

**ICEST 2022****III International Conference on Economic and Social Trends for Sustainability of Modern Society****SOCIO-ECONOMIC AND TECHNOLOGICAL MODELS FOR  
INCREASING EFFICIENCY OF SERVICE SECTOR  
ORGANIZATIONS**

Gilbert Mabiala (a)\*, Dmitriy V. Lynskiy (b), Irina V. Bayrakova (c), Elena V. Romaniuk (d),  
Nataliya V. Kochetkova (e)

\*Corresponding author

(a) Department of economic theory, Institute of Economics and Management, FSAEI HE V.I. Vernadsky Crimean Federal University, Simferopol, Russia, gilmabiala@mail.ru

(b) Department of economic theory, Institute of Economics and Management, FSAEI HE V.I. Vernadsky Crimean Federal University, Simferopol, Russia, linskydv@rambler.ru

(c) Department of economic theory, Institute of Economics and Management, FSAEI HE V.I. Vernadsky Crimean Federal University, Simferopol, Russia, Bairakova67@mail.ru

(d) Department of economic theory, Institute of Economics and Management, FSAEI HE V.I. Vernadsky Crimean Federal University, Simferopol, Russia, rommania@rambler.ru

(e) Department of economic theory, Institute of Economics and Management, FSAEI HE V.I. Vernadsky Crimean Federal University, Simferopol, Russia, st\_iv@list.ru

**Abstract**

The research objective is to develop scientific and practical recommendations for enhancing the structure of the service system suitable for use in service sector activities, based on a socioeconomic efficiency evaluation. The implementation of this goal involves the systemic study of the foundations of efficiency in the service sector; the analysis of trends in changes in the parameters of the activities of service organizations based on the evaluation of its socio-economic efficiency; the substantiation of the imperative and strategic directions for the development of service sector organizations and their implementation on an innovative basis. The research methods were the fundamental developments of leading economists on the problems of the functioning of organizations in the service sector and the understanding of the foundations for increasing socio-economic efficiency. The methods of logical analysis and generalization, a systematic, comparative approach, tabular and graphical methods for interpreting trends in the main parameters were used. The application of these methods made it possible to: generalize the essence of the problem of the service sector development, identify the principles of the system of organization of public services; determine methods for assessing their socio-economic efficiency, and scientifically comprehend the problem of their further development based on innovative technological models. The main conclusions were focused on the issues of improving socio-economic efficiency in the service sector, as well as in the analysis of trends in the functioning of organizations providing various types of services, and validation of technological models for increasing in the socio-economic efficiency of service organizations.

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## 1. Introduction

The development of the service sector is a necessary prerequisite for the modernization of the national economy to be completed successfully. In developed countries, the enterprises of the service sector have now moved to a new stage of scientific and technological development, which has enabled them to quickly and cost-effectively increase in size and change the structure of the organization, maintain service quality standards and adapt services to the population's needs, and flexibly change the set of social services.

To further increase the efficiency of their development, accumulated experience in the construction and functioning of individual aspects of the public services sector employing new management and social technologies demands scientific understanding. The socio-economic effectiveness of both individual types of services and individual sub-sectors of the service sector must be assessed to achieve successful service sector development. The experience of organising monitoring, auditing, and certification of the services provided, as well as the creation of multifunctional service complexes, whose activities are based on innovative management methods and technologies that can increase enterprises' susceptibility to scientific and technological advances throughout the reproduction cycle, are noteworthy.

The importance of the problem of assessing the effectiveness of the activities of enterprises providing types of services to citizens based on innovative methods and its insufficient work-out at present predetermined the choice of the topic and the relevance of our research. The scientific works of the classics of economics are devoted to the problem of forming a theory of the efficiency of the functioning of the service sector and its socio-economic development. Modern Russian scientists who are actively engaged in this topic include (Dudakova & Gladkova, 2010; Edelev et al., 2009; Petrov et al., 2012; Voloskov, 2020; Vasenkova, 2018; Volkova, 2014) and others.

The theory and practice of performance evaluation in the service sector were studied by (Abramov, 2011; Luneva, 2014; Mabila & Pantchenko, 2021; Petrov et al., 2012; Protsenko, 2006; Yusupov, 2013) and others. The characteristics of regional service sector development are reflected in the research works of (Gadzhieva, 2017; Gazhur & Lukiyanchuk, 2018; Molev, 2007; Parasuraman et al., 1988; Voloskov, 2020) and others.

## 2. Problem Statement

The purpose of this work is to study the directions of improving the efficiency of the trading enterprise's activities, which will give the desired result for the enterprise itself and consumers of its products, reserves and ways are determined to improve the efficiency of a trading enterprise. Effective, that is, effective, gives the necessary and best results in various forms of manifestation (material, monetary, social, etc.). Efficiency is a rather multifaceted concept, which is defined not only from economic but also from philosophical positions (Abramov, 2011; Mabila & Pantchenko, 2021).

### **3. Research Questions**

In the context of the objectives of this article, despite the large number of scientific papers devoted to the study of the effectiveness of the functioning of the service sector, some important issues do not have a sufficient level of scientific justification (Gadzhieva, 2017). In particular, factors and forms of manifestation of the effectiveness of public services, existing methods for assessing the effectiveness of the functioning of educational services, and forecasting important indicators of the effectiveness of the functioning of services require a more detailed analysis.

The efficiency of a trading enterprise largely depends on the volume of goods sold. In a transition economy, enterprises are increasing their trade turnover, but it is quite difficult to maintain a positive trend over a long time. The volume of sales is formed under the influence of various factors in the external and internal environment (Shchepakina & Mikhailova, 2020; Vasenkova, 2018). But there are such factors that affect the inefficiency of the organization of a commercial enterprise (inefficient use of retail and warehouse space; low level of service culture; low level of automation; unkempt premises; in most cases, the use of outdated methods of Personnel Management; inefficiency of measures to reduce costs) (Statistical data showcase, 2021; Yusupov, 2013).

The findings are organized in three directions: generic theoretical and methodological underpinnings of the effectiveness and quality of public services, as well as clarification of the features of the formulation of approaches to the study of socio-economic efficiency in the service sector; systematized results of the assessment of the quality of public services; the identified state and prospects for the development of the public service sector; substantiated ways to improve the socio-economic efficiency and quality of public services in health and recreation organizations; in the context of the implementation of the plan and new technical models of public service quality, and developed approaches to increase the efficacy of service organizations.

### **4. Purpose of the Study**

The objective of this article is to develop theoretical and practical recommendations for improving the service sector, modified for use in service sector organizations, based on an assessment of its socio-economic efficiency and public service quality.

Achieving this goal necessitates completing the following primary tasks:

- to summarize the methodological foundations of the efficiency and quality of service in the modern economy's tertiary sector;
- to evaluate the quality of services in organizations that provide recreation and recreation, based on an assessment of their socio-economic efficiency;
- to substantiate the imperatives and directions of the regional strategy for the development of the service sector in terms of organizations that provide services to the population;
- to substantiate methodological approaches to the introduction of technological models and innovations into the system of activity of enterprises in the service sector.

## 5. Research Methods

*The research object* is enterprises of the service sector and methods to improve their socio-economic relations in the context of innovative transformations. *The research subject* is the improvement of the socio-economic efficiency of the service sector and methods for its evaluation and technological models of its development.

*The theoretical and methodological basis of the research* of local and foreign scientists-economists on the problems of the formation and functioning of the service sector provides the theoretical and methodological basis of the research. The abstract-logical technique; analysis, synthesis, observation; and system analysis methodologies were applied during the implementation of the piece. During the implementation of the article, the traditional and specific research methods were used: the abstract-logical method; analysis, synthesis, observation; and methods of system analysis. Other research methods were used, mainly the monographic, the methods of a systematic approach, comparative, economic, logical analysis, and statistical methods, and the index analysis method.

*The scientific significance of the results and conclusions* formulated in this work lies in an integrated approach to assessing the socio-economic efficiency and quality of service in the service sector, adapted for use in organizations providing different types of services to the population, based on the use of innovative methods and technologies of modern digitalization of the economy.

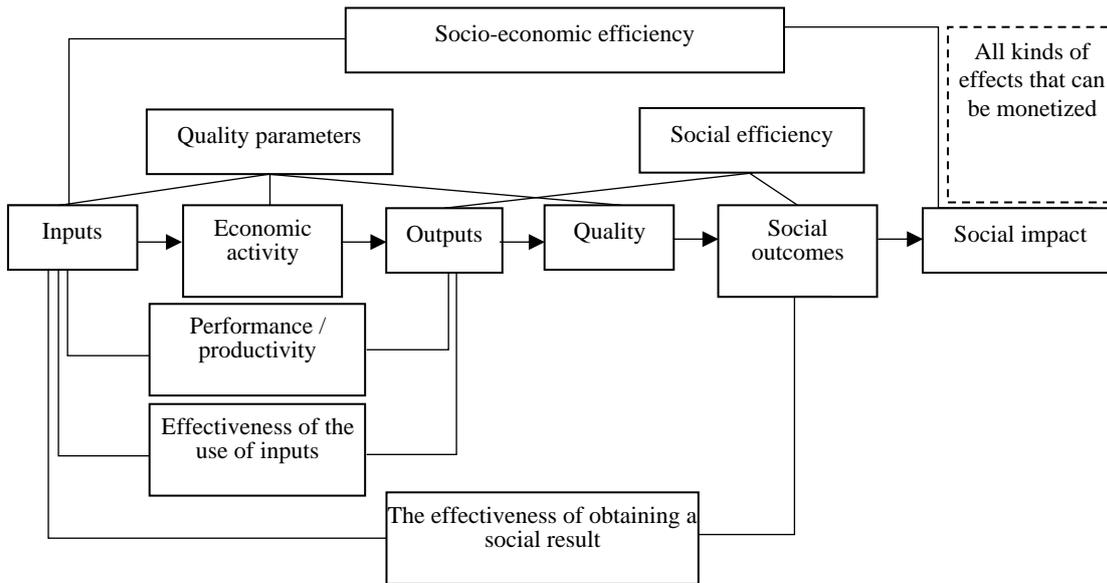
The main of them include (Gadzhieva, 2017):

- a proposal regarding the need to form a multifunctional service complex in recreation and wellness facilities;
- a methodology and model for assessing the socio-economic efficiency of the service sector based on economic and financial parameters, as well as an integral indicator of the service sector's socio-economic efficiency, that allows objectively assessing the degree of satisfaction of the population's service needs;
- a suggestion for an algorithm for designing a service sector development strategy, which contains steps that begin with assessing the service sector's level of development and end with monitoring the implementation of strategic ways to improve the service sector.

Some of the practical implications of this article's conclusions can be used to build a service sector growth strategy, as well as to improve the forms and techniques of increasing service organizations' socio-economic efficiency.

## 6. Findings

The socio-economic efficiency should be considered as the ratio of the results (effects) resulting from the implementation of programs (projects) and the resource costs of their implementation. Regarding the service sector, the results of the implementation of programs can be assessed by three main criteria: economic (financial) efficiency, social efficiency, and socio-economic efficiency. From this point of view, a team of authors led by Andreeva et al. (2014) suggests a scheme of the chain of social results and types of effectiveness (Figure 1).



**Figure 1.** The Chain of Social Results and Types of Effectiveness (Source: Compiled by the authors based on (Andreeva et al., 2014))

At the same time, economic efficiency is the ratio of the market value of the effects (results) generated by the program and the cost of the resources spent to obtain them. And, from the above, socio-economic effectiveness is a ratio, on the one hand, of social effects (the degree of impact on society), which can be directly measured and expressed in monetary terms, and on the other hand, the costs of implementing socially-significant programs.

The creation of a technique for evaluating the service sector's socio-economic efficiency coincided with the introduction of theories explaining its socio-economic efficiency. The existing methods and technologies for evaluating the effectiveness of the service sector can be divided into two groups: those for determining the contribution to the rate of economic growth or the quality of service in the growth of the gross domestic product, and those for determining the return on investment in the service sector at the micro and macro levels. The indicators used to measure the results of the service sector's operation distinguish the existing approaches (Andreeva et al., 2014).

The emergence of theories explaining the socio-economic efficiency of the service sector was accompanied by the work-out of a methodology for its assessment. The existing methods and technologies for assessing the effectiveness of the service sector can be divided into two groups: those for the contribution to the rate of economic growth or the quality of service in the increase in the gross domestic product (GDP) and those for the return on investment in the service sector at the micro and macro levels. The existing methods can also be distinguished by the indicators used for the results of the functioning of the service sector (Mabiala & Pantchenko, 2021).

In many countries, the share of the service sector is growing rapidly and occupies a very large share in the GDP structure (70-75%); the share of employed (74-79% of the employed population); the share of income from the service sector is about 3/4 of GDP, which is typical for many countries, such as Hong Kong (90%), Luxembourg (85%) and in the USA (76%) and Russia (in recent years – about 60%);

in the countries of Southeast Asia – more than 50% of GDP is accounted for by the service sector (Gadzhieva, 2017).

A wide range of service activities, including financial, credit, educational, household, tourism, medical, telecommunications, and other services, give a high level of growth in the service sector for economically developed countries. The service sector in developing economies is frequently dominated by particular types of service-related activities, such as tourism, the banking and credit system, transportation, and a few other service sectors (The service sector in Russia, 2020).

Modern trends in the digitalization of the economy have caused the rapid growth of the tertiary sector, creating an infrastructure base to support the activities of enterprises in the primary and secondary spheres of activity. In addition, many authors argue that the active development of the service sector is due to the influence of several factors, among which are government policy, business trends, information technology development, social changes, etc. (Mabila & Pantchenko, 2021; Parasuraman et al., 1988).

Currently, the word "service sector" is vague. There are numerous alternative definitions of the service sector in Russian literature, ranging from two categorical definitions, one of which is based on the premise of providing services primarily to people, that is, it is a collection of industries, sub-sectors, and activities whose functional purpose in the system of social production is expressed in the production and sale of services to people (Edelev et al., 2009; Vasenkova, 2018).

It is this understanding of the service sector that conveys a more precise meaning for our research. The service sector is a set of economic sectors that provide services to the population. It is directly related to the reproduction of human life and contributes to the creation of favourable conditions for the development and placement of productive forces in individual regions (Gamidova, 2021; Petrov et al., 2012).

The service sector encompasses a significant number of activities grouped according to various classifications used at both the international and national levels. According to the WHO classification, there are more than 150 types of services grouped into twelve sectors. At the same time, in terms of their structure and volume of consumption, the leaders are utilities – 21.2%, transport services – 20%, and communication services – 19.5% of the total consumption of services in 2010 (Volkova, 2014).

The main branches of the Russian service sector are (The service sector in Russia, 2020):

*Trading.* The trade deals with the purchase and sale of goods and the provision of several services to the buyer. The total volume of retail trade operations during 2021 amounted to 33,532.1 billion rubles, which indicates its constant growth over the past decades. The number of retail outlets has increased significantly, network companies have emerged, numerous super- and hypermarkets have opened, and Internet-based commerce has grown.

1. *Transport.* One of the most popular areas of the service sector, which has been widely developed due to the vast space and geographical features of our country. The transport network of Russia includes:

- more than 1.5 million km of highways;
- 600 thousand km of domestic flights 121 thousand km of railway tracks; 260 thousand km of pipelines;
- 101.5 thousand km of shipping lanes;

- 582 km of subway tracks.

In the modern sphere of transport, there is a giant network that allows for a trillion ton-kilometers of cargo turnover (5,6691 in 2021) and establishes a flow of billions of passenger-kilometers (531,9 in 2020). Railway and pipeline modes of transport are intensively developing.

3. *Telecommunications.* This is a rapidly developing and most promising service sector that deals with the problems of information transmission on an innovative basis. The total number of cellular subscribers in Russia, whose services are currently provided by: MTS, MegaFon, and Volna Mobile for the first half of 2021, amounted to 260.647 million people. The total number of Russian Internet users for 2021 reached 109.6 million, and the absolute majority of them (86%) visit this information resource daily.

In addition, according to 2020 data (The service sector in Russia, 2020): 25.8 million Russians have fixed-line telephone service; 34.9 million have broadband internet access, and 27.4 million are subscribers to television services. The total financial revenue of telecommunications companies amounted to 1.636 billion rubles at the end of the year.

4. *Finance.* The modern financial system of Russia operates in the conditions of station processes, adapting to the conditions of digitalization of the financial and banking economy, and today the total number of employees in the financial sector exceeds 1 million people. The finances of Russia by the end of 2021 are (The service sector in Russia, 2020):

- The gold and foreign exchange reserve is 554.395 billion dollars;
- The National Welfare Fund – 7 trillion 773.62 billion rubles, or 125.56 billion US dollars;
- External debt – 481.473 billion US dollars;
- The budget surplus is 1 trillion 967.6 billion rubles. which is about 1.8% of the GDP.

5. *Tourism.* Russia has huge potential for tourism development. The number of foreign citizens who visited Russia in 2021 amounted to 32.9 million, of which 5.1 million arrived for tourist purposes, which led to an increase in the tourist flow by 20.5%.

Russia's tourism industry can always offer its clients visits to over 100 resorts located (The service sector in Russia, 2020):

- In Crimea and along the Black Sea coast of the Caucasus;
- In Caucasian Mineral Waters;
- Along river and lake banks;
- In the mountain areas, and Altai, the Kola Peninsula, Kamchatka, Sakhalin.

6. *Social sphere.* Basically, the social sphere in Russia is represented by the education and healthcare systems. 16 million schoolchildren, 1 million teachers, and 7 million students (4,161.7 in the university system, 2,995.8 in the secondary vocational education system) started the learning process in 2021, intending to master 3,326 trillion rubles.

A simple analysis shows the steady growth dynamics of those areas that initially had a good material base, traditionally established connections, a high level of demand, and did not require significant funding. Since 2018, the share of the service sector in the nominal volume of the gross value added (GVA) has fluctuated between 46.6-48.8%, and in 2021 it amounted to 48.8%, which is

significantly lower than the share of the service sector in the economies of developed countries. The less-developed service sector in Russia makes it difficult to carry out the socio-economic functions assigned to it. The changes in the service sector are reflected in its structure (Table 1).

**Table 1.** Structure of paid services to the Russian population for 2018-2021, %

Indicators	Years			
	2018	2019	2020	2021
All services rendered	100	100	100	100
including:				
household	10.1	9.9	9.6	9.1
transport	21.5	21.2	21.0	17.2
communications	18.5	18.6	19.8	18.3
housing	5.3	5.6	5.3	5.6
utilities	18.3	18.0	17.5	25
hotels and similar accommodation facilities	2.6	2.1	2.7	2.2
culture	2.3	2.2	1.7	1.7
tourist	1.5	1.6	1.6	1.1
physical culture and sports	0.7	0.6	0.6	0.7
medical	4.8	4.9	5.0	5.3
sanatorium	1.6	1.5	1.4	0.9
veterinary	0.2	0.2	0.2	0.2
legal	2.3	2.5	2.6	2.5
education systems	6.7	6.9	7.0	6.7
other services	3.6	3.6	3.9	3.5

Source: compiled by authors based on the data of Russian statistics services (The service sector in Russia 2020; Statistical data showcase, 2021)

It is shown in the table, the share of utilities and communication services in the paid service structure has risen since 2018, while the share of transportation and residential services has declined. Other services accounted for nearly the same percentage of the total. These changes reflect current societal trends: utility rates have risen dramatically, society is becoming more informatized, demand for communication services is expanding, and a growing proportion of the population is purchasing their transportation. The analysis of statistical data on the provision of paid services in Russia clearly illustrates the uneven distribution of service enterprises, which is reflected in the significant difference in the volume of sales by federal districts (Table 2).

**Table 2.** Structure of the volume of paid services to the population by subjects of the Russian Federation for 2018–2021, %

Subjects of the Russian Federation	Years			
	2018	2019	2020	2021
Russian Federation, total	100	100	100	100
Central Federal District	37.4	36.9	35.8	35.1
North-Western Federal District	11.0	11.1	11.1	11.0
Southern Federal District	10.9	11.3	11.4	12.0
Volga Federal District	16.7	16.5	17.3	17.7



is an integral element of the overall efficiency of public labour and is expressed by certain criteria and indicators (Klyushkin & Zhukovskaya, 2018).

The approaches to determining the effectiveness of services have been considered by Knyazheva (2014) and Kononova (2012), they highlight:

- The cost-benefit analysis (economic efficiency);
- The purposefulness (effective efficiency). It is evaluated from the standpoint of achieving goals, which may be the expansion of economic potential, maximizing profits, and minimizing the costs of service organizations;
- The comprehensive economic analysis, based on which the achieved results are evaluated, the factors of change, unused opportunities, and reserves for their expansion are identified; and the management system's effectiveness.

Within the framework of this approach, the author identifies the following performance indicators (Mabila & Pantchenko, 2021):

- The volume of services rendered; profit; investment project implementation; the availability of dependable partners, etc.
- The effectiveness of services can be considered using a system of economic indicators, organizational indicators, socio-group indicators, etc.

The problem of determining the efficacy of the service sector has a variety of methodological techniques. When it comes to methods for assessing the service sector's socioeconomic efficiency, we can point to (Andreeva et al., 2014; Luneva, 2014; Mabila & Pantchenko, 2021; Molev, 2007; Shchepakin & Mikhailova, 2020; Voloskov, 2020; Yusupov, 2013):

*"The first approach* systematizes the provision of such services, at relatively lower costs and with rational use of available resources, to ensure the fullest provision of high-quality services to the population" (Mustafayeva & Tatuev, 2004, pp. 25).

*"The second approach* to evaluating the effectiveness of the service sector is characterized by the ratio between the results achieved and the costs of various resources available to society (the "costs-resources" approach)" (Yusupov, 2013, pp. 5-6).

*"The third approach* considers the effectiveness of the service as the degree of satisfaction with them. The consumer considers their quality to be the main indicator of the efficiency of the services consumed" (Gamidova, 2021, pp. 70-72).

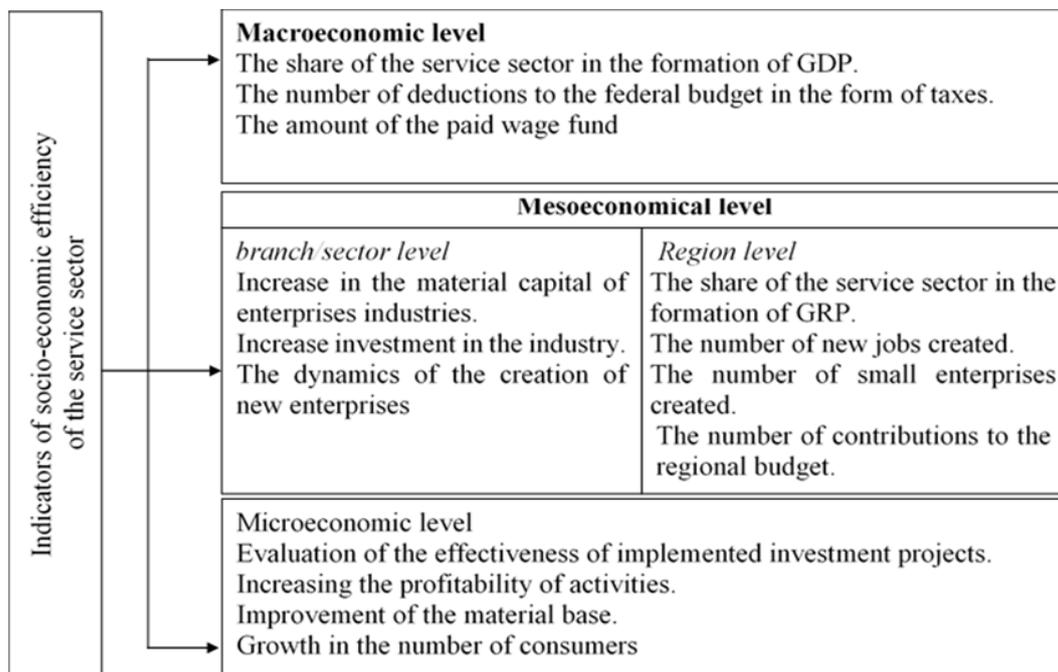
*"The fourth, goal-oriented approach,* allows us to compare how well the company has fulfilled the goals set initially. The list of such goals usually boils down to the following" (Andreeva et al., 2014, p. 67; Yusupov, 2013, p. 6):

- leadership in the fight against competitors;
- prevention of major financial failures and bankruptcy;
- profit maximization and cost minimization;
- increase in economic potential and rate of profitability, etc.

It is advisable to take a methodical approach to address service sector efficiency issues. The author Abramov (2011), Yusupov (2013), Voloskov (2020), Kononova (2012) provided a systematic method that involves the formulation of different criteria and indicators for different levels of management and a specified hierarchy of goals and, consequently, effectiveness criteria:

- *The relevance of services*, i.e. modernization of services (improvement of the material and technical base, equipping of visitor service areas with modern equipment, expansion, optimization of pricing policy, etc.);
- *The mass availability of services or increased availability of services* for various categories of citizens;
- *The appreciation*, and support of events that contribute to the growth of the prestige of the service sector, organization of public relations events, sponsorship;
- *The stability*, preservation of "good traditions", development of personnel;
- *The effectiveness*, and the improvement of financial and economic activities in the service sector.

A number of critical indicators are reflected in figure 2 in the technique for evaluating the socio-economic efficiency of service provision. According to figure 1, indices of socio-economic efficiency include an increase in the physical volume of services delivered, a drop in overall expenses and other factors.



**Figure 2.** Indicators of service sector socioeconomic efficiency (Source: Compiled by the authors based on (Abramov, 2011; Yusupov, 2013))

The measures of social efficiency reflect the quantitative side of social goals attained, such as the creation of new services, changes in the consumer price index, improved quality of life, reduced unemployment, increased fertility, and decreased mortality (Abramov, 2011; Voloskov, 2020; Yusupov, 2013). The size of the wage fund for employees of the enterprise, including social contributions; the

number of employees of service sector enterprises; the number of tax payments to budgets at various levels made by the enterprise providing services; the profitability of service sector organizations should all be considered when determining the socio-economic efficiency of the service sector.

The following metrics should be considered when assessing the service sector's socioeconomic efficiency:

- The size of the wage budget for the enterprise's employees, including social contributions; the number of service sector employees.
- The total amount of tax payments made by a service provider to various budgets at various levels.

The following indicators can be used to gauge the service sector's development:

- the average monthly accruing salaries; the profitability of organizations;
- the turnover per employee;
- the percentage of profitable organizations;
- the percentage of small businesses in total;
- the industry's investment activity.

In order to assess the service sector's economic efficiency, we believe it is necessary to add an indicator of the industry's investment activity, which indicates investment intensity and is defined by the ratio of investment to revenue for the same time (Abramov, 2011):

$$I_A = \frac{I}{V} \times 100\% \quad (1)$$

where  $I_A$  – denotes the industry's investment activity;  $I$  – denotes the total volume of investments made in the industry over a certain period of time;  $V$  – denotes the amount of revenue generated by sales in the industry over the same period of time.

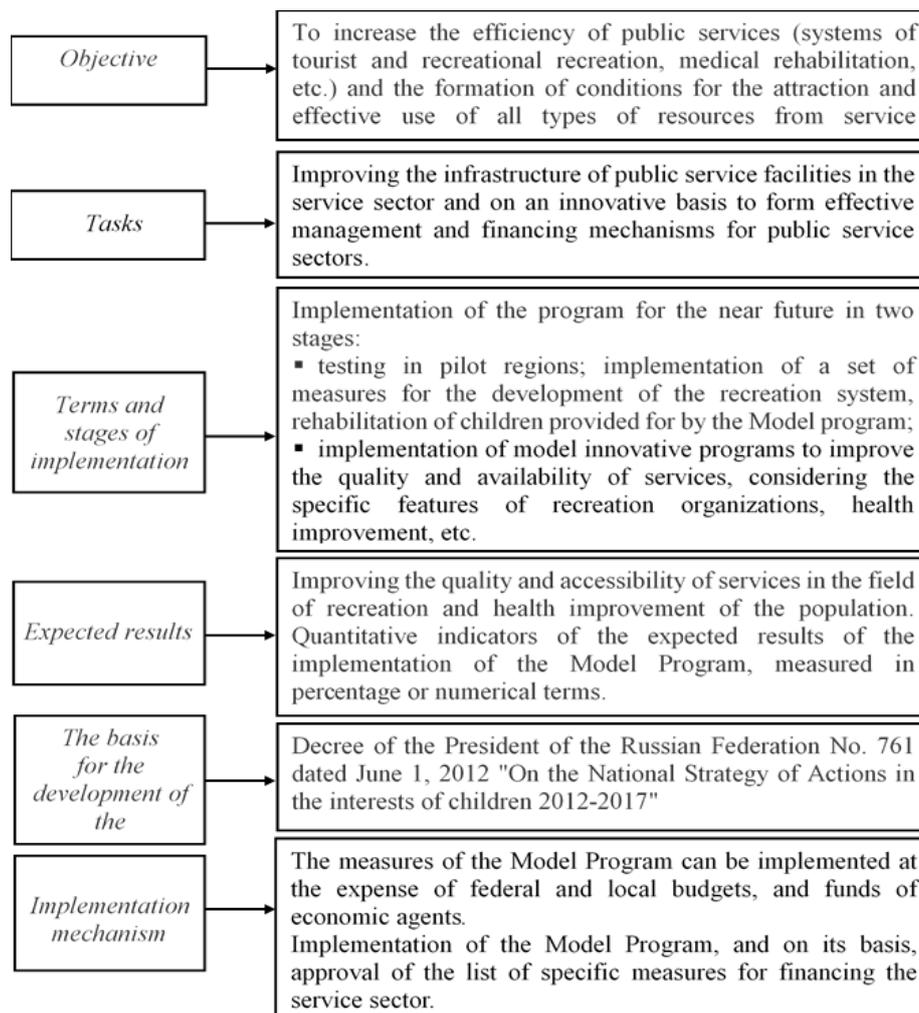
We recommend considering some metrics of the industry's socio-economic efficiency for the convenience and speed of comparison of the following indicators (Yusupov, 2013):

$$K_{sej} = \sum_{i=1}^n V_i \frac{P_{ij}}{P_{Spi}} \times 100\% \quad (2)$$

where  $K_{sej}$  – a complex indicator of the socio-economic efficiency of the industry;  $i = 1 \dots n$  – the studied indicators;  $j$  – the index of the branch of the national economy;  $V_i$  – the coefficient of the significance of the  $i$ -th indicator, a fraction of a unit;  $P_{ij}$  – the analyzed indicator reflecting the social or economic effect in the industry;  $P_{Spi}$  – the average value of the indicator for all industries.

It should be mentioned that, based on the study's aims, the collection of analyzed performance indicators might be enlarged at the discretion of the experts. Experts' opinions on the significance of each indication are based on their theoretical knowledge and practical experience. Let's look at the indicators for the southern federal district's areas from 2018 to 2021. Table 3 shows the data that will be used in the analysis. The Krasnodar Territory and the Volgograd Region are the leaders in the development of the service sector in the Southern Federal District, according to the data in the table. To get more precise answers, we use the method to generate a sophisticated index of the region's socio-economic efficiency.

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**Figure 3.** A model program for the development of the service system and population improvement in the service sector (Source: compiled by authors based on (Gadzhieva, 2017; Volkova, 2014)

The following values will decide the relevance of the indicators:

- The share of household spending on services V1, % – 0.2;
- The cost of paying for services per capita V2, rub. / person – 0.2;
- The share of those employed in the service sector in the total population V3, % – 0.2;
- The share of the service sector in the GRP of the region V4, % – 0.4.

The measures that contribute to the development of the regional service sector include the following: stimulation of innovation and investment activities in the industry; ensuring the availability of all types of services in terms of territorial location, modes of operation, and methods of service; application of a differentiated approach to pricing, taking into account privileged categories of the population; creation of a network of municipal agents providing services to vulnerable groups of the population, etc. Based on what has been said and based on the ongoing processes of digital transformation of the socio-economic life of the country, an important point is the identification of technological models for improving the efficiency of the organization of the service sector (Vasenkova, 2018; Volkova, 2014).

The results of calculations using the proposed method show that higher development and efficiency in the service sector are observed in the Volgograd Region and the Krasnodar Territory. The Rostov region immediately follows the leaders and is in third place. This indicates the need to pay more attention to the development of the service sector in the region.

**Table 3.** Analysis of the socio-economic efficiency of the service sector in the regions of the southern federal district on average for 2018-2021

Indicator	Studied regions					
	Adygea	Kalmykia	Krasnodar	Astrakhan	Volgograd	Rostov
Share of household expenditures on payment for services, %	22.7	18.6	23.2	20.9	27.1	26.6
Expenditure on payment for services per person, rub. per capita.	13,581	9,978	31,407	21,581	31,856	22,878
Share of employed in the service sector in the total population, %	18.4	20.2	23.7	23.3	25.3	25
Share of the service sector in the GRP of the region, %	14.1	12.6	17	12.6	16.4	15.3

Source: compiled by authors based on S.S. Abramov's research (2011).

A complete approach for assessing the efficacy of service supply by firms whose activities are controlled at the regional level should be included in the quality management system and used as a metric for assessing management effectiveness. Improving the service sector's socio-economic efficiency will result in increases in the following metrics for a given region: regional gross product; tax revenues to the government; self-employed population earnings; and able-bodied person employment (Gadzhieva, 2017).

From all of the above, it is clear that the coronavirus pandemic posed a serious obstacle to the service sector's active socioeconomic development: many service-related businesses were unable to cope with the crisis caused by COVID-19, because hairdressers', beauty salons', and catering services could not be implemented in an online format, such as educational services. As a result, the demand for them decreased by 70% (Kapuschak & Kharitonova, 2021), which led to an increase in the number of unemployed. Thus, in May 2020, the unemployment rate among representatives of the service sector reached its maximum value of 6.1% (Kapuschak & Kharitonova, 2021).

## 7. Conclusion

The development of the service sector generates the need to assess its socio-economic efficiency. As for the problems of its assessment, a certain methodology is proposed, using indicators that allow for a

comprehensive analysis of the socio-economic efficiency of the activities of service organizations. And, on the example of some regions of the Southern Federal District, conclusions are drawn and the need for measures to promote the development of the service sector is substantiated:

- The service sector's level of development reflects the country's overall development and economic potential. The service sector must be improved, which requires establishing and executing initiatives that encourage the formation of contemporary service firms on an innovative foundation.
- The location of service enterprises is influenced by economic, socio-demographic, natural, technical, regulatory, and technical factors.
- The category of socio-economic efficiency includes two components: economic efficiency and social efficiency.

In modern practice, changes in the service sector are either extensive or intensive. These areas of change are not accompanied by the formation of a new potential of service sector enterprises, focused on future transformations of value orientations and consumer preferences, which are possible only through innovative activities. The latter provides enterprises in this area with a stable position in the market throughout the entire life cycle of goods and services, allowing for flexible manoeuvring in the provision of services to consumers in a situation of uncertainty. We are talking about a constantly updated process of transformation of the service sector.

This process, in our opinion, is multifaceted and includes issues of strategic planning and management, activation of scientific research, marketing, organizational design of the service sector, and the formation of a team of performers whose activities are innovative. It can be said that the innovative process of forming the service sector is adequate for the consumer market when there is an understanding of the causes, significance, and necessary direction of innovations, their scope, degree of novelty, and the specifics of the life cycle structure, the depth and scale of changes, as well as differences in meeting needs in certain segments of the consumer services market.

As a result, innovation activity can be characterized as the activity of implementing in industries, organizations, and the economy a wide range of innovations related to:

- the production of new products and services;
- the application of new technologies and/or development of new equipment; the use of new sources of resources;
- the introduction of new forms and methods of organizing production, labour, and management;
- the exploration or development of new markets.

Consequently, innovation activity acts as organizational and managerial support for the implementation of all stages of the product life cycle. The scope of innovation management tasks is expanding and involves providing marketing support for innovation and managing the intellectual property being created, organizing investment in innovation, and overcoming resistance to change on the part of the staff. All this requires the formation of a methodological and practical justification and the development of adequate tools. Underestimation of the features of innovation activity and insufficient

development of theory and methodology in the service sector have led to a significant decrease in the efficiency and effectiveness of innovation, which often affects the competitiveness of an organization.

Thus, the organization of the innovative activities of enterprises representing the service sector should ensure, firstly, the achievement of a common vision of the supply of services in the consumer market; secondly, the definition of strategic priorities in the transformation of this area; thirdly, the development of a strategy for the activities of enterprises in the long term; fourthly, the creation of a communication system focused on the implementation of services; fifthly, the formation of innovative personnel with the definition of areas of responsibility for the results of work; and sixth, the introduction of the system controlling the processes of services in the consumer market.

One of the main trends in socio-economic development is the growing importance of the service sector. To build an effective competitive environment in which it is advisable for economic agents to consider their organizational and economic characteristics, rely on their competitive advantages, develop them, and use modern digital technologies. Of course, the organizations of the Russian service sector win and hold their positions in different ways. In order to compete more successfully with the leading tourist countries, the Russian service industry should not only make more extensive use of national advantages but also develop the domestic market for digital, information, and telecommunication services, which will allow many Russian organizations to more effectively carry out their activities online.

In our opinion, the implementation of the selected areas will create conditions for the expansion of the service market and strengthen the competitive position and advantages of service enterprises.

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