production method, any action that leads to acquisition. The market characteristics of the highly competitive sector force tourism enterprises to innovate in order to be competitive [2].

On the other hand, it is more difficult for tourism businesses to protect innovation because it is easy for competitors to copy. Therefore, we can see from Porter's[3] research that these businesses must constantly innovate to maintain their competitive advantage.

At the same time, it is also necessary to pay attention to the significant percentage of imitative innovations that transfer the samples that exist in the world and in the country. High activity was observed in the field of adaptive innovation related to adaptation of other industrial innovations to the conditions of the company, which has a positive effect on differentiation of innovation types. This multifaceted structure testifies to the commitment and activity of companies in the field of innovative activity.

According to Hajlager[4], Sundbo and Toivonen[5], Fagerberg[6], strategic growth is important for the innovative competitiveness of tourism enterprises, as it leads to fundamental changes, increases productivity and helps to improve the economic situation.

Booyens and Rogerson[7] collected and classified the results of previous research on innovation in the field of tourism, as well as research on the innovativeness of selected forms of tourism.

The results of the research show that creativity in tourism enterprises creates an opportunity for wider implementation of innovations, and the state support mechanism for financing innovations should be of special importance.

Analysis and results. The activities of the entities involved in the creation of innovations in tourism can be divided into three sectors: private, state, and the sector of institutions supporting the development of tourism in the region. While innovation in tourism is a goal for many, tourism companies play the most important role. It is assumed that the development of innovation should be based on human resources, cooperation and research activities, use of capital, as well as infrastructure for innovation. These proposed courses of action are interwoven, each directly influencing the innovation process aimed at the success of tourism in the region. Thus, the cycle of actions affects enterprises and their environment.

Tourism is one of the most dynamic modern economic phenomena and one of the main factors of development and prosperity for many countries or regions of the world. The development of tourism, represented by the increase in the number and income of tourists, is accompanied by the process of diversification of tourist innovative products and destinations.

Today, the tourism of Uzbekistan is experiencing a number of changes under the influence of economic, political, social factors, from which it can be concluded that such factors, as well as the lack of investments, financial support and their mismanagement, a conservative view of the potential of tourism, have had a negative impact on the activities of tourist enterprises.

Only 23.2% of Uzbek enterprises reported using product innovations and 14.4% process innovations in 2018-2020. However, only 5% of these firms spent more than \$100 for innovation purposes. Over the past three years, 10% of surveyed companies have acquired external expertise, 13% have leveraged internal capabilities, and 7% have used contract outsourcing to innovate [8].

Table 1 The dynamics of innovative products created and the share of innovation costs in GDP, %

№	Indicators	Years				
		2016	2017	2018	2019	2020
1	Volume of innovative products, works, services (billion soums)	7 043	8 024	10 688	18 543	21 746
2	Innovation costs (billion soums)	3 757	5 528	2 571	4162	5 465
3	The share of innovation costs in GDP, %	1,1	1,4	1,1	1,2	1,1

Source: Compiled on the basis of Statistics Committee data

It can be seen that the share of innovation costs in GDP has remained the same in 2020 from 1.1% in 2016.

In such processes, in the indirect regulation of innovative activities, using methods such as providing targeted tax incentives, using accelerated depreciation, reducing the tax rate on dividends when receiving loans, providing incentives for the establishment of innovative enterprises, participating in the form of participation in large projects of an innovative nature, encouraging venture financing, providing state guarantees is important.

Therefore, it is necessary to form innovative activities in such a way as to ensure the adaptation process and create conditions for the continuous and effective development of the tourism system. Real positive results of innovation management are achieved by activating the intelligence of all participants of economic activity, but scientific approaches are no less important. Therefore, it is important to "implement a systematic and technological approach" in the management of tourism innovations. Here we highlight the main characteristics that will change such as innovations in tourism:

- volume of production and sales;
- current costs of an innovative company;
- the size of the created and exploited property;
- the number of specialists participating in the design and introduction of a new tourist product on the market;
- Duration of innovation development and introduction to consumers [9].

Here we emphasize that since the market economy is not able to automatically regulate innovative activities, it is possible to use individual levers of state influence on the innovative activities of tourist organizations. Such levers that integrate and activate the technological approach can be: tax incentives for tourism organizations that introduce innovations; creating conditions for attracting investments in the tourism sector; implementation of special scientific and technical, credit, financial and tax policies; improvement of depreciation

policy, development of priority areas of science.

The revitalization of innovative activities in domestic tourism can be considered the ultimate goal of innovative policy, which has several tasks: promoting innovative programs, supporting small businesses in the tourism sector, increasing the competitiveness of domestic and foreign tourism, as well as supporting individual tourist centers. Investments should be part of innovation policy. There are prospects for the development of tourism in our country based on the application of an innovative approach. The experience of organizing the activities of tour operators and travel agencies abroad shows that it is necessary to develop a conceptual model for the effective development of the tourism industry based on an innovative approach. That is, it is based on the strategy of analysis of tourism resource potential, tourism infrastructure, needs of local residents and tourists, analysis of external environment for tourism activity and statistical indicators of development.

Innovative development of the tourism industry is a complex process involving citizens, service consumers, state bodies, as well as tourism companies and tourism industry enterprises whose activities are regulated by regulatory legal acts in the field of tourism and innovative activities.

In order to create an effective methodology for the innovative development of tourism, the following is necessary: an assessment of the entire set of indicators related to the service sector, taking into account the historical and local conditions for the development of a certain tourist destination, a comprehensive analysis; state of tourism resources, classification of innovations in tourism [10]. Innovative development of the tourism industry is the development and creation of new tourist routes, products, services, and the use of advances in science, technology, and IT technologies.

The ineffectiveness of state financing of innovative activities, first of all, the uncertainty of financing schemes for innovative projects, the often unfair mechanism of grant distribution, the difficulty of financing at the initial stage of innovative development, weak incentives, restrictions on use, etc. In the end, state-funded innovation projects are essentially experiments that provide only formal results, data and reports, but have no practical application.

Due to the high level of uncertainty caused by the growing competition and increasingly demanding customers, tourism enterprises have to do more to develop and implement innovations. Organizational climate for innovation refers to users' shared perceptions of the innovation because the use of the innovation is valued, supported, and desired within the organization. This case study shows that innovation provides an opportunity to improve the quality of service, improve customer relations, and the enterprise tries to actively involve employees in the implementation of the entire system in an innovative way.

The changes taking place in the modern tourism economy have a strong impact on the activities of tourism enterprises located in the regions. In the modern society focused on the development of new information technologies, innovation has more and more meaning in creating benefits in the tourism market. Therefore, it is necessary to implement measures aimed at the successful implementation of innovations. The possibility of innovation in tourism depends on both external and internal factors. The results show that in most cases the sources of innovation in research facilities come from outside.

Without a competitive national innovation system, it is impossible to turn the country's economy into an innovative, developed economy. To accelerate this transition, it is necessary to increase the tourism industry's demand for innovation and improve the efficiency of the knowledge production sector. A consequence of many problems, including problems related to innovation, is a decrease in the country's economic security. In addition, excessive use of foreign investment is one of the biggest threats, which can lead to increased technological,

raw material and financial dependence on foreign investors, while their investments are directed to finance foreign innovative activities.

References

1. Williams, A.M. Tourism innovation; products, processes and people. In *The Wiley Blackwell Companion to Tourism*; Lew, A.A., Hall, C.M., Williams, A.M., Eds.; Wiley Blackwell: Chichester, UK, 2014; pp. 168–177.
2. HALL, C.M., WILLIAMS, A.M. (2008), *Tourism and innovation*, Routledge, London and New York
3. PORTER, M. E. (1998), “On competition”, *Massachussets Research Policy*, 13, 343-373. Hjalager, A.M.; von Gesseneck, M.J. Capacity-, system- and mission-oriented innovation policies in tourism—characteristics, measurement and prospects. *J. Policy Res. Tour. Leis. Events* 2020, 12, 197–216
4. Sundbo, M.T.J. *User-Based Innovation in Services*; Edward Edgar: Cheltenham, UK, 2011.
5. Fagerberg, J. Innovation: A guide to the literature. In *The Oxford Handbook of Innovation*;
6. Fagerberg, J., Mowery, D., Nelson, R., Eds.; Oxford University Press: Oxford, UK, 2013; p. 1e26
7. Booyens, I.; Rogerson, C.M. Tourism innovation in the global South: Evidence from the Western Cape, South Africa. *Int. J. Tour. Res.* 2016, 18, 515–524.
8. <https://review.uz/oz/post/innovacionnaya-aktivnost-kompaniy-v-uzbekistane>
9. Anvarovich, N. E. (2021). Evolutionary Development of Distance Banking Services in the Digital Economy. *International Journal on Economics, Finance and Sustainable Development*, 3(3), 78-84.
10. Сачко К.В. Инновационные виды туризма: проблемы и перспективы развития // Научное сообщество студентов XXI столетия. Экономические науки: сб. ст. по мат. IV междунар. студ. науч./практ.конф. No 4. С. 601-605
11. Соболева Е.А., Соболев И.И. Финансово-экономический анализ деятельности турфирмы. М. Финансы и статистика, 2001. - 122 с.