

## INNOVATIVE APPROACHES IN MARKETING FOR THE DEVELOPMENT OF THE TOURISM INDUSTRY

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Marketing innovations in tourism play a key role in attracting attention and meeting the needs of tourists [1]. Modern digitalization and the development of the Internet open new opportunities for marketing in tourism, which allows the effective use of various tools for the promotion and advertising of tourism services.

One of the main areas of marketing innovation in tourism is the use of the Internet and digital technologies [12]. Through their own websites, online representations, and online tour booking systems, travel companies can effectively communicate with customers, provide information about their services, and provide convenient access to booking and purchasing [13].

Marketing innovations also involve the use of social media and influential marketing channels to promote the brand and engage the audience. Content marketing, video marketing, interactive advertising campaigns - all these tools allow companies to create interesting and attractive content that attracts the attention of potential tourists.

Expenditures on marketing innovations in the tourism sector cover a wide range of activities aimed at developing and implementing new strategies and methods for promoting and advertising tourism services and products. These expenditures include not only the creation of new marketing concepts and campaigns, but also the introduction of innovative approaches to customer promotion and acquisition. In addition, marketing innovation expenses include the introduction of new customer relationship strategies, the development of loyalty programs and the creation of a unique brand of a travel company. These measures are aimed at attracting customers' attention, increasing their interest in services and creating a positive brand image in the eyes of consumers.

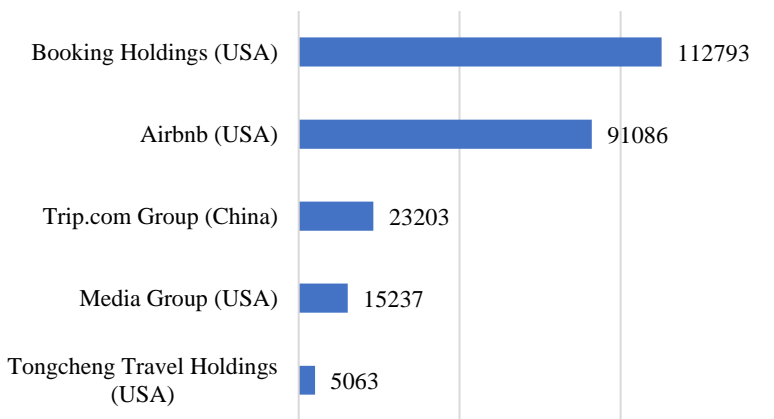
The tourism industry is a powerful driver of the global economy, as well as a way to share knowledge, culture, and experience [14, 15]. However, traveling is also associated with significant risks and consequences

related to sustainable development and environmental impact [16]. Biotechnology plays a key role in the innovative development of tourism, contributing to the creation of environmentally sustainable and healthy tourism products and services. These innovations not only improve the quality of tourism services, but also make them more attractive to modern travelers focused on sustainability and health and quality of care, which in turn contributes to effective marketing strategies in the tourism industry [4, 21].

The need for people to travel faster, safer, and more efficiently has led to the invention of excellent technological solutions [17]. In recent decades, the impact of technology on travel has become even more significant due to the use of new IT services, which has led to the growth of the online travel market and the growing digitalization of the tourism industry.

The market size of the global tourism sector grew significantly in 2023 compared to 2022, amounting to about USD 1.9 trillion. Despite the sharp annual growth, global tourism revenues remained below the levels reported before the coronavirus pandemic. It is projected that in 2024, the global tourism market will reach approximately USD 2 trillion [3].

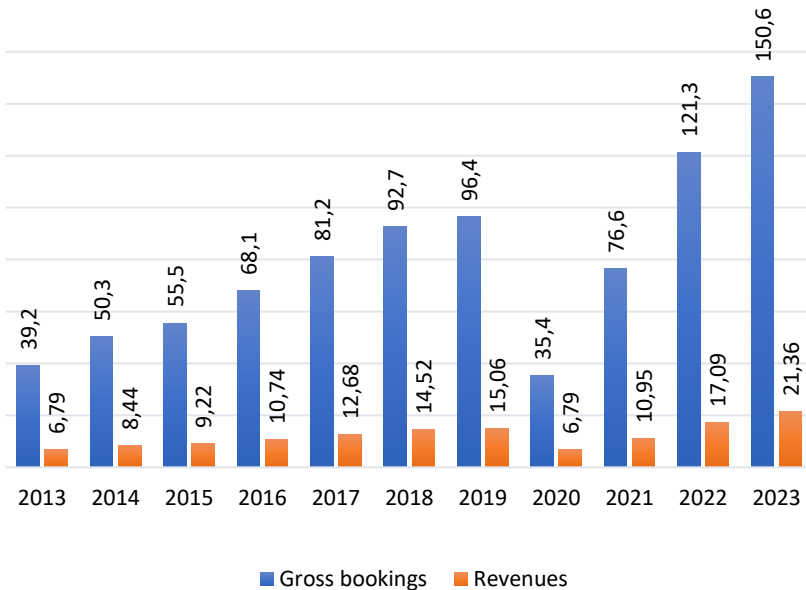
As of September 2023, Booking Holdings was the online travel company with the highest market capitalization in the world (Fig. 1). Booking Holdings, the world's leading online travel agency by revenue, recorded a market capitalization of approximately USD 112.8 billion. Airbnb and Trip.com Group follow in the ranking with a market capitalization of approximately USD 91.1 billion and USD 23.2 billion, respectively.



**Fig. 1. Market capitalization of the world's leading online travel companies as of September 2023 (in millions of US dollars) [2]**

Booking Holdings is a leading global provider of travel and related services to consumers and local partners in more than 220 countries and territories through five major consumer-focused brands: Booking.com, Priceline, Agoda, KAYAK and OpenTable, as well as through a network of subsidiary brands, including Rocketmiles, Fareharbor, HotelsCombined, Cheapflights and Momondo, bringing greater value to both our customers and partners around the world [5].

In 2023, gross travel bookings amounted to \$150.6 billion, an increase of 24% compared to the same period in 2022. According to the latest financial statements of Booking Holding, the company received revenue of \$21.36 billion in 2023 (Fig. 2). In 2022, the company received revenue of \$17.09 billion, which is more than in 2021, when revenue amounted to \$10.95 billion [5].



**Fig. 2. Gross bookings and revenues of Booking Holdings in 2013-2023, USD billion [6-9]**

Booking Holdings is focused on relentless innovation and execution, and is committed to serving both consumers and partners with unparalleled service and best-in-class technology. The company believes that global travel bookings in general will continue to grow, shifting from traditional offline methods to online channels, and expects to benefit from this travel

growth and the continued shift to online channels as it works to expand its service offerings and increase its presence in key regions. Specifically, the company is committed to (a) leveraging technology to provide consumers with the best possible experience, (b) partnering with travel service providers and restaurants for our mutual benefit, (c) managing multiple brands that work together, and (d) investing in profitable and sustainable growth [9].

One of the latest technological trends shaping the travel market is the use of artificial intelligence (AI) in the travel industry [18]. Although the introduction of AI is still in its early stages, many key players such as Expedia, Kayak (owned by Booking Holdings), Trip.com, and eDreams ODIGEO have gradually introduced genuine AI tools to help customers in the travel planning process since the beginning of 2023. In this regard, according to an April 2023 survey on the use of ChatGPT to plan their next trip, approximately three out of ten respondents in the United States expected to use this tool when organizing their next trip [10]. However, the impact of artificial intelligence on tourism is only one of many technological innovations that are changing the way companies and customers think about and experience travel today [19]. Cloud computing used to access, manage, and store data online, the use of cryptocurrency, and the ability to travel and travel in the metaverse are some of the topics that are gaining a lot of attention in this regard [20]. According to a 2022 global study on comfort levels with preferred payment methods for travel in 2033, just over a quarter of the sample reported feeling comfortable with both virtual reality payment solutions and cryptocurrencies.

Travel apps provide a wide range of services in the travel and tourism sector, including travel booking, trip booking, hotel booking, and short-term rentals. According to Statista's Digital Market Insights, in 2022, the revenue from travel apps worldwide was approximately one billion US dollars [11]. When breaking down the travel app market by country, the United States and China emerged as the leading players, with these two countries alone generating approximately 70 percent of global revenue in 2022. That year, Booking.com was the most downloaded online travel agency app worldwide, followed by Airbnb and Expedia. Meanwhile, Hopper, which ranks sixth in global downloads, was one of the top travel apps in the United States in terms of market share in 2022, with the same share as Airbnb, Expedia, and Lyft.

In general, innovations in tourism open up new opportunities to improve the quality of services, attract new customers, and increase market competitiveness. Thus, they play a key role in creating an attractive and sustainable tourist environment.

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