

THE ROLE OF DIVERSIFICATION OF TOURIST SERVICES IN THE ECONOMY.

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Abstract

The diversification effect of tourism is to stimulate the country's economic growth and accelerate the development of regions, to develop the country's economy through the development of the information technology sector, as well as the digitization of services in the tourism sector, to create new jobs, and to show positive economic and social effects. should serve to improve the quality of life of the local population. In the economy of Uzbekistan, tourism has been an important sector for the country's development for years. The countries of the world are in the process of digital transformation, and this process is of great importance for the country's economy. Diversification of tourism services will create new jobs, provide tourist services in favorable conditions, digitize services and increase income. This article aims to study the importance of digitalization of the tourism sector in the development of the economy of Uzbekistan.

Key words: Digital tourism, diversification, tourism sector, digital transformation, safe tourism.

Introduction

The domestic tourism industry is experiencing the effects of two opposing trends. On the one hand, the field of domestic tourism has an important socio-economic value. The tourism industry is an initiative to develop more than 32 related branches of the national economy. In addition, it serves as a way to diversify the economy and increase the stability of socio-economic systems. A new type of tourist behavior: its independence, accurate information, critical attitude to the offered goods and services, demographic, economic, social system factors, changes in modern human psychology, as well as many industrial sectors related to the pandemic. making adjustments to the development, identifying new trends and

characteristics of touristic demand. The need for diversification is also due to the fact that tourists are increasingly choosing products that fit their schedules and interests. Group tours are becoming more and more individual groups. For many people, it is important to travel with people close to them in their social circles and views in order to feel safe and comfortable. Tourism organizations need to adopt personalized marketing tools and customer interactions as soon as possible. Travel safety is becoming one of the main branches of domestic tourism diversification. Tourists are considering their health and well-being more than ever before when deciding on a destination, helped by safe environments, social distancing, the introduction of immunity passports and new hygiene standards in the tourism industry. New requirements for personal safety are applied to types of insurance services (for example, insurance against coronavirus, trip cancellation), a "menu" of individual (instead of a package) insurance services has appeared, as well as domestic tourism or changed the requirements for targeted insurance products. Modern technologies can accompany the tourist at all stages, from understanding the need (platforms with virtual tours), travel planning (recommendation services and applications for creating personal offers, platforms with ready itineraries) to providing comfort during the trip. (Transportation and tourism terminals, robots, contactless check-in technologies), the exchange of impressions (local navigation gadgets and applications, language translation) and the exchange of reviews.

Literature analysis

The main goal of this study is to study the impact of the diversification of tourist services on economic processes, and in this section, to study the analytical processes of existing literature and scientific works in this field. Let's look at the analysis. Product or market diversification can create many businesses that form new sub-sectors in tourism. When connections between firms belonging to different sub-sectors create new products, industry diversification and then new sub-sectors can emerge. Tourism is a territory-based industry, and its competitive advantages depend on territorial assets, which can range from a single asset, such as sea-sun-sand tourism, to a wide mix of different assets. Diversification of the sector can be developed between tourism sub-sectors (domestic) and/or its sub-sectors and other (non-tourism) sectors (cross-industry) through virtual realities in more target areas. In addition, it can be used as a platform for virtual realities between non-tourism sectors at regional, national and international levels.

Areas specialized in tourism can be characterized by regional development opportunities based on unsustainably managed natural and cultural resources.

These local amenities can create a vicious circle that attracts visitors, which in turn contributes to their detriment. [1¹]. The latest studies show that tourism in specialized regions of Southern Europe, where tourism services are more labor-intensive, there is a high level of unemployment, slow recovery from the financial crisis, and low productivity [2, 1]. This is related to low added products and services of mass consumption tourism, reduction of socio-economic impacts and excessive use of natural resources [3, 2]. Other negative effects of regional specialization of tourism include economic tuition, increased cost of living, crime, asset overcrowding, crowding out of local businesses, particularly small and medium enterprises (SMEs) - imitation of luxury, demand goods, social polarization, demoralization, cultural ties. alienation, pressure on public services such as transport, environmental degradation and the decline of other traditional sectors [4]. Nevertheless, it is surprising that the impact of specialization in tourism on socio-cultural stability and quality of life in tourist destinations has not been sufficiently studied. These effects can be overcome with diversification strategies, as a result of which tourism develops links with other sectors, which increases its added value, but also takes into account the sustainability of its resources.

According to Schumpeter's theory of economic development, innovation and product diversification are different but interrelated growth strategies. While innovation refers to the degree or type of newness in a product, diversification does not mean specializing in one product, but expanding a product or industry into a new market. Rather than innovating within the same market, firms may choose to seek diversification and enter new industries. In addition, firms implementing diversification strategies can use different types of innovation - product, process, radical or incremental - to enter new markets. This paper suggests that tourism diversification strategies should be approached from the context of recent evolutionary economic geography (EEG), which applies to tourism-dominated place-based economies. According to EEG, "path dependence" is a set of territorial

¹1.Lejárraga, I.; Walkenhorst, P. Fostering Productive Diversification through Tourism. In *Reaking into New Markets—Emerging Lessons for Export Diversification*; Newfarmer, R., Shaw, W., Walkenhorst, P., Eds.; The World Bank: Washington, DC, USA, 2009; pp. 197–210. [[Google Scholar](#)]

2.Romão, J.; Nijkamp, P. Impacts of innovation, productivity and specialization on tourism competitiveness—A spatial econometric analysis on European regions. *Curr. Issues Tour.* **2017**, 1–20. [[Google Scholar](#)] [[CrossRef](#)]

3.Romão, J.; Guerreiro, J.; Rodrigues, P. Territory and Sustainable Tourism Development: A Space-Time Analysis on European Regions. *Regions* **2017**, 4, 1–17. [[Google Scholar](#)] [[CrossRef](#)]

4. Sheng, L. Specialisation versus diversification: A simple model for tourist cities. *Tour. Manag.* **2011**, 32, 1229–1231. [[Google Scholar](#)] [[CrossRef](#)]

characteristics that determine the initial conditions of territorial development and therefore influence and limit possible future outcomes. In addition, tourism areas can follow different evolutionary paths (S-shaped life cycle, entering a stable equilibrium or ongoing process of change and mutation). [5²]. Some regions tend to develop feedback loops that lead to self-sustaining economies over time, which in turn leading to increased product and market development of a given sector comes, and then increases network productivity and regional prosperity. Diversification and specialization of tourism belongs to these processes, because it plays a decisive role in their formation, which is not sufficiently studied. This is especially true in areas dependent on tourism for their diversification and regeneration through knowledge creation and dissemination in business over time [6]. Determining the levels and types of diversification processes in tourism and studying the factors affecting them while maintaining stable social, economic and environmental results is of crucial importance in the era of increasing competitiveness in the world economy [5]. Therefore, this article examines diversification in tourism at the product/market, regional, and sectoral levels (Figure 1). Product/market levels refer to all geographic levels, from the individual firm to the international context. The network level refers mainly to the diversification of networks at the regional level, but also to cross-industry knowledge transfer at the regional, national and international levels.

Research materials and methods

Socio-demographic trends, in particular, population aging, climate change, migration, changes in social values, perceptions of society and consumers about the nature of resources forced tourism to adapt to new market requirements. Market and product diversification strategies stimulate growth by developing new and original products. Often they are risky due to attracting high investment costs, excessive financial resources, creating a confusing image, duplicating and standardizing the tourism experience; moreover, they depend on the motivation of managers to create synergies in the value chain and introduce new skills, techniques, structures, competencies and resources and/or capabilities at the firm level.

²5.Erkuş-Öztürk, H.; Terhorst, P. Economic diversification of a single-asset tourism city: Evidence from Antalya. *Curr. Issues Tour.* **2015**, 1–18. [[Google Scholar](#)] [[CrossRef](#)]

6.Brouder, P.; Anton Clavé, S.; Gill, A.; Ioannides, D. Why is tourism not evolutionary science? In *Tourism Destination Evolution*; Brouder, P., Anton Clavé, S., Ioannides, D., Eds.; Routledge: New York, NY, USA, 2017. [[Google Scholar](#)]

A catalyst for platform and other industry diversification

In this approach, tourism is prioritized as a convenient regional platform for RV creation among non-tourism sectors. Tourism facilitates communication between different sectors in three ways. First, the development of new tourism products often requires cross-sectoral collaboration and crossing sector boundaries, leading to knowledge transfer and innovation. This is the cross-border project TourFish, which links the food, fishing and heritage as well as the hospitality sectors in the Oberpinzgau region of Austria. It also created new connections between the wood industry and the health sector, resulting in new "allergy-friendly" furniture products (discussed earlier in this article). Secondly, tourism markets at the international level are a catalyst for the discovery and experimentation of new products and a platform for diversifying exports by introducing new foreign market demands into domestic markets and standardizing and improving existing local products. Thirdly, tourism provides cross-industry connections (interregional diversification) between remote and developed regions. It also facilitates the international mobility of people and ideas, which creates new RVs between sectors. This approach can be used to diversify non-tourism sectors, particularly in remote areas where tourism often increases connectivity with core regions.

Diversification in tourism and other industries (cross-industry)

This approach is suitable for areas specializing in tourism that aim to diversify tourism and other industries. Tourism can be linked to other priority areas/sectors, which can create new sub-sectors of tourism: for example, related to agriculture and medicine, which create forms of tourism in Mediterranean countries [9]. Once the prioritization is complete, the challenge is to ensure that mechanisms or structures emerge for new bottom-up entrepreneurial initiatives and to mobilize relevant stakeholders for the potential to provide added value in terms of skills and training. This ensures the flow of "open supply" between interested parties, enhances and accelerates the learning process [10]. Mutual support, development of new skills and adequate training, especially for low-tech workers, are important if tourism is a priority. In such a complex and multidisciplinary nature, it is important to be open-minded and ready to think about developing new sectors of tourism and acquiring new skills; Such as training entrepreneurs on the Dark Sky Route in Portugal to improve their guiding skills and knowledge of astronomy.

Results

Tourism sectors tend to share similar cognitive knowledge, such as manufacturing and marketing, with consumers and labor, and between them and non-tourism sectors, particularly retail, catering, agriculture. , contributes to interdisciplinary RV between medicine and healthcare. Cross-industry knowledge transfer between firms with non-complementary competencies, typically with high cognitive distance and unrelated diversity, has so far been underrepresented in the economic geography literature. received little attention. This applies to non-tourism sectors, such as cut flowers, jewelry, cultural industry and some trade sectors, which have recently established contact with the tourism industry by opening new markets.

Economic growth: Diversification of tourism services can lead to increased income from tourism, which in turn contributes to economic growth. By offering a variety of services, destinations can attract a wider range of tourists, leading to greater spending and economic activity in the local community.

Job creation: Diversification of tourism services often requires the development of new infrastructure and the hiring of additional staff. This can lead to the creation of jobs in the tourism sector, providing employment to the local population and reducing the unemployment rate.

Increased Resilience: Relying on a single type of tourist service or attraction can make a destination vulnerable to changes in demand or changes in the market. By diversifying tourist services, destinations can reduce their dependence on a single segment and increase their resilience to external influences.

Regional development: Diversification of tourism services can also help develop rural or underdeveloped areas. By promoting unique attractions and experiences, these areas can attract tourists and benefit from increased investment in infrastructure, creating a balanced and sustainable tourism sector.

Increased competitiveness: Diversifying tourism services helps destinations differentiate themselves from their competitors. By offering unique and diverse experiences, destinations can attract a wider range of tourists and position themselves as desirable and competitive in the marketplace.

In general, the diversification of tourism services can have positive effects on the economy, including economic growth, job creation, increased stability, regional development and increased competitiveness.

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