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# SIGNIFICANCE OF DIGITAL TECHNOLOGIES IN DEVELOPING THE TOURISM INDUSTRY

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#### Abstract

In this study, the authors focus on the use of digital technologies in tourism and assess the ways to promote the tourism business using cloud technology and social media. They also highlighted the role of mobile telephony in providing tourism services. The paper found that social media play an active role in developing the tourism business of the digital age. Most people blog about travel, which allows them to share information about their travels and show life in different parts of the country from an unexplored perspective. Therefore, travel companies need to pay due attention to the design of their social media account. There is already evidence that internet users trust user-generated content more than television commercials. Active development of mobile communications is another tool for the digitalization of the travel business. Most travellers keep blogs where they share their travel experiences with readers in real time. On the other hand, travellers prefer to plan their own itineraries by looking up the necessary information on the internet, which leads to a lack of interest in travel agents. This may result in the need for travel agents becoming obsolete over time. On the other hand, the active development of mobile communications allows travel companies to collect customer information, build a profile of the target audience and offer tour packages based on price preferences. In the tourism industry, stable Internet connectivity and the availability of digital technology enabling online evaluation of the advantages and disadvantages of travelling to certain countries is an essential tool that characterizes the tourism industry. As practice shows, digital technologies have a substantial place in developing many sectors of the economy, but in tourism, digital technologies play a crucial role.

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## 1. Introduction

The rapid development of digital technologies has affected the tourism industry, where technology serves as a tool to enhance the competitiveness of this economic sector. In today's world, digital technology in tourism provides a fast link between the tourism business and the customer, so the tourism business is interested in investing further in digital technology. In addition, many companies have already embraced digital shopping. For example, there is a growing use of digital dressing rooms. To date, the share of people willing to use virtual technology in the product evaluation process has reached 51 %.

One leader in developing digital technology has been the company Lamoda, which has deployed 16 virtual dressing rooms in Moscow. In addition, the company provides the opportunity to try on shoes directly in the mobile app using the AR try-on function. Following Lamoda, IKEA has also offered the opportunity to evaluate furniture in the interior of the home (Gumerova & Shaimieva, 2018).

In this way, customers can pick up clothes, shoes or furniture online, reducing the time spent on transport and returning goods if they don't like them, while manufacturers can reduce the cost of producing goods by only presenting the goods digitally in advance.

Today travellers can already print out a ticket from the company's website, without having to spend time travelling to the airport or train station to pick one up. There is a big push for robots to help travellers navigate and give them the necessary information. Such robots, in turn, facilitate the work of airport and station staff (Yudina, 2019).

At the same time, the tourism industry, like other sectors of the economy, needs to ensure information security.

In the tourism industry, stable Internet connectivity and the availability of digital technology enabling online evaluation of the advantages and disadvantages of travelling to certain countries is an essential tool that characterizes the tourism industry. Digital technology has a significant place in the development of many economic sectors, but in tourism, digital technology plays a crucial role.

#### 2. Problem Statement

Today, the number of Internet users in the world is increasing every year and amounts to 59.5 % of the world's population or 4.66 billion people, 53.6 % prefer to use social networks and 66.6 % – mobile applications (Vaseyskaya & Glukhov, 2018).

Digital technology made it easier to search for a tour, a travel agent, evaluate its advantages and disadvantages, and compare price categories on your own. So, the customer has the opportunity to evaluate the tours at any time, regardless of the territorial location if there is a stable Internet. This positively affects the services provided and the satisfaction of the consumers' demand (Novikova & Strogonova, 2020).

The main advantage of using digital technology in tourism is the ability to search for detailed information on tours, routes and local attractions. In addition, digital technology allows the customer to order a tour online and pay for it immediately by selecting the required package.

In other words, the digitalization of tourism is one element of digital transformation and the possibility of using tourism products represents a new phase in forming smart tourism.

## 3. Research Questions

One of the most important features of tourism development is cloud technology that allows the travel agency and the customer to interact in real time, increasing the company's competitiveness and reducing time and financial costs. Travel agencies can find potential customers on the Internet by advertising their services to a targeted audience. In this way, cloud technology enables travel companies to communicate effectively with their customers without having to spend additional resources on renting premises. Today, there are many websites designed for tourists to book tickets, hotels, and flats. While choosing the desired location, customers have the opportunity to assess the reliability of the travel agency, as these sites provide the opportunity to rate and leave feedback to customers, which allows them to form a rating of travel agencies (Borisova et al., 2020).

Cloud technology combines three elements: infrastructure, platform, software. We should emphasize that small businesses using cloud technology for their activities show great interest, since, in case of unauthorized access or loss of data, the information is stored on third-party servers. Another advantage of cloud technology is the impossibility of tampering with documents, and users are only allowed to work with the latest version of the document.

Along with advantages, cloud technology also has a number of disadvantages. First, one of these disadvantages is an unstable Internet connection, inability to restore information in case of loss of information, so there is a need to save a copy on third-party servers, low level of information security (Idigova et al., 2019).

Despite the obvious disadvantages, the business community has embraced cloud technology. They include cloud-based technologies such as PMS Cloud, CRM systems, MaxiBooling, HMA Ecvi and others. These cloud-based technologies allow guest houses, hotels and tour operators to automate their operations.

MaxiBooling, for example, presents an automated hotel management system, with the ability to book and pay from any device from anywhere in the world.

Active development of mobile communications is another tool for the digitalization of the travel business. Most travellers keep blogs where they share their travel experiences with readers in real time. On the other hand, travellers prefer to plan their own itineraries by looking up the necessary information on the internet, which leads to a lack of interest in travel agents. This may result in the need for travel agents becoming obsolete over time. On the other hand, the active development of mobile communications allows travel companies to collect customer information, build a profile of the target audience and offer tour packages based on price preferences (Idigova & Rakhimova, 2021).

In the age of the social media boom, many companies started paying close attention to the design of their social media accounts as a tool to attract tourists as well. Bloggers share their holiday experiences on social media by posting pictures, which also influences their choice of holiday destination. According to recent estimates, materials from social media have a stronger impression on the choice of a tourist destination than advertisements on TV. Some brands use hashtags to promote their product, encouraging travellers to share their experiences.

In recent years, it has become more common not to publish content of the sights of an area, but of real people's lives with all their faults. Social media users have become bored with perfect snapshots from

tourist spots and prefer unique images that show life from the unexplored side. One such service is Airbnb Experiences, where locals offer self-designed activities.

In today's world, social media plays a crucial role in the entrepreneurial process and has a huge impact on business development in the tourism industry.

There is now a need for apps that combine all of the above functions: booking tickets, hotels, the ability to get information about boarding or delays, and ordering food when you need to wait for your flight. Megafon was one of the first companies to develop such an application, where the necessary functions are represented by third-party aggregators.

Chatbots, which provide real-time answers to users' questions, have become another tool that has become widespread in recent years. The advantage of chatbots is round-the-clock customer service and automation of work processes, as well as the ability to communicate in different world languages (Idigova et al., 2019).

We would also like to point out that in foreign countries, there is a widespread product like Travel World VR, which allows travel agencies to create VR presentations of tours. Such presentations include not only making films about hotels, but also offering a whole journey through the cities. Unfortunately, this trend is not yet widespread in Russia. However, Russia is moving in the direction of creating digital projects for tourists, including the creation of mobile apps for the region, online maps and guides.

The COVID-19 pandemic has had a negative impact on tourism. In April 2020 alone, the number of user requests fell by 57 % relative to the same period in 2019, but requests for flight reopening and border opening increased.

Therefore, travel companies today must strive to improve their product and develop unique offers without seeking to compete with the giants of the industry.

## 4. Purpose of the Study

The purpose of our study is to look at the application of digital technology in the tourism industry. It requires achieving a number of objectives:

- to identify the main challenges of digitalization of the tourism industry;
- to evaluate the level of application of digital technologies for promoting the tourism industry;
- to analyse the level of application of digital technology in meeting customer needs.

## 5. Research Methods

This article uses statistical and comparative analysis, as well as expert judgement methods, to identify the main problems in developing the digitalization of the tourism sector.

#### 6. Findings

Based on the above, we can note that the development of the digital economy plays a huge role in forming the infrastructure of the tourism industry. We expect that there will soon be a strong focus on developing applications for tourists to include everything from booking tickets to advising services. This

will entail the emergence of new companies with a perfect form of business. In addition, there will be a need for personnel skilled in the use of digital technology to provide tourism services.

In today's world, the tourism industry is transforming, striving to create a unified space for the provision of relevant services. Therefore, tourism companies must actively respond to the introduction of innovative technologies to improve competitiveness.

# 7. Conclusion

Summing up, the tourism industry in today's environment needs to keep pace with the introduction of innovative technologies because digital technologies play an essential role in the emergence of new approaches to transforming the tourism business, which will play a priority role in enhancing competitiveness and efficiency of digital technologies.

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