INTERACTION ANALYSIS OF THE PUBLIC AND PRIVATE SECTORS IN THE SERVICE MARKETING SYSTEM

Abstract. The article is devoted to the issues of building a system of public marketing in the conditions of high commercialization of the industry. The scientific discussion considered in the article is caused by the question of the expediency of state intervention in industries with a high commercial component. The tourism industry has significant socio-economic value, which determines the priority of its development for the public administration system. The article proves that in addition to tourism positioning, the development of tourism determines the country's image in the world market and in the political sphere. The main purpose of the study is to determine the levels of interaction between the public and private sectors in the creation and implementation of public marketing. To conduct the study, a questionnaire was developed for conducting an expert survey among representatives of tourism enterprises and authorities, and a separate mechanism for selecting experts for conducting a questionnaire survey was proposed.

The systematization of literature sources has identified approaches to addressing this issue, but the relationship between the role and role of the private and public sectors remains unresolved. The study of the role of public marketing and the interaction of public and private sectors was conducted by analyzing the statistics of the survey using the methods of statistical analysis. The article presents the results of an empirical analysis of the interaction of public and private sectors. The study empirically confirms that there are significant differences in the structuring of relevance among experts representing the public and private sectors. Accordingly, it is expedient to ensure the search for ways of interaction between the public and private sectors by building an effective system of public marketing based on the introduction of marketing mechanisms in accordance with the specific tasks of different sectors, as defined in the article. Thus, the article develops recommendations for improving the efficiency of the public marketing system in public-private cooperation for the
development of tourism. The results of the study can be useful for the creation of administrative and organizational systems for the implementation of public marketing mechanisms in the field of tourism.

**Keywords:** public marketing, public administration, tourism, public-private cooperation

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**АНАЛІЗ ВЗАЄМОДІЇ ДЕРЖАВНОГО ТА ПРИВАТНОГО СЕКТОРУ В СИСТЕМІ МАРКЕТИНГУ ПОСЛУГ**

**Анотація.** Стаття присвячена питанням побудови системи публічного маркетингу в умовах високої комерціалізації галузі. Наукова дискусія, що розглядається в статті, викликана питаннями доцільності державного втручання в галузі з високою комерційною складовою. Індустрія туризму має значне соціально-економічне значення, що визначає пріоритетність її розвитку для системи державного управління. У статті доведено, що, крім туристичного позиціонування, розвиток туризму визначає імідж країни на світовому ринку та в політичній сфері. Основною метою дослідження є визначення рівнів взаємодії державного та приватного секторів у створенні та реалізації державного маркетингу. Для проведення дослідження розроблено анкету для проведення експертного опитування серед представників туристичних підприємств та органів влади та запропоновано окремий механізм відбору експертів для проведення анкетного опитування.

Систематизація літературних джерел визначила підходи до вирішення цього питання, але залишається невирішеним співвідношення між роллю приватного та державного секторів. Дослідження ролі державного маркетингу та взаємодії державного та приватного секторів проводилось шляхом аналізу статистичних даних опитувань з використанням методів статистичного аналізу. У статті наведено результати емпіричного аналізу взаємодії державного та приватного секторів. Дослідження емпірично підтверджує, що існують значні відмінності у структуруванні релевантності між експертами, які представляють державний та приватний сектори. Відповідно, пошук шляхів взаємодії державного та приватного секторів доцільно забезпечити шляхом побудови ефективної системи публічного маркетингу на основі впровадження маркетингових механізмів відповідно до конкретних завдань різних секторів, визначених у статті. Таким чином, у статті розроблено рекомендації щодо підвищення ефективності системи державного маркетингу у державно-приватному співробітництві для розвитку туризму. Результати дослідження
могуть бути корисними для створення адміністративно-організаційних систем для реалізації механізмів публічного маркетингу у сфері туризму.

Ключові слова: публічний маркетинг, державне управління, туризм, державно-приватне співробітництво

**Formulation of the problem.** The development of the service sector acquires a special role in the post-industrial period. The reform of the economy from production to the provision of services has become possible due to social change. Improving the living standards of the population has increased the demand for services. Accordingly, in conditions of high competition, better trade proposals for the provision of certain types of services began to take shape. The service sector began to develop actively. The development of the service sector has led to an increase in living standards. Accordingly, the circular development and the dependence of the development of the service sector and the standard of living of the population are determined. Given the important socio-economic importance of the service sector, it is advisable to determine the role of the public sector in its development. In an open market, the service sector is almost entirely commercial in nature, respectively, the leading role in its development is played by private enterprises. However, such areas as tourism, recreation, catering are not only important economically but also socially. Thus, the issue of service development should be considered as a set of management mechanisms implemented at the level of public and private sectors, which will systematize the problems of service development and find ways to solve them.

**Analysis of recent research and publications.** The relevance of the research topic attracts a lot of attention of domestic and foreign authors to find ways to establish the ratio of public and private sector in the development of public marketing. In particular, some aspects of the development of public marketing as a system of interaction between the public and private sectors are considered in the book Stefanie Hohn [1]. The system of marketing communications and public administration at the national level was investigated in the article Shevchenko, I. Y., Nepomnyashchyy, O. M., Marusheva, O. A., Medvedchuk, O. V., & Lahunova I. A. [2]. In the article by Romain Laufer, Catherine Paradeise public marketing is defined as an element of democratic development of society and pluralism of the public administration system [3]. He considered the political and administrative component of public marketing in his research Ramón Bouzas-Lorenzo [5]. Some aspects of the development of the public marketing system in the field of services were considered in the works Taheri Mirghaed M, Ahmadi B, Rahimi Foroushani A, Rajabi Vasoukolaii G, Arab M [5], M. Ali Syamsuddin Amin, Peri Priansah [6], Sahin, G., G., and Sengün, G. [7], Font, X. and Mccabe, S. [8]. It is expedient to determine the role of information resources in building a public marketing system, which was considered in the article by Joo S., Choi, N. and Baek, T.H [9]. However, despite the authors' attention to the study of public marketing, it is necessary to
continue the search for systematic approaches to forming effective interaction between the public and private sectors with the aim of promoting and positioning services at the national and international levels in high competition.

**Methodical tools.** Among the research methods used are the method of expert assessments, sociological survey, modeling of sociological data projection, questionnaire, statistical analysis. The research period was chosen in 2019-2021 in order to analyze the interaction of public and private sector bodies in the period of crisis situations caused by the pandemic.

The object of research is the tourism industry of Ukraine. The processes of interaction between the authorities and private enterprises in the field of tourism in Ukraine were chosen for the analysis, as they are the main stakeholders of the state policy of public marketing in the service sector.

**The aim of the research** is to find effective ways to implement marketing mechanisms in the system of public-private interaction in the field of services, including tourism development.

The objectives of the study are as follows:
- development of a questionnaire for conducting an expert survey among representatives of tourism enterprises and authorities working in the field of public administration and regulation of tourism,
- definition of mechanisms for selection of experts for the survey,
- analysis of the results of the questionnaire survey of experts,
- application of statistical methods of analysis to determine performance indicators,
- development of recommendations for improving the efficiency of the public marketing system in public-private cooperation for the development of tourism.

**Presenting main material.** The development of tourism is one of the multipliers of the country's economy. Low barriers to entry and low start-up investments ensure the active development of entrepreneurial activity in the field of tourism. This situation promotes competition among businesses in the field of tourism. High commercialization of the tourism industry causes significant problems in building a system of regulation and management of industry development at the level of public administration. However, the lack of powerful private players in the country's tourism market determines the need to create conditions for regulating the policy of positioning the country as a tourist center in international markets. In conditions of high competition, each business entity will simply not be able to provide adequate funding for the country's positioning in foreign markets, which, in turn, will significantly reduce the attention to tourism offers developed within the country. Positioning the country as a tourist center is the basis for the formation of an effective system of inbound tourism, the formation of loyalty among consumers of tourist services, and the formation of a positive image of the country not only in tourism but also in other areas of foreign policy [1-4]. Thus, the role of accumulating the efforts of economic entities and the public sector in positioning the country as a tourist center is in the competence of public administration.
In order to determine the most effective types of interaction between the public and private sectors in building a system of public marketing and positioning the country as a tourist center, it was considered appropriate to conduct a survey among leading stakeholders [5].

Among the stakeholders who can form a base of experts to analyze the level of interaction between the public and private sectors in terms of positioning tourist attractiveness, the following criteria were identified:

- a person must work in the private sector in a position directly related to the formation, sale of travel packages, work with clients, advertising and promotion of tourism products, branding and other types of work directly related to the specifics of tourism services,
- persons working in the system of public administration bodies at various levels, which are directly aimed at the formation, implementation of state policy for tourism development and control and regulatory function,
- Respondents must work in the field of tourism for at least 5 years in order to be quarantined and quarantined during their total experience, which will allow to compare new challenges and prospects for the development of the industry,
- 20% of respondents from the private sector should hold senior positions in tourism enterprises in order to identify management tasks and challenges to the management system in the industry,
- 40% of respondents from the public sector should work towards the development of international tourism, because public marketing is aimed not only at positioning the country as a tourist center, but also at creating a positive external image of the country as a basis for foreign policy.

These institutions and organizations partially determine the mechanisms of public management of resources, infrastructure, transport of the tourism industry, regulate its socio-economic development. There is no relevant Ministry in the field of tourism in Ukraine, the main functions of the state regulatory policy in the field of tourism are performed by the State Agency for Tourism Development. The goal of state policy outlined on the website of the State Agency [10] is to create an attractive tourist destination in Ukraine in ten years. Priorities for the development of tourism in the field of state regulatory policy and public administration are identified [10]: improving Ukraine's image in the world, increasing the number of tourists from target markets, development of tourist infrastructure, innovations in tourism, development of business tourism, development of domestic tourism, quality service and education, improving the efficiency of tourism management, market analysis and statistics, improving the regulatory framework in the field of tourism.

As you can see, the first priority of tourism development at the level of public administration is to improve Ukraine's image in the world, which is a direct task of public marketing. Thus, the high practical value of the development of the public marketing system in the field of tourism has been determined.

Given the high commercialization of the industry, it is advisable to seek effective mechanisms for implementing public marketing through cooperation between the public and private sectors.

The authors developed a questionnaire for the survey, which included the following blocks [6-8]:
- determination of the main priorities of tourism development,
- identification of problematic aspects of tourism development, including in the context of quarantine quarantine restrictions,
- definition of tasks performed by representatives of the private sector in the system of positioning the country as a tourist center,
- defining the role of the state in the system of management and regulation of the country's positioning as a tourist center.

In accordance with the identified blocks, a questionnaire was developed. The template of the questionnaire for public and private sector stakeholders, according to which a sociological survey was conducted among stakeholders in Ukraine, is presented in Table 1.

Table 1
Questionnaire template for the sociological survey (developed by the authors)

<table>
<thead>
<tr>
<th>Question</th>
<th>Average assessment of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identify the main priorities for tourism development in descending order of relevance from 10 to 1</td>
<td></td>
</tr>
<tr>
<td>Profitability</td>
<td>10</td>
</tr>
<tr>
<td>International positioning of the country</td>
<td>9</td>
</tr>
<tr>
<td>Development of the social sphere</td>
<td>8</td>
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<tr>
<td>Improving the quality of service in the service sector</td>
<td>7</td>
</tr>
<tr>
<td>Development of investment attractiveness</td>
<td>6</td>
</tr>
<tr>
<td>Increasing the level of employment</td>
<td>5</td>
</tr>
<tr>
<td>Development of socio-cultural environment</td>
<td>4</td>
</tr>
<tr>
<td>Formation of tolerance. Protection and presentation of cultural and historical values and traditions of the country</td>
<td>3</td>
</tr>
<tr>
<td>Recovery of the population</td>
<td>2</td>
</tr>
<tr>
<td>Improving the living standards of the population</td>
<td>1</td>
</tr>
</tbody>
</table>

Identify the main problematic aspects of tourism development in descending order of relevance from 10 to 1

| Quarantine restrictions | 10 |
| Lack of an effective regulatory framework | 9 |
| Lack of an effective marketing policy for positioning the country in the global tourism market | 8 |
| Lack of investment in the material and technical base of tourism development | 7 |
| Lack of a system for generating interesting tourist offers (service packages) | 6 |
| Irrational fiscal policy | 5 |
| Ineffective regulatory policy of the state in the field of tourism development | 4 |
| Political instability | 3 |
| Low standard of living | 2 |
| Exchange rate fluctuations | 1 |

Defining the tasks of the private sector in the development of tourism in descending order of relevance from 10 to 1

| Ensuring the quality of tourist services | Expert responses from the private sector | 10 |
| Formation of unique tourist offers | 9 |
| Ensuring the safety of tourists | 8 |
| Positioning of tourist potential for consumers of tourist services | 7 |
| Development of socio-cultural exchanges | 6 |
| Providing feedback to the authorities on the effectiveness of state regulatory policy | 5 |
| Replenishment of budgets of different levels by paying taxes | 4 |
| Creating new jobs | 3 |
| Social sector development | 2 |
| Formation of conditions for rational development of the tourism industry | 1 |

Defining the tasks of the public sector in the development of tourism in descending order of relevance from 10 to 1
To analyze the results of the survey, statistical analysis methods were used. The responses of 100 respondents were selected from the general population (50 of whom represent private sector stakeholders and 50 represent public sector stakeholders operating in the field of tourism). Respondents determined the relevance of the proposed elements in parameters 10 to 1, where 10 was the maximum relevance, 1 – was the minimum relevance of the element. The sample was determined by considering all the responses of respondents, except those who had the lowest and highest results to form the most representative model. According to the definition of groups of questions, four clusters of sociological surveys were formed, which united homogeneous elements of sociological surveys. Each cluster combined 10 elements of the statistical population, which allowed for cluster analysis of the results of sociological survey statistics.

Thus, the size of the general population (N) was determined - 100 people and 400 answers, of which the sample (n) was 98 people and 393 answers. The arithmetic mean of the indicators of the elements of cluster analysis was calculated by the formula 1

$$\bar{x} = \frac{1}{n} \sum_{i=1}^{n} x_i$$  

(1)

where, $x_\bar{}$ - is the average value of the sample of statistical data from the survey, 

$n$ - a sample of statistical data from a survey,

$x_{i}$ - a separate element of the set of statistical data of the survey,

$i$ - serial number of the respondent's answer in the set of statistical data of the sociological survey.

To determine the variation of the averages, the variance of the statistical data according to formula 2 was calculated

$$D = \frac{s^2_{gen}}{n}$$  

(2)

<table>
<thead>
<tr>
<th>Issue</th>
<th>Expert responses from the private sector</th>
<th>public sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensuring the effectiveness of the regulatory policy of the state</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td>Ensuring the safety of tourists</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td>Positioning the country's tourism potential</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Development of entrepreneurial activity</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td>Development of socio-cultural exchanges</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Formation of conditions for rational development of the tourism industry</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Creating new jobs</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Social sector development</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Formation of rational fiscal policy</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Ensuring the quality of tourist services</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>
where $D$ – variance of a variable quantitative feature,
$n$ - a sample of statistical data from a poll,
$\sigma_{\text{gen}}$ - variance of the general set of statistical data of the sociological survey,

The variance of the general set of statistical data of the sociological survey was calculated by the formula 3:

$$
\sigma_{\text{gen}} = \sqrt{\frac{1}{n} \sum_{i=1}^{n} (x_i - \bar{x})^2}
$$

The calculation of the variance and coefficient of variation, which was 0.01, determined the low scattering of the indicators of the set of statistical data of the sociological survey, which confirmed its accuracy and relevance to the real situation.

Confirming the relevance of the survey data, an analysis of its results was conducted. The priorities for the development of the tourism industry among stakeholders are profit, quality of services, positioning the country as a tourist center. The main problems, experts said, were quarantine restrictions, an inefficient system of legal support for tourism development processes, and the lack of effective mechanisms for marketing the country’s positioning. It should be noted that experts have identified among the main problematic aspects of tourism development environmental problems, most of which are related to state policy in the field of tourism. Thus, the choice of the topic of interaction between the public and private sectors in the field of tourism is of high relevance and practical importance.

Analyzing the distribution of priority priorities for the public and private sectors in the development of tourism, significant differences in the structuring of relevance among experts representing the public and private sectors have been identified. Thus, the study empirically confirms and practically proves the lack of a balanced system of interaction between the public and private sectors in tourism development.

According to the analysis, a structural and functional scheme of interaction between public authorities and business in the field of creating effective marketing systems is proposed - Fig. 1
The interaction of the public and private sectors in the system of public marketing in tourism should consider the specifics of the industry and be comprehensive. Only by combining the efforts of the public and private sectors in building a marketing structure can the country be effectively positioned in international tourism markets.

**Conclusions.** As a result of the research, the authors conducted an expert survey of representatives of tourism enterprises and authorities working in the field of public administration and regulation of tourism, to determine mechanisms to improve the efficiency of public marketing in public-private cooperation for tourism development. The analysis of the results of the questionnaire of experts allowed us to determine the complexity and specificity of the interaction between the public and private sectors to build a system of public marketing to position the country as a tourist destination. The results of the study can be useful for the creation of administrative and organizational systems for the implementation of public marketing mechanisms in the field of tourism.

**References:**

**Fig. 1 - Scheme of interaction between the public and private sectors in the system of public marketing in tourism**

Tasks of public marketing
- Image formation
- Positioning
- Foreign Policy
- Branding
- Effective regulation
- Quality of service provision

Mechanisms of public marketing
- Loyalty to a tourist destination
- Positioning the tourist brand on the world market through marketing and political means
- Creation and promotion of a tourist brand
- Administrative and organizational measures
- Internal and external monitoring and control systems
- Development of financial and economic activities
- Flexible pricing policy over competitors
- Creation and promotion of advertising products
- Social corporate responsibility


Література:


